



- Board of Directors  
*Engineering and Operations Committee*

10/8/2019 Board Meeting

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**7-1**

## **Subject**

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Award \$594,480 contract to Kaveh Engineering & Construction, Inc. for rehabilitation of Service Connection A-06 on the East Orange Feeder No. 2; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## **Executive Summary**

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This action awards a contract to rehabilitate Service Connection A-06 on the East Orange County Feeder No. 2. Service Connection A-06 serves the city of Anaheim. The flow meter, valve, and adjacent piping have deteriorated after more than 50 years of operation and need to be replaced. Further deterioration could result in an unplanned shutdown of the service connection for urgent repairs. Metropolitan owns and maintains the service connection, and is therefore responsible for needed repairs pursuant to Administrative Code Section 4700(b).

## **Details**

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### **Background**

The East Orange County Feeder No. 2 was constructed in 1964 under a joint powers agreement between Metropolitan, the cities of Anaheim and Santa Ana, and the Municipal Water District of Orange County. This feeder originates at the Robert B. Diemer Water Treatment Plant in Yorba Linda and extends south for 25 miles through the cities of Anaheim, Orange, Santa Ana, and Irvine. There are 16 service connections to Metropolitan member agencies on this feeder.

Service Connection A-06, which serves the city of Anaheim, includes a turnout vault and a separate meter vault, both of which are located beneath the northbound lanes of Tustin Avenue in the city of Anaheim. The structures contain an 18-inch conical plug valve, a 24-inch venturi meter, a 24-inch check valve, and associated piping and electrical systems.

Gradual corrosion from over 50 years of operation in a damp underground environment has led to deterioration of the valves, venturi meter, and associated equipment. In 2014, a leak was discovered and repaired on the venturi meter. Since that time, leaks have reappeared at an increasing frequency. Failure of piping at the service connection could affect treated water deliveries to the city of Anaheim and could potentially cause local surface impacts. In May 2017, the Board authorized design and procurement activities to rehabilitate the service connection. Design is now complete, and the construction contract is ready to proceed.

In October 2018, the Board appropriated funds and authorized the General Manager to initiate or proceed with work on all capital projects identified in the Capital Investment Plan (CIP), subject to any limits on the General Manager's authority and CEQA requirements. This project has been reviewed with Metropolitan's CIP prioritization criteria and was approved by Metropolitan's CIP Evaluation Team to be included in the Distribution System Reliability Program.

In accordance with the October 2018 action, the General Manager will authorize staff to proceed with construction of the Service Connection A-06 rehabilitation pending board award of the contract described below. Funds for the work to be performed, pursuant to the subject contract during the current biennium, are available within the Capital Investment Plan Appropriation for Fiscal Years 2018/19 and 2019/20 (Appropriation No. 15509).

### **Service Connection A-06 Rehabilitation – Construction**

The scope of the construction contract includes replacement of the meter, valves, and associated piping; upgrade of the vaults' electrical systems; removal of the monolithic roof slabs and replacement with segmented lids; street closure and traffic control; abatement of hazardous materials; and site restoration.

A total of \$1.1 million is required for this work. In addition to the amount of the contract described below, other funds to be allocated include: \$89,000 for construction inspection; \$54,000 for Metropolitan staff for shutdown related activities; \$146,000 for submittals review, technical support during construction, responding to requests for information, and preparation of record drawings; \$94,000 for hazardous material compliance monitoring, contract administration, and project management; and \$122,520 for remaining budget.

**Attachment 1** provides the allocation of the required funds. The total estimated cost of the Service Connection A-06 rehabilitation, including the amount allocated to date and funds allocated for the work described in this action, is approximately \$1.83 million. Approximately \$725,000 has been expended on this project to date, which includes procurement of valves and meter.

#### ***Award of Construction Contract (Kaveh Engineering & Construction, Inc.)***

Specifications No. 1943 for the Service Connection A-06 rehabilitation was advertised for bids on July 3, 2019. As shown in **Attachment 2**, five bids were received and opened on August 15, 2019. The low bid from Kaveh Engineering & Construction, Inc. in the amount of \$594,480 complies with the requirements of the specifications. The four higher bids ranged from approximately \$629,500 to \$910,000, while the engineer's estimate for this project was \$854,000. For this contract, Metropolitan established a Small Business Enterprise (SBE) participation level of at least 25 percent of the bid amount. Kaveh Engineering & Construction, Inc. is an SBE firm, and thus achieves 100 percent participation. The subcontractors for this contract are listed in **Attachment 3**.

This action awards a \$594,480 contract to Kaveh Engineering & Construction, Inc. for the rehabilitation of Service Connection A-06 on the East Orange County Feeder No. 2.

As described above, construction inspection will be performed by Metropolitan staff. Engineering Services' performance metric target range for inspection of projects with construction less than \$3 million is 9 to 15 percent. For this project, the performance metric goal for inspection is 13.7 percent of the total construction cost. The total cost of construction for this project is \$648,480, which includes the amount of the contract (\$594,480) and Metropolitan force activities (54,000).

#### **Summary**

This action awards a \$594,480 contract to Kaveh Engineering & Construction, Inc. for rehabilitation of Service Connection A-06 on the East Orange County Feeder No. 2. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the listing of Subcontractors for Low Bidder, and **Attachment 4** for the Location Map.

#### ***Project Milestone***

May 2020 – Completion of construction to rehabilitate Service Connection A-06

#### **Policy**

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 50817, dated May 9, 2017, the Board authorized final design of the Service Connection A-06 rehabilitation

By Minute Item 51353, dated October 9, 2018, the Board appropriated a total of \$290 million for projects identified in the Capital Investment Plan for Fiscal Years 2018/19 and 2019/20.

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The overall activities involve the funding, design, minor alterations and replacement of existing public facilities with negligible or no expansion of use and no possibility of significantly impacting the physical environment. Accordingly, the proposed action qualifies under Class 1 and Class 2 Categorical Exemptions (Sections 15301 and 15302 of the State CEQA Guidelines).

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Award \$594,480 contract to Kaveh Engineering & Construction, Inc. for rehabilitation of Service Connection A-06 on the East Orange County Feeder No. 2.

**Fiscal Impact:** \$1.1 million in capital funds

**Business Analysis:** This project will maintain delivery reliability and reduce the risk of costly unplanned repairs.

### Option #2

Do not proceed with rehabilitation of Service Connection A-06 at this time.

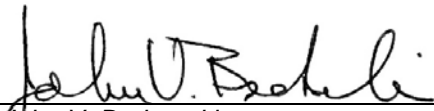
**Fiscal Impact:** None

**Business Analysis:** This option would forego an opportunity to enhance delivery reliability, and to reduce the risk of costly urgent repairs.

## Staff Recommendation

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### Option # 1

  
 \_\_\_\_\_ 9/16/2019  
 John V. Bednarski Date  
 Manager/Chief Engineer  
 Engineering Services

  
 \_\_\_\_\_ 9/19/2019  
 Jeffrey Kightlinger Date  
 General Manager

**Attachment 1 – Allocation of Funds**

**Attachment 2 – Abstract of Bids**

**Attachment 3 – Subcontractors for Low Bidder**

**Attachment 4 – Location Map**

Ref# es12668973

### Allocation of Funds for Service Connection A-06 Rehabilitation

	<b>Current Board Action (Oct. 2019)</b>
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt., envir. monitoring)	94,000
Submittals Review & Record Drwgs.	146,000
Construction Inspection & Support	89,000
Metropolitan Force Construction	54,000
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Right-of-Way	-
Equipment Use	-
Contracts	-
Kaveh Engineering & Construction, Inc.	594,480
Remaining Budget	122,520
<b>Total</b>	<b>\$ 1,100,000</b>

The total amount expended to date to rehabilitate Service Connection A-06 is approximately \$725,000. The total estimated cost of the Service Connection A-06 rehabilitation, including the amount allocated to date and funds allocated for the work described in this action, is approximately \$1.8 million.

**The Metropolitan Water District of Southern California**

**Abstract of Bids Received on August 15, 2019, at 2:00 P.M.**

**Specifications No. 1943  
Service Connection A-06 Rehabilitation**

The work includes excavation, shoring, replacement of existing 24-inch meter and valve with Metropolitan-furnished valves and meter, traffic control, abatement of hazardous materials, and site restoration.

Engineer's estimate: \$854,000

<b>Bidder and Location</b>	<b>Total</b>	<b>SBE \$</b>	<b>SBE %</b>	<b>Met SBE<sup>1</sup></b>
<b>Kaveh Engineering &amp; Construction, Inc. Orange, CA</b>	<b>\$594,480</b>	<b>\$594,480</b>	<b>100%</b>	<b>Yes</b>
DVD Construction Anaheim, CA	\$629,500	-	-	-
Zusser Company, Inc. Los Angeles, CA	\$669,409	-	-	-
MMC, Inc. La Palma, CA	\$874,000	-	-	-
Teichert Construction Roseville, CA	\$910,000	-	-	-

<sup>1</sup> Small Business Enterprise (SBE) participation level established at 25% for this contract.

**The Metropolitan Water District of Southern California**

**Subcontractors for Low Bidder**

**Specifications No. 1943  
Service Connection A-06 Rehabilitation**

Low bidder: Kaveh Engineering & Construction, Inc.

<b>Subcontractor and Location</b>
Performance Abatement Services Anaheim, CA
Regan Paving, Inc. Corona, CA

