



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

9/11/2018 Board Meeting

REVISED 7-2

Subject

Adopt CEQA determination and appropriate \$870,000; and award \$619,000 contract to Shipley Construction & Plumbing to renovate three houses at Iron Mountain Pumping Plant (Appropriation No. 15495)

Executive Summary

This action awards a construction contract to renovate three employee houses at Iron Mountain 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 were recently 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 were recently constructed. 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, construction of the 10 new houses at Hinds, Eagle Mountain, Iron Mountain, and Gene Pumping Plants has been completed. In addition, five house renovations have been completed and three more are underway. Design has now been completed for the renovation of three additional houses at Iron Mountain Pumping Plant, and staff recommends award of the construction contract at this time.

Based on the results and costs of the efforts thus far to construct the 10 new houses and to renovate the 11 existing houses, staff will return to the Board in December 2018 to review the progress to date on improving housing at the CRA pumping plants, and to discuss strategies for the remaining planned improvements.

This project has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the System Reliability Program. Funds for this action are available within Metropolitan's capital expenditure plan for fiscal year 2018/19.

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 108 units, primarily due to the increased availability of off-site housing near Intake and Gene Pumping Plants.

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; and (2) refurbishment of approximately 89 houses requiring minor or moderate levels of renovation. Construction of the 10 new houses was completed in June 2018. In addition, five house renovations have been completed under a pilot program and three more are underway. Three additional houses will be renovated under the subject construction contract. The goal of these renovations is to improve the existing houses, where practical, so they are comparable to the recently completed new houses.

Due to the varying condition of the existing houses, the total cost to renovate all 89 houses is difficult to estimate. Staff is currently assessing the results and costs to renovate the initial 11 houses along the CRA, and will return to the Board in December 2018 with a recommended approach and an updated cost estimate to complete the renovations for the remaining houses.

CRA Housing Rehabilitation – Construction (\$870,000)

The scope of the contract to renovate Houses 74, 125, and 126 at Iron Mountain 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.

Award of Construction Contract (ShIPLEY Construction & Plumbing)

Specifications No. 1932 for the renovation of three houses at Iron Mountain Pumping Plant was advertised for bids on June 14, 2018. As shown in **Attachment 2**, two bids were received and opened on August 7, 2018. The low bid from ShIPLEY Construction & Plumbing in the amount of \$619,000 complies with requirements of the specifications. The other bid was \$1,085,000, while the engineer's estimate was \$568,000. For this contract, 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 Performance Abatement Services.

This action appropriates \$870,000 and awards a \$619,000 contract to ShIPLEY Construction & Plumbing for the renovation of three houses at Iron Mountain Pumping Plant. In addition to the amount of the contract, the requested funds include \$93,000 for construction inspection; \$62,000 for review of submittals, project management, and contract administration; and \$96,000 for remaining budget.

Metropolitan staff will perform inspection of the construction. For this project, the anticipated cost of inspection is approximately 15 percent of the total construction cost. Engineering Services' goal for inspection of projects with construction less than \$3 million is 9 to 15 percent.

This project is included within capital Appropriation No. 15495, the Operational Support Facility Improvements Appropriation, which was initiated in fiscal year 2015/16. With the present action, the total funding for Appropriation 15495 will increase by \$870,000, from \$15,498,000 to \$16,368,000.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2018/19 capital expenditure plan. See **Attachment 1** for the Financial Statement, **Attachment 2** for the Abstract of Bids, and **Attachment 3** for the Location Map.

Project Milestone

March 2019 – Completion of the renovation of three houses at Iron Mountain 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 desert houses.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed project involves the funding; final design; and minor alterations, reconstruction or replacement of existing public facilities along with the construction of minor appurtenant structures with no expansion of use and no possibility of significantly impacting the physical environment. In addition, the proposed project involves minor modifications in the condition of land, water, and/or vegetation which does not involve removal of healthy, mature, scenic trees. Accordingly, the proposed action qualifies under Class 1, Class 2, Class 3, and Class 4 Categorical Exemptions (Sections 15301, 15302, 15303, and 15304 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under four Categorical Exemptions (Class 1, Section 15301; Class 2, Section 15302; Class 3, Section 15303; Class 4, Section 15304 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is categorically exempt, and

- a. Appropriate \$870,000; and
- b. Award \$619,000 contract to Shipley Construction & Plumbing to renovate three houses at Iron Mountain Pumping Plant.

Fiscal Impact: \$870,000 of capital funds under Appropriation No. 15495

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

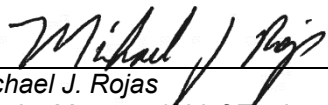
Do not proceed with the renovations at this time.

Fiscal Impact: None

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

Staff Recommendation

Option #1



Michael J. Rojas
Interim Manager/Chief Engineer
Engineering Services

8/31/2018
Date



Jeffrey Kightlinger
General Manager

8/31/2108
Date

Attachment 1 – Financial Statement

Attachment 2 – Abstract of Bids

Attachment 3 – Location Map

Ref# es12656610

Financial Statement for Operations Support Facility Improvements Appropriation

A breakdown of Board Action No. 7 for Appropriation No. 15495¹ is as follows:

	Previous Total Appropriated Amount (May 2018)	Current Board Action No. 7 (Sep. 2018)	New Total Appropriated Amount
Labor			
Studies & Investigations	\$ 538,000	\$ -	\$ 538,000
Final Design	1,368,500	-	1,368,500
Owner Costs (Program mgmt.)	1,108,000	38,000	1,146,000
Submittals Review & Record Drawings	111,000	24,000	135,000
Construction Inspection & Support	240,000	93,000	333,000
Metropolitan Force Construction	1,733,000	-	1,733,000
Incidental Expenses	30,000	-	30,000
Professional/Technical Services	1,908,000	-	1,908,000
Right-of-Way	-	-	-
Equipment Use	-	-	-
Contracts	7,519,618	-	7,519,618
Shipley Construction & Plumbing	-	619,000	619,000
Remaining Budget	941,882	96,000	1,037,882
Total	\$ 15,498,000	\$ 870,000	\$ 16,368,000

Funding Request

Appropriation Name:	Operations Support Facilities Improvements		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15495	Board Action No.:	7
Requested Amount:	\$ 870,000	Budget Page No.:	245
Total Appropriated Amount:²	\$ 16,368,000	Total Appropriation Estimate:	\$ 35,100,000

¹ The total amount expended to date on housing renovations and addition of new houses at the CRA pumping plants is \$10.28 million.

The Metropolitan Water District of Southern California

Abstract of Bids Received on August 7, 2018 at 2:00 P.M.

**Specifications No. 1932
Iron Mountain Pumping Plant – Renovation of Houses 74, 125, & 126**

The project consists of renovating three houses 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: \$568,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE¹
Shipley Construction & Plumbing Yucca Valley, CA	\$619,000	\$619,000	100	Yes
Caltec Corporation Westminster, CA	\$1,085,000	-	-	-

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

Location Map

