



● **Board of Directors**
Engineering and Operations Committee

4/10/2018 Board Meeting

7-4

Subject

Adopt CEQA determination and award \$349,000 contract to Shipley Construction & Plumbing to renovate two houses at Hinds Pumping Plant (Appropriation No. 15495)

Executive Summary

This action awards a construction contract to renovate two employee houses at Hinds Pumping Plant on the Colorado River Aqueduct (CRA). The houses will be renovated to a condition that is comparable to the 10 new houses that are currently being constructed at the pumping plant villages.

Timing and Urgency

At each of the five CRA pumping plants, Metropolitan owns houses that are rented to employees involved in the operation and maintenance of the CRA system. Housing is provided for assigned staff due to the remoteness of the facilities, and to ensure an appropriate response time in the event of an emergency that could jeopardize aqueduct flows, damage equipment, or present a safety risk to employees or the general public.

In May 2017, Metropolitan's Board authorized the renovation of approximately 89 houses that require minor or moderate levels of rehabilitation. The goal of these renovations is to improve the existing houses, where practical, to a condition that is similar in nature and scope to the 10 new houses that are currently under construction. Several project delivery methods are being employed for the initial houses to be renovated. Under this approach, staff will compare the cost, timing, and logistics of each method in order to establish the most favorable construction methodology to be followed for the remainder of the houses.

To date, Metropolitan forces have completed the renovation of one house at Eagle Mountain Pumping Plant, and contracts are underway to renovate two houses each at Gene Pumping Plant and Eagle Mountain Pumping Plant. Design has been completed to renovate two additional houses at Hinds Pumping Plant, and staff recommends award of the construction contract at this time.

This project has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the System Reliability Program. No funds are required to be appropriated for this work, as sufficient funds were previously appropriated and are available within Metropolitan's capital expenditure plan for fiscal year 2017/18.

Details

Background

The CRA is a 242-mile-long conveyance system that transports water from the Colorado River to Lake Mathews in Riverside County. It consists of five pumping plants, 124 miles of tunnels, 63 miles of canals, and 55 miles of conduits, siphons, and reservoirs. The aqueduct was constructed in the late 1930s and was placed into service in 1941.

Houses were initially constructed at the CRA pumping plants in the early 1940s. Expansion of the aqueduct's capacity in the 1950s led to the construction of additional houses. Since the 1960s, employee housing has been

reduced from a maximum of 160 units to the current 98 units, primarily due to the increased availability of off-site housing near Intake and Gene Pumping Plants. At present, five houses are located at Intake Pumping Plant, 40 at Gene Pumping Plant, 26 at Iron Mountain Pumping Plant, 15 at Eagle Mountain Pumping Plant, 11 at Hinds Pumping Plant, and one at Copper Basin Reservoir.

Metropolitan has performed routine maintenance on each of the CRA houses since they were built, but following decades of continuous use and exposure to the harsh desert environment, deterioration has occurred. While most of the units may be renovated cost-effectively, several houses have deteriorated beyond repair and are being replaced.

In May and July 2017, Metropolitan's Board authorized a comprehensive program to improve employee housing for the CRA, including: (1) construction of 10 new houses; (2) refurbishment of approximately 89 houses requiring minor or moderate levels of renovation; and (3) upgrade of kitchens and guest lodge facilities at Eagle Mountain and Iron Mountain Pumping Plants.

The goal of the renovations is to improve the existing houses, where practical, so they are comparable to the new houses currently under construction. As a result, staff has prioritized 20 of the houses for renovation under a pilot program, including the two houses at Hinds Pumping Plant that are the subject of this action. While planning and construction to renovate all 89 houses will move forward, the work is being expedited for the initial 20 houses. To date, one house has been renovated by Metropolitan forces, while the renovation of four houses is in progress under two construction contracts.

The condition of the existing houses varies from unit to unit. In order to establish the most favorable project delivery method to complete the renovations, staff has selected several houses that will be addressed in alternate ways. For example, several houses will be renovated by Metropolitan forces, while the subject contract will renovate two houses via a single construction contract. Once the pilot program has been completed, staff will return to the Board with a recommended construction approach and an updated cost estimate to complete the renovations for the remaining 69 houses.

CRA Housing Rehabilitation – Construction (No Funds Required)

The scope of the contract to renovate Houses 42 and 149 at Hinds Pumping Plant includes: (1) upgrading electrical and plumbing systems; (2) installing new doors, windows, and cabinetry for kitchens and bathrooms; (3) replacing roofs and the heating, ventilating, and air conditioning units; (4) repairing structural components such as roof joists and floor foundations; (5) lead and asbestos abatement; (6) sewer and water re-piping; and (7) interior and exterior painting. Metropolitan staff will perform inspection of the construction.

Specifications No. 1931 for the renovation of two houses at Hinds Pumping Plant was advertised for bids on January 18, 2018. As shown in **Attachment 1**, four bids were received and opened on February 22, 2018. The low bid from Shipley Construction & Plumbing in the amount of \$349,000 complies with requirements of the specifications. The three higher bids ranged from \$358,885 to \$465,739, while the engineer's estimate was \$370,000. For this project, Metropolitan established a Small Business Enterprise (SBE) participation level of 10 percent of the bid amount. Shipley Construction & Plumbing is an SBE firm and thus achieves 100 percent participation. The sole subcontractor for this contract is Environmental Construction Group.

This action awards a \$349,000 contract to Shipley Construction & Plumbing for the renovation of two houses at Hinds Pumping Plant. The projected cost to complete the renovation of 89 CRA houses will be developed based on the actual costs incurred during the pilot program for the initial 20 houses.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2017/18 capital expenditure plan. See **Attachment 1** for the Abstract of Bids and **Attachment 2** for the Location Map.

This project is included within capital Appropriation No. 15495, the Operational Support Facility Improvements Appropriation, which was initiated in fiscal year 2015/16. No funds are required to be appropriated for this work, as sufficient funds were previously appropriated and are available within Appropriation No. 15495.

Project Milestone

October 2018 – Completion of renovation of two houses at Hinds Pumping Plant

Policy

Metropolitan Water District Administration Code Section 8121: General Authority of the General Manager to Enter Contracts

By Minute Item 50821, dated May 9, 2017, the Board authorized construction to renovate approximately 89 houses at the CRA pumping plants.

By Minute Item 50880, dated July 11, 2017, the Board authorized an increase in change order authority for the construction contract to build houses at the CRA pumping plants, in order to add two additional new houses at Iron Mountain Pumping Plant.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action was previously determined by the Board to be categorically exempt under Classes 1, 2, 3, and 4 (Sections 15301, 15302, 15303, and 15304 of the State CEQA Guidelines) on May 9, 2017. Since that time, the statute of limitations on the project has ended. With the current action, there is no substantial change proposed since the original project was first approved in 2017. Hence, the previous environmental documentation in conjunction with the project fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act with regard to the proposed action.

The CEQA determination is: Determine that the proposed action was previously determined in the May 9, 2017 Board action as being categorically exempt (Class 1, Class 2, Class 3 and Class 4, Section 15301, 15302, 15303 and 15304 of the State CEQA Guidelines) and that no further environmental analysis or documentation is required.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action was previously determined to be categorically exempt, and

Award \$349,000 contract to Shipley Construction & Plumbing to renovate two houses at Hinds Pumping Plant.

Fiscal Impact: None. Funds for this work were previously appropriated.

Business Analysis: This option will preserve Metropolitan assets and maintain an appropriate standard of living for staff stationed at Metropolitan's desert facilities.

Option #2

Do not proceed with the renovations at this time.

Fiscal Impact: None

Business Analysis: This option would delay the completion of housing renovations planned for the CRA pumping plants.

The Metropolitan Water District of Southern California

Abstract of Bids Received on February 22, 2018 at 2:00 P.M.

**Specifications No. 1931
Hinds Pumping Plant – Renovation of Houses 42 & 149**

The project consists of renovating two homes with detached garages, including the flooring, windows, paint, and plumbing; remodeling kitchens and bathrooms; replacing interior and exterior doors; replacing electrical wiring; and insulating garages.

Engineer's estimate: \$370,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE¹
Shipley Construction & Plumbing Yucca Valley, CA	\$349,000	\$349,000	100	Yes
Visionary Builders, Inc. Colton, CA	\$358,885	-	-	-
BWW & Company Redlands, CA	\$395,000	-	-	-
CopperTop Enterprises, Inc. Orange, CA	\$465,739	-	-	-

¹SBE (Small Business Enterprise) participation level was established at 10% for this contract.

Location Map

