



- Board of Directors
Engineering and Operations Committee

1/12/2021 Board Meeting

7-3

Subject

Award \$448,900 contract to MCL Constructors, Inc. to make improvements to the Lake Mathews Disaster Recovery Facility; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The Lake Mathews Disaster Recovery Facility (Facility) houses electrical switchgear equipment and telecommunication hardware that support the operation of Lake Mathews and its appurtenant facilities. Recent investigations have identified that improvements are needed to enhance the overall reliability of the Facility. This action awards a construction contract to upgrade the fire suppression system within the building, strengthen the seismic resilience of the building, and improve local drainage and slope stability in the vicinity of the Facility.

Details

Background

The Facility is a 1,600-square foot masonry building with a flat, steel roof located at Lake Mathews. The Facility houses electrical switchgear which controls, protects, and isolates electrical equipment necessary for the operation of Lake Mathews, including the outlet tower; telecommunication equipment for dam safety instrumentation and pipeline flow data; and the supervisory control and data acquisition system that is used to monitor and control the Lake Mathews facility. Metropolitan constructed the Facility to house back-up equipment to ensure the reliable and timely recovery of Information Technology (IT) business capabilities in 2000. In early 2021, this function will be transferred to an off-site cloud-based storage. However, this facility remains critical for the operation of the Lake Mathews water delivery facilities.

Staff has identified the need to make upgrades to the Facility in order to ensure overall service reliability. A seismic assessment of the facility identified that the building could be damaged during a major earthquake. In addition to its seismic vulnerability, the facility is located approximately eight feet from the edge of a 50-foot tall slope. The crest of the slope has eroded over the years due to run-off from the building roof and adjacent area. If not addressed, continued erosion may eventually undermine the foundation of the building. The existing fire suppression system is undersized for the building's current use and may not adequately protect critical equipment in the event of a fire. Finally, the existing heating, ventilation, and air conditioning system lacks remote connectivity for quick recovery after a power outage.

In May 2018, Metropolitan's Board authorized design to improve the Facility. Design of the improvements is complete, and staff recommends award of a construction contract at this time.

In accordance with the April 2020 action on the biennial budget for Fiscal Years 2020/21 and 2021/22, the General Manager will authorize staff to proceed with the upgrade of the Facility, pending board award of the contract described below. Based on the current Capital Investment Plan (CIP) expenditure forecast, funds for the work to be performed pursuant to this action during the current biennium are available within the Capital Investment Plan Appropriation for Fiscal Years 2020/21 and 2021/22 (Appropriation No. 15517). This project has been reviewed in accordance with Metropolitan's CIP prioritization criteria and was approved by Metropolitan's CIP evaluation team to be included in the System Reliability Program.

Lake Mathews Disaster Recovery Facility Upgrades – Construction

The scope of the construction contract includes installing a new stormwater drainage line and constructing a retaining wall to ensure stability of the nearby slope; strengthening the structural connections on the building's roof and bracing the interior walls to resist seismic events; making upgrades to the fire suppression system; and installing an access system to permit the local firefighting agency to enter the facility. Metropolitan forces will upgrade the heating, ventilation, and air conditioning (HVAC) system to allow remote operation from the Eagle Rock Control Facility. The addition of the remote switching device will allow the existing HVAC system to be remotely monitored, reset, or turned on and off without staff having to travel to the Facility.

A total of \$985,000 is required for this work. In addition to the amount of the contract described below, other funds to be allocated include \$91,000 for construction inspection; \$81,000 for submittal review, technical support during construction, responding to requests for information, and preparation of record drawings; \$175,000 for HVAC and control system upgrades by Metropolitan staff as detailed above; \$101,000 for contract administration and project management; and \$88,100 for remaining budget.

Award of Construction Contract (MCL Constructors, Inc.)

Specifications No. 1945 for the upgrades of the Facility was advertised for bids on October 1, 2020. As shown in **Attachment 2**, one bid was received and opened on November 12, 2020. The low bid from MCL Constructors, Inc. in the amount of \$448,900 complies with the requirements of the specifications. The engineer's estimate was \$472,000. Staff investigated the reason for the lone bid and believes this can be attributed to the competitive construction climate, which makes it difficult to attract bidders for a small contract that requires specialized subcontractors (fire suppression and fire alarm) and multiple trades. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 25 percent of the bid amount. MCL Constructors, Inc. has committed to meet this level of participation. The subcontractors for this contract are listed in **Attachment 3**.

This action awards a \$448,900 contract to MCL Constructors, Inc. for the Facility upgrades. 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 14.6 percent of the total construction cost. The total cost of construction for this project is \$623,900, which includes the construction contract (\$448,900) and Metropolitan force construction (\$175,000).

Alternatives Considered

Early in the design process, staff determined that business-resumption IT functions that were situated in the building would be transferred to a cloud-based system. However, the Facility also contains critical telecommunications, electrical switchgear, and a remote terminal unit for lake and hydroelectric plant operations. These additional components are not suitable for being transferred to a cloud-based solution, and therefore need to remain on-site in a building. Staff considered constructing a new building to accommodate the remaining equipment; and in this assessment, it was determined that upgrading the existing facility is more cost-effective than constructing a new building. Staff also examined the potential to move the remaining equipment to another building elsewhere on the site, but ultimately concluded that there are no suitable existing alternative buildings on the site to accommodate the relocated equipment and critical site support functions. Consequently, staff has recommended making improvements to the existing building.

Summary

This action awards \$448,900 to MCL Constructors, Inc. to upgrade the Facility. The total estimated cost of the Facility, including the amount allocated to date and funds allocated for the work described in this action, is \$1,585,000. Approximately \$600,000 has been expended on this project to date.

See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, and **Attachment 3** for the listing of Subcontractors for Low Bidder.

Project Milestone

August 2021 – Complete construction

Policy

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 51190, dated May 08, 2018, the Board authorized final design to upgrade the Lake Mathews Disaster Recovery Facility.

By Minute Item 51963, dated April 13, 2020, the Board appropriated a total of \$500 million for projects identified in the Capital Investment Plan for Fiscal Years 2020/21 and 2021/22.

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 action involves operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. In addition, the proposed action includes the replacement and reconstruction of existing structures and facilities where the new structure will be located on the same site and as the structure replaced and will have the same purpose and capacity as the structure replaced. Further, the proposed action includes the construction and location of limited numbers of new, small facilities or structures: installations of small new equipment and facilities in small structures and the conversion of existing small structures from one use to another where only minor modifications are in the exterior of the structure. The numbers of structures described in this section are the maximum allowable on any legal parcel with negligible or no expansion of use and no possibility of significantly impacting the physical environment. Accordingly, the proposed action qualifies under Class 1, Class 2, and Class 3 Categorical Exemptions (Sections 15301, 15302, and 15303 of the State CEQA Guidelines)

CEQA determination for Option #2:

None required

Board Options

Option #1

Award \$448,900 contract to MCL Constructors, Inc. to improve the Disaster Recovery Facility.

Fiscal Impact: Expenditure of \$985,000 in capital funds. All costs will be incurred in the current biennium and have been previously authorized.

Business Analysis: This project will enhance the reliability of Lake Mathews facilities.

Option #2

Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: This option would forgo an opportunity to improve reliability of the Disaster Recovery Facility and to protect critical infrastructure.

Staff Recommendation

Option #1



John V. Bednarski
Chief Engineer
Engineering Services

12/18/2020
Date



Jeffrey Kightlinger
General Manager

12/28/2020
Date

Attachment 1 – Allocation of Funds

Attachment 2 – Abstract of Bids

Attachment 3 – List of Subcontractors

Ref# es 12677015

The Metropolitan Water District of Southern California

Abstract of Bids Received on November 12, 2020, at 2:00 P.M.

Specifications No. 1945

Lake Mathews Disaster Recovery Facility Improvements

The project consists of excavation of walkway and slope; installation of new drainage line; construction of a retaining wall for slope stabilization; structural strengthening of roof connections; bracing interior walls; upgrading the fire suppression system; installation of an access system for local fire fighting agency to access the facility; and site restoration.

Engineer's estimate: \$472,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE ¹
MLC Constructors, Inc. Wildomar, CA	\$448,900	\$112,225	25%	Yes

¹ 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. 1945
Lake Mathews Disaster Recovery Facility Improvements

Low bidder: MCL Constructors, Inc.

Subcontractor and Location
Regency Shark Fire Services, Inc. Van Nuys, CA
RM Systems, Inc. Lake Elsinore, CA