



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

9/12/2023 Board Meeting

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**8-1**

**Subject**

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Award a \$15,681,000 contract to Steve P. Rados Inc. to construct an intertie between Inland Feeder and Rialto Pipeline as part of the water supply reliability improvements in the Rialto Pipeline service area; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (This action is part of a series of projects that are being undertaken to improve the supply reliability for State Water Project dependent member agencies)

**Executive Summary**

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The recent state-wide drought and resulting low allocation of State Water Project (SWP) supplies by the California Department of Water Resources (DWR) directly impacted Metropolitan's ability to deliver water to the Rialto Pipeline service area. Construction of infrastructure improvements to enable the delivery of water from Diamond Valley Lake (DVL), and the Colorado River Aqueduct (CRA), would benefit this area and preserve limited SWP supplies for the West Branch SWP member agencies. This action awards a construction contract to construct a pipeline interconnecting the Inland Feeder and Rialto Pipeline. This project is the second of four associated projects which are currently underway to enable the direct delivery of water from DVL to the Rialto Pipeline through the Inland Feeder to improve water supply reliability for SWP-dependent member agencies.

**Details**

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**Background**

The Rialto Pipeline, constructed in 1972, is approximately 30 miles long with a diameter ranging from 96 inches to 144 inches. It conveys untreated water from DWR's Lake Silverwood to Metropolitan's Live Oak Reservoir and ultimately into the F.E. Weymouth Water Treatment Plant in La Verne. Member agencies with service connections on the Rialto Pipeline include the Inland Empire Utilities Agency, Three Valleys Municipal Water District, and the Upper San Gabriel Valley Municipal Water District. These agencies use the untreated water for groundwater replenishment or as the source water to their water treatment plants.

Metropolitan's DVL provides emergency storage in the event of a major earthquake, carryover storage as a reserve for drought conditions, and seasonal storage to meet annual member agency demands. DVL is Metropolitan's largest reservoir, with a maximum storage capacity of 810,000 acre-feet. At this time, the Rialto Pipeline is unable to access the water stored in DVL due to infrastructure and operational constraints and hydraulic limitations.

In December 2021, the Board authorized amending the Capital Investment Plan (CIP) to include water supply reliability improvements in the Rialto Pipeline service area. The improvements include the Wadsworth Pumping Plant Bypass Pipeline, the Inland Feeder Rialto Pipeline Intertie, the Inland Feeder Badlands Tunnel Surge Protection Facility, and a connection between the Inland Feeder and San Bernardino Valley Municipal Water District's (SBVMWD) Foothill Pump Station near the city of Highland. When the Rialto Pipeline Water Supply Reliability Improvements are completed, Metropolitan will be able to deliver up to 107 cfs of water from DVL or the CRA to the Rialto Pipeline. These infrastructure improvements would significantly increase operational flexibility and enhance the water supply reliability to member agencies with service connections on the Rialto Pipeline. These projects will indirectly benefit West Branch SWP member agencies during times of drought by

allowing limited SWP supplies to be allocated to the West Branch of the SWP facilities while DVL water complements supplies to East Branch-dependent areas.

Work activities on the projects are currently underway, either in the design or construction phases. In January 2023, the Board awarded a construction contract for the Wadsworth Pumping Plant Bypass Pipeline. Design activities for the Inland Feeder Rialto Pipeline Intertie are complete, and staff recommends proceeding with construction. Design and right-of-way acquisition for the Badlands Tunnel Surge Protection Facility and SBVMWD Foothill Pump Station Intertie is anticipated to be completed by Fall 2023.

### **Budget Impact**

In accordance with the April 2022 action on the biennial budget for fiscal years 2022/23 and 2023/24, the General Manager will authorize staff to proceed with construction of the Inland Feeder Rialto Pipeline Intertie, pending board award of the construction contract described below. Based on the current CIP expenditure forecast, funds for the work to be performed pursuant to the subject contracts during the current biennium are available within the CIP Appropriation for fiscal years 2022/23 and 2023/24 (Appropriation No. 15525). This action anticipates an expenditure of \$20 million in capital funds, of which approximately \$3.2 million will be incurred in the current biennium. 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 Supply Reliability Program.

### **Inland Feeder/Rialto Pipeline Intertie – Construction**

The scope of the construction contract consists of installing approximately 250 feet of 96-inch-diameter steel pipe near DWR's Devil Canyon Second Afterbay facility to connect the Inland Feeder to the Rialto Pipeline. The project also includes concrete encasement of the connecting tees, construction of a partially buried isolation valve structure, installation of a large-diameter valve, and construction of a buried electrical duct bank and associated wiring. Metropolitan forces will dewater the pipelines, establish clearances, and return the system to service. The interconnection work will be conducted during a planned shutdown scheduled in early 2025.

A total of \$20 million is required to do this work. In addition to the contract amount, allocated funds for work by Metropolitan staff include: \$1,524,000 for construction management and inspection; \$632,000 for Metropolitan force shutdown activities; \$626,000 for submittals review, responding to requests for information, and preparation of record drawings; \$155,000 for Metropolitan-furnished materials and incidental expenses; \$365,000 for contract administration, environmental monitoring support, Project Labor Agreement (PLA) administration, and project management; and \$1,017,000 for remaining budget.

### ***Award of Construction Contract (Steve P. Rados Inc.)***

Specifications No. 2021 for the construction of the Inland Feeder/Rialto Pipeline Intertie was advertised on June 2, 2023. As shown in **Attachment 2**, three bids were received and opened on August 9, 2023. The apparent low bidder requested to be released from its bid in accordance with the Public Contract Code due to an inadvertent clerical error made during the bidding process, which materially changed its bid. The second low bid from Steve P. Rados in the amount of \$15,681,000 complies with the requirements of the specifications. The engineer's estimate for this project was \$14 million. Staff investigated the difference between the engineer's estimate and the low bid. The key differences are attributed to the increased cost for pipe fabrication and concrete encasement around the pipe, as well as electrical and instrumentation material costs which were higher than staff's estimates due to inflation and supply chain trends that were identified by the contractor. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 20 percent of the bid amount. Steve P. Rados Inc. has committed to meeting this participation level. The subcontractors for this contract are listed in **Attachment 3**. This contract will be conducted under the terms of Metropolitan's PLA.

As described above, Metropolitan staff will perform construction management and inspection. The total cost of construction for this project is \$18,441,000, which includes the amount of the contract (\$15,681,000), a Metropolitan-furnished 84-inch diameter butterfly valve and other previously procured materials (\$1,988,000), and Metropolitan force activities and materials (\$772,000). Engineering Services' performance metric goal for inspection of projects with construction greater than \$3 million is 9 to 12 percent. For this project, the performance metric for inspection is 8.3 percent of the total construction cost.

## Alternatives Considered

Staff considered awarding the Inland Feeder/Rialto Pipeline Intertie Project without the task to install the isolation valve. Instead, the contractor would use bulkheads and spool pieces to isolate and direct flows until the valve is delivered. This option would move forward with the infrastructure necessary to provide water from DVL to the Rialto Pipeline service area and defer the installation of the valve until it is delivered. Staff would return to the Board later to award a separate construction contract, or utilize Metropolitan forces to install the valve, which would likely result in additional costs due to design costs for a new contract and mobilization and inspection costs for a new project.

The selected alternative includes the installation of an 84-inch diameter isolation butterfly valve in the Inland Feeder/Rialto Pipeline Intertie Project. The Board awarded a procurement contract for the valve in August 2022, and delivery is expected by June 2024. The valve was procured in advance since the valves have a long fabrication and delivery cycle. The valve manufacturing industry continues to struggle with supply chain complexities; however, given the estimated construction completion date of March 2025, there is a high likelihood that the valve will be available for installation, which would result in the lowest overall contract cost and an accelerated completion date. If valve delivery is delayed, Metropolitan would proceed with the fabrication of bulkheads and spool pieces to minimize contract delays.

## Summary

This action awards a \$15,681,000 contract to Steve P. Rados Inc. to construct the Inland Feeder/Rialto Pipeline Intertie. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the Listing of Subcontractors for the Low Bidder, and **Attachment 4** for the Location Map.

## Project Milestone

March 2025 – Complete construction of the Inland Feeder Rialto Pipeline Intertie

## 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 52622, dated December 14, 2021, the Board authorized amending the Capital Investment Plan to include infrastructure improvements that would enhance water delivery capabilities to member agencies that can only receive State Project Water.

By Minute Item 52938, dated August 16, 2022, the Board authorized procurement of three 84-inch diameter butterfly valves.

By Minute Item 53095, dated January 10, 2023, the Board awarded a construction contract for the Wadsworth Pumping Plant Eastside Pipeline Intertie.

By Minute Item 52778, dated April 12, 2022, the Board appropriated a total of \$600 million for projects identified in the Capital Investment Plan for Fiscal Years 2022/2023 and 2023/2024.

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action consists of the installation of a new pipeline or the maintenance, repair, replacement, removal, or demolition of an existing pipeline of less than one mile in length within a public right-of-way. Accordingly, the proposed actions qualify under a statutory exemption (Section 21080.21 of the California Public Resources Code and Section 15282(k) of the State CEQA Guidelines). Additionally, the proposed actions are categorically exempt under the provisions of CEQA and the State CEQA Guidelines. In particular, the proposed action consists of the minor alterations and of construction and location of limited numbers of new, small facilities or structures with negligible or no expansion of use and no possibility of significantly impacting the physical environment. Further, the proposed action consists of public or private alterations in the condition of land, water, and/or vegetation,

which do not involve removal of healthy, mature, scenic trees. Accordingly, the proposed action qualifies under Class 1, Class 3, Class 4 Categorical Exemptions (Sections 15301, 15303, and 15304 of the State CEQA Guidelines).

**CEQA determination for Option #2:**

None required

**Board Options**

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**Option #1**

Award a \$15,681,000 contract to Steve P. Rados Inc. to construct an intertie pipeline between the Inland Feeder and Rialto Pipeline. This project is part of water supply reliability improvements in the Rialto Pipeline service area.

**Fiscal Impact:** Expenditure of \$20 million in capital funds. Approximately \$3.2 million will be incurred in the current biennium and have been previously authorized. The remaining funds from this action will be accounted for in the next biennial budget.

**Business Analysis:** This option will improve the operational reliability of water deliveries to member agencies with connections to the Rialto Pipeline.

**Option #2**

Do not proceed with the project at this time.

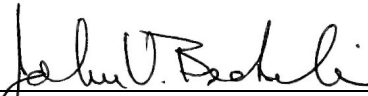
**Fiscal Impact:** None

**Business Analysis:** This option would forego improving the reliability of service to those member agencies with connections to the Rialto Pipeline.

**Staff Recommendation**

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Option #1

  
\_\_\_\_\_  
John V. Bednarski  
Manager/Chief Engineer  
Engineering Services

8/24/2023  
Date

  
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Adel Hagekhalil  
General Manager

8/28/2023  
Date

**Attachment 1 – Allocation of Funds**

**Attachment 2 – Abstract of Bids**

**Attachment 3 – Subcontractors for Low Bidder**

**Attachment 4 – Location Map**

### **Allocation of Funds for Inland Feeder/Rialto Pipeline Intertie**

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	<b>Current Board Action (Sep. 2023)</b>
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt., envir. monitoring)	365,000 -
Submittals Review & Record Drwgs.	626,000
Construction Inspection & Support	1,524,000
Metropolitan Force Construction	632,000
Materials & Supplies	140,000
Incidental Expenses	15,000
Professional/Technical Services	-
Right-of-Way	-
Contracts	
Steve P. Rados Inc.	15,681,000
Remaining Budget	1,017,000
<b>Total</b>	<b>\$ 20,000,000</b>

The total amount expended for the Inland Feeder/Rialto Pipeline Intertie is approximately \$2,800,000. The total estimated cost to complete this project, including funds spent to date and funds allocated for the work described in this action, is \$22.8 million.

**The Metropolitan Water District of Southern California**  
**Abstract of Bids Received on August 9, 2023, at 2:00 P.M.**

**Specifications No. 2021**  
**Inland Feeder Rialto Pipeline Intertie**

The work consists of furnishing and installing approximately 250 linear feet of 96-inch diameter welded steel pipe; construction of a valve structure; installation of Metropolitan-furnished valves; removal and disposal of pipe coating material.

Engineer's estimate: \$14 million

<b>Bidder and Location</b>	<b>Total</b>	<b>SBE \$</b>	<b>SBE %</b>	<b>Met SBE<sup>1</sup></b>
James W. Fowler Dallas, OR <sup>2</sup>	\$12,831,977	-	-	-
<b>Steve P. Rados Inc.</b> <b>Santa Ana, CA</b>	<b>\$15,681,000</b>	<b>\$3,136,000</b>	<b>20</b>	<b>Yes</b>
Mladen Buntich Construction Co. Inc. Upland, CA	\$17,954,000	-	-	-

<sup>1</sup> Small Business Enterprise (SBE) participation level established at 20% for this contract.

<sup>2</sup> James W. Fowler requested to be released from its bid in accordance with the Public Contract Code due to an inadvertent clerical error made during the bidding process, which materially changed its bid.

**The Metropolitan Water District of Southern California****Subcontractors for Low Bidder****Specifications No. 2021  
Inland Feeder/Rialto Pipeline Intertie**

Low bidder: Steve P. Rados Inc.

<b>Subcontractor and Location</b>	<b>Service Category, Specialty</b>
Deans Certified Weilding Inc. Temecula, CA	Welding
CMC Rebar San Bernardino, CA	Rebar
Southern Contracting Company San Marcos, CA	Electrical
Southwest V-Ditch Riverside, CA	Concrete, V-Ditch
Capital Industrial Coatings Huntington Beach, CA	Painting
Matrix Environmental Long Beach, CA	Asbestos/Coal Tar Removal

# Distribution System

