THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Action

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

7/8/2025 Board Meeting

8-2

Subject

Authorize (1) an amendment to an existing design-build agreement with J.F. Shea Construction Inc. to initiate Phase 2 of the Sepulveda Pump Stations project, including a $52.96 million increase for a new not-to-exceed amount of $103.36 million; (2) an increase of $810,000 to an existing agreement with Carollo Engineers Inc. for a new not-to-exceed amount of $3.3 million to serve as the owner's advisor; and (3) an increase of $296,000 to an existing agreement with Parametrix Inc. for a new not-to-exceed amount of $545,000 for cost estimating and scheduling services; the General Manager has determined that the proposed action is categorically exempt or otherwise not subject to CEQA

Executive Summary

The statewide drought that ended in 2023 resulted in historically low allocation of State Water Project (SWP) supplies that impacted Metropolitan's ability to deliver water to the SWP-dependent west service area. The Sepulveda Feeder Pump Stations Project will construct two new pump stations, one each at the existing Venice and Sepulveda Canyon pressure control facilities, utilizing the progressive design-build (PDB) project delivery method to expedite the development of these pump stations. The project will enable deliveries of 30 cfs of Colorado River Aqueduct (CRA) and Diamond Valley Lake (DVL) water supplies to State Water Project-dependent agencies in Metropolitan's west service area, mitigating future SWP shortages. The initial project will include provisions for expanding the pump stations up to 160 cfs under a future project.

This action authorizes an amendment to an existing PDB agreement with J.F. Shea Construction Inc. (J.F. Shea) to initiate Phase 2 of the Sepulveda Pump Stations project, including a $52.96 million increase for a new not-to-exceed amount of $103.36 million, and an increase to two existing agreements for owner's advisor and cost estimating/scheduling services for the project. This initial release of Phase 2 work includes completion of design for both sites, construction of all facilities at the Venice site, and demolition work at the Sepulveda Canyon site. Staff plans to return to the Board to authorize additional increases to the agreement for construction at the Sepulveda Canyon site in support of the 30 cubic feet per second (cfs) project.

See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the List of Subcontractors, and **Attachment 3** for the Location Map.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

a. Authorize an amendment to an existing design-build agreement with J.F. Shea Construction Inc. for design-build services to initiate Phase 2 of the Sepulveda Feeder Pump Stations project, including an increase of $52.96 million for a new not-to-exceed amount of $103.36 million;

b. Authorize an increase of $810,000 to an existing agreement with Carollo Engineers Inc. for a new not-to-exceed amount of $3.3 million to serve as the owner's advisor through the Phase 2 design-build agreement; and
c. Authorize an increase of $296,000 to an existing agreement with Parametrix Inc. for a new not-to-exceed amount of $545,000 for cost estimating and scheduling services through Phase 2.

Fiscal Impact: Expenditure of $77 million in capital funds. Approximately $50 million will be incurred in the current biennium and has been previously authorized. The remaining funds from this action will be accounted for in the next biennial budget.
Business Analysis: The project will expand Metropolitan's ability to serve Diamond Valley Lake and Colorado River water to a portion of the distribution system that normally receives water from the State Water Project and will provide an alternate route to deliver treated water to the west service area during emergencies or when major feeders are removed from service for rehabilitation.

Option #2

Do not authorize Phase 2 of the project at this time.
Fiscal Impact: None
Business Analysis: This option would forego an opportunity to increase the flexibility of Metropolitan's system and reduce water supply risks associated with California's drought.

Alternatives Considered

Staff initially considered one guaranteed maximum price (GMP) for Phase 2 of the Sepulveda Feeder Pump Stations project. This would allow one single authorization to complete construction. To facilitate construction using separate work packages, staff now proposes multiple GMPs for Phase 2 of the project to allow the PDB entity to execute construction activities in a sequential manner as design packages for individual sites are completed. This approach will allow work at the Venice Pump Station site to commence while providing additional time for design work at the more complex Sepulveda Canyon Control Facility site. The separate GMPs approach will lead to well-defined work packages as significant scope and construction uncertainties are eliminated. This option will allow staff to negotiate the best price for the remaining Phase 2 work.

Applicable Policy

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

Metropolitan Water District Administrative Code Section 8148: Alternative Project Delivery

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

By Minute Item 52703, dated February 8, 2022, the Board authorized the West Area Water Supply Reliability Improvements.

By Minute Item 53188, dated March 14, 2023, the Board authorized amendments to the Metropolitan Water District Administrative Code to provide for the implementation of new legislation authorizing the use of alternative project delivery methods.

By Minute Item 53377, dated September 12, 2023, the Board authorized an agreement for Phase 1 design-build services for the Sepulveda Feeder Pump Stations Project.

By Minute Item 53598, dated April 9, 2024, the Board appropriated a total of $636.48 million for projects identified in the Capital Investment Plan for Fiscal Years 2024/25 and 2025/26.

By Minute Item 53718, dated July 9, 2024, the Board amended the agreement for design-build services for the Sepulveda Feeder Pump Stations Project.

By Minute Item 53791, dated September 10, 2024, the Board amended the agreement for design-build services for the Sepulveda Feeder Pump Stations Project.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because the action consists of the 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 consists of construction and location of limited numbers of new, small facilities or structures; installation 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 made in the exterior of the structure. Finally, the proposed action consists of minor public or private alterations in the condition of land, water, and/or vegetation, which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes.
(State CEQA Guidelines Sections 15301, 15303, and 15304).

CEQA determination for Option #2:

None required

Details and Background

Background

Metropolitan's distribution system was initially constructed in the 1940s to deliver treated CRA water supplies throughout its service area. The system was expanded in the 1970s to connect to and distribute SWP supplies. The distribution system was designed to take advantage of the region's topography and primarily utilizes gravity to move water through the system. While much of Metropolitan's service area benefits from access to both sources of supply and stored water in DVL, certain portions of the system can only receive limited DVL and CRA water due to inherent hydraulic limitations of the gravity-fed system.

The western portion of Metropolitan's service area typically receives SWP water from the Joseph Jensen Water Treatment Plant (Jensen plant) through the Sepulveda Feeder and connecting pipelines. During periods of low deliveries from the West Branch of the SWP, or when the Jensen plant is out of service, the west service area can be served by the Weymouth plant through the East Valley Feeder and the Greg Avenue Pump Station. However, this pumping system is limited to a maximum capacity of approximately 50 cfs. During the multi-year drought California experienced from 2020 through 2023, SWP-dependent areas suffered disproportionately due to their inability to access CRA supplies or DVL stored water.

The Sepulveda Feeder Pump Stations Project will construct two pump stations to reverse flows in the Sepulveda Feeder, allowing delivery of CRA and DVL water to the west service area. One pump station will be located within the boundaries of the Venice Pressure Control Facility in West Los Angeles, near Culver City. The second pump station will be located approximately seven miles north of the first pump station near Metropolitan's Sepulveda Canyon Control Facility. This site is in an area of the Sepulveda Pass north of the Getty Center in Los Angeles. Each pump station will require pumps, motors, interconnection piping to the Sepulveda Feeder, valve control structures, mechanical equipment for surge control, and electrical modifications. The pump stations will have an initial pumping capacity of 30 cfs. Once implemented, Metropolitan will realize a benefit of up to 60 cfs additional flows to the SWP-dependent areas as 30 cfs of water from the Jensen Plant will no longer need to be sent south on the Sepulveda Feeder in drought conditions to maintain water quality in the feeder. The initial project will include provisions for expanding the pump stations up to 160 cfs under a future project; such as sizing the electrical power supplies and appurtenant electrical equipment to meet the future needs, and configuring the pump station building to facilitate adding pumps for the expansion(s). The expansion of the project up to 160 cfs will require PCCP portions of the Sepulveda Feeder to be relined with welded steel pipe before the expanded pump stations are operated.

To expedite completion, the Sepulveda Feeder Pump Stations are being implemented utilizing a PDB project delivery model. The PDB model utilizes a two-phase process. Under the Phase 1 agreement, the selected design-build entity (DBE) collaboratively progresses the design procurement specifications to approximately 70 percent

complete. Phase 2 work covers completion of final design and construction under a guaranteed maximum price (GMP) model.

In September 2023, Metropolitan's Board authorized a Phase 1 PDB agreement with J.F. Shea for the Sepulveda Feeder Pump Stations project. In July 2024 and September 2024, the Board authorized further agreement amendments to procure long-lead equipment, including electrical transformers, pumps, large valves, electrical switchgear, and motor control centers to expedite the procurement of equipment and streamline the project schedule.

GMP No. 1, the subject of this board action, includes the completion of design for both sites, construction of all required facilities at the Venice site, and demolition of an 11.5-million-gallon water tank at the Sepulveda Canyon site. GMP No. 2 will include construction of slope remediation for the Sepulveda Canyon Control Facility site and construction of the Sepulveda Pump Station. This facility has a pressure control structure, a hydroelectric plant, and two water tanks, one 4.6-million-gallon tank and one 11.5-million-gallon tank. The facility is near the top of the Sepulveda Pass, west of the San Diego Freeway (I-405) near the J. Paul Getty Museum. The site is ideal for the new pump station from a hydraulic perspective; however, it is challenged by its geology as soils underlying the facility are liquefiable. Under an existing project, design is underway to address the slope stability concerns. Staff plans to include the slope stabilization work to the Sepulveda Pump Stations contract to expedite the slope remediation, reduce overall costs, and provide a turnkey delivery of the pump station.

Staff recommends authorizing an amendment to an existing agreement for Phase 2 design-build services for the Sepulveda Feeder Pump Stations with J.F. Shea, including a $52.96 million increase for a not-to-exceed amount of $103.36 million. The new not-to-exceed amount for J.F. Shea of $103.36 million includes the current action ($52.96 million), procurement of long lead time equipment (two agreement amendments totaling $40.60 million in July and September 2024), and the initial agreement amount for Phase 1 design build services ($9.8 million in September 2023). Metropolitan utilized a third party to develop an independent cost estimate to support cost reconciliation and negotiations with J.F. Shea to achieve the best overall value for Metropolitan. The estimated cost to complete the 30-cfs Sepulveda Feeder Pump Stations project is expected to range from $270 million to $280 million.

Sepulveda Feeder Pump Stations – PDB Phase 2 Agreement Amendment (J.F. Shea Construction Inc.)

The planned activities for Phase 2 include completion of final design drawings and specifications; installation of long-lead equipment; coordination with utility companies for services to new pump stations; acquisition of permits for construction work; construction of the new pump station including new valve vaults and electrical rooms at the Venice PCS; and demolition of the existing large tank at the Sepulveda Canyon Control Facility. Phase 2 design-build services will be performed by J.F. Shea under an amendment to the existing PDB contract. Metropolitan force activities include dewatering the Sepulveda Feeder, establishing clearances, and returning the pipeline to service.

The provisions of the Public Contract Code authorizing the PDB project delivery model, as well as the Phase 1 agreement, permit a shared savings provision for any savings between the final cost of performance and the GMP. The shared savings provision creates an incentive for the contractor to find cost savings during the project and encourages innovation and efficiency during the construction phase. Upon final completion of the work, if the total contract cost is less than the final GMP, then the savings reflecting constituting this differential will be divided 50/50 between Metropolitan and J.F. Shea.

A total of $77 million is allocated for this work. Allocated funds include $52.96 million for GMP No. 1 of Phase 2 design-build services by J.F. Shea; $810,000 for owner's advisor services throughout Phase 2 by Carollo Engineers Inc.; and $296,000 for cost estimating and scheduling services by Parametrix Inc. Allocated funds for Metropolitan staff include $926,000 for technical oversight, review of design builder's work, and identification of technical requirements; $1,892,000 for Metropolitan force shutdown activities; $7,658,000 for project management, contract administration, and other owner's costs; $8,982,000 for construction management and inspection; $1,602,000 for submittals review and responding to requests for information; and $1,874,000 for remaining budget. **Attachment 1** provides the allocation of the required funds.

Engineering Services' performance metric target range for construction management and inspection of projects with construction more than $3 million is 9 to 12 percent. The total construction costs for this project to date is $74.847 million, which includes previously purchased long-lead equipment for the Venice Pump Station, ($20 million), GMP No. 1 Phase 2 construction costs ($52.96 million), and Metropolitan force construction ($1.892 million). For this project, the performance metric goal for inspection is 12 percent of the total construction cost.

This action authorizes an amendment to the existing agreement with J.F. Shea Construction Inc. to initiate Phase 2 design-build services, including a $52.96 million increase for a not-to-exceed amount of $103.36 million. The PDB agreement is being conducted under the terms of Metropolitan's Project Labor Agreement. For this agreement, Metropolitan has established a Small Business Enterprise and Disabled Veteran Business Enterprise participation level of 8 percent. J.F. Shea Construction Inc. has agreed to meet this level of participation. The lead designer is TetraTech Inc., and the subcontractors for the Phase 2 work are listed in **Attachment 2**.

Owner's Advisor Services – Carollo Engineers Inc.

This action authorizes an increase of $810,000 to an existing board-authorized agreement with Carollo Engineers Inc. for a new not-to-exceed total of $3.3 million for Phase 2 owner's advisor services. For Phase 1, Carollo was selected to provide owner's advisor services based on the firm's expertise in design-build contracts and its familiarity with the Sepulveda Feeder Pump Stations Project. Carollo completed the conceptual study for this project and assisted with development of the PDB request for qualifications documents.

The planned owner's advisor services will include: (1) implementing partnering sessions between Metropolitan and the DBE to identify and resolve issues; (2) facilitating project meetings and progress reviews; (3) reviewing invoices, technical plans, procedures, schedules, guidelines, and submittals; and (4) advising staff throughout the second phase of the project.

This action authorizes an increase of $810,000 to an existing agreement with Carollo Engineers Inc. for a new not-to-exceed amount of $3.3 million for owner's advisor services during Phase 2 of PDB for the Sepulveda Feeder Pump Stations. Due to the specialized nature of the work, no Small Business Enterprise participation level has been established.

Cost Estimating and Scheduling Services – Parametrix Inc.

This action authorizes an increase of $296,000 to an existing agreement with Parametrix Inc. for a new not-to-exceed total of $545,000 for cost estimating and scheduling services during Phase 2. Parametrix was prequalified via Request for Qualification No. 1363 and selected for this project based on its experience supporting alternative delivery projects for progressive design build. Parametrix reviewed the DBE's 30 percent complete design estimate and developed an independent estimate at the 70 percent complete design milestone to support cost reconciliation and negotiations of the GMP with the DBE during Phase 1 of this project.

Parametrix will continue to provide cost estimating services to support the development and the negotiations of the next GMP for the slope remediation work and Sepulveda Pump Station. It will also prepare a production-based cost estimate for the slope remediation scope as well as the Sepulveda Pump Station scope, look for opportunities for cost savings, and evaluate associated schedule for cash flow projections.

This action authorizes a $296,000 amendment to an existing agreement with Parametrix Inc. for a new, not-to-exceed total of $545,000 for cost estimating and scheduling services during Phase 2 for the Sepulveda Feeder Pump Stations. The subconsultants planned for this agreement include Griffin Hill and Associates LLC and Tanner Pacific Inc. Due to the specialized nature of the work, no Small Business Enterprise participation level has been established.

Project Milestone

Fall 2025 – Board authorization of GMP No. 2

7/2/2025

Mai M. Hattar *Date*
Interim Chief Engineer
Engineering Services

7/2/2025

Deven Upadhyay *Date*
General Manager

Attachment 1 – Allocation of Funds

Attachment 2 – List of Subcontractors

Attachment 3 – Location Map

Ref# es12704624

Allocation of Funds for Sepulveda Feeder Pump Stations Project – Phase 2

	Current Board Action (July 2025)
Labor	
Studies & Investigations	$ -
Final Design	926,000
Owner Costs (Program mgmt., contract admin.)	7,658,000
Submittals Review & Record Drwgs.	1,602,000
Construction Inspection & Support	8,982,000
Metropolitan Force Construction	1,892,000
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Carollo Engineers Inc.	810,000
Parametrix, Inc.	296,000
Right-of-Way	-
Equipment Use	-
Contracts	-
J.F. Shea Construction, Inc.	52,960,000
Remaining Budget	1,874,000
Total	**$ 77,000,000**

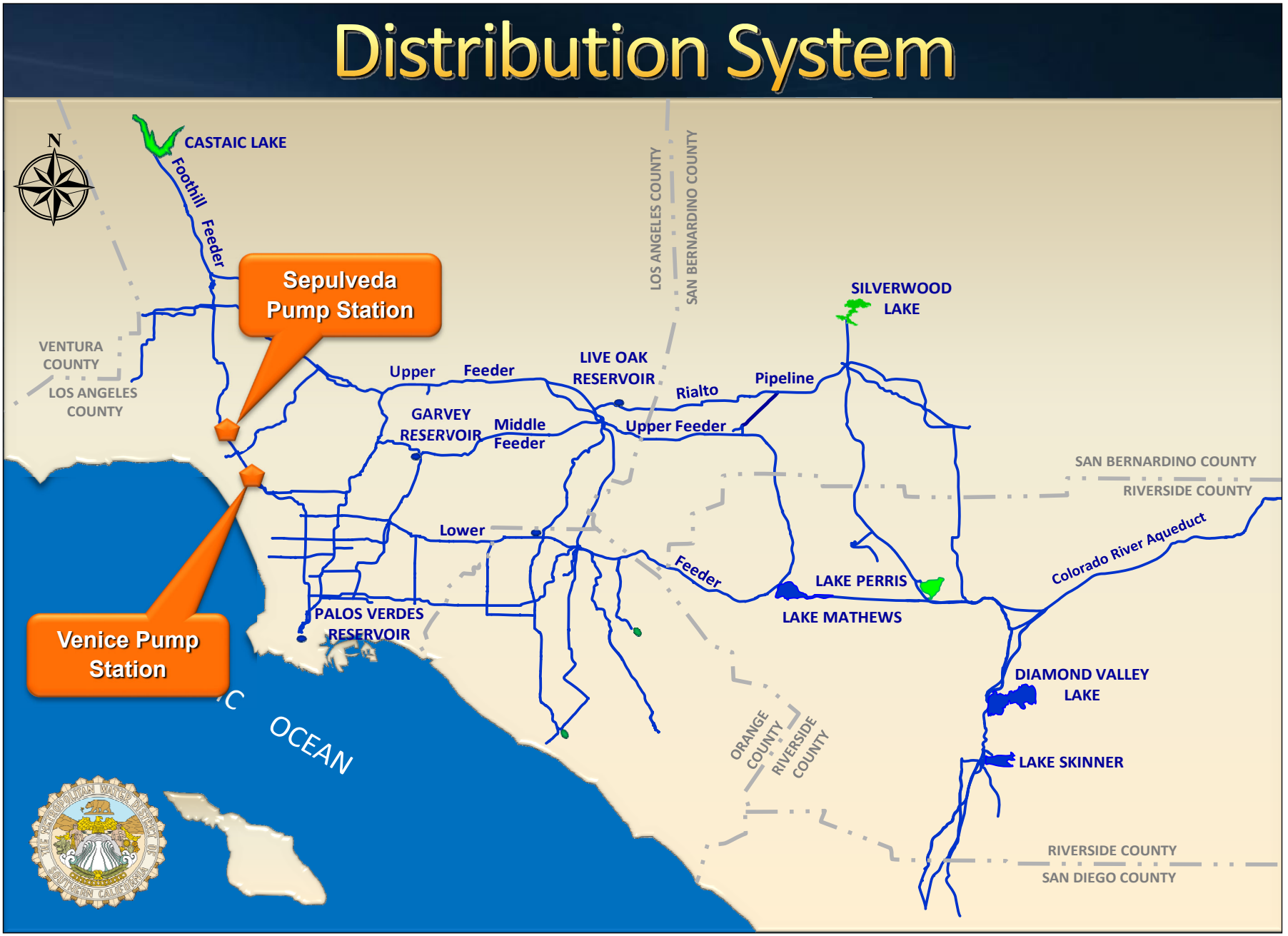
The total amount expended to date is approximately $11.7 million. The total estimated cost to complete the installation of the new pump stations, including the amount appropriated to date, funds allocated for the work described in this action, and future construction is anticipated to range from $270 million to $280 million.

The Metropolitan Water District of Southern California

Subcontractors for Agreement with J.F. Shea Construction Inc.

Specifications No. 2060
Sepulveda Feeder Pump Stations

Subcontractor/ Subconsultant	Service Category; Specialty
United Mechanical Contractors Simi Valley, CA	HVAC
Morrow Meadows Corp. City of Industry, CA	Electrical
Frank S. Smith Masonry Pomona, CA	Masonry
GTE Metal Erectors Canby, OR	Metals
Courtney Inc. Irvine, CA	Roof and Sheet Metal
MC Painting Oceanside, CA	Painting
CMC Rebar San Bernardino, CA	Rebar
Silverado Contractors Chino, CA	Demolition
Western Paving Irwindale, CA	Paving
Tetra Tech Inc. Irvine, CA	Design


Distribution System
N
CASTAIC LAKE
Foothill Feeder
Sepulveda Pump Station
Venice Pump Station
VENTURA COUNTY
LOS ANGELES COUNTY
LOS ANGELES COUNTY
SAN BERNARDINO COUNTY
SILVERWOOD LAKE
LIVE OAK RESERVOIR
Upper Feeder
Rialto Pipeline
GARVEY RESERVOIR
Middle Feeder
Upper Feeder
SAN BERNARDINO COUNTY
RIVERSIDE COUNTY
Lower Feeder
Colorado River Aqueduct
LAKE PERRIS
LAKE MATHEWS
PALOS VERDES RESERVOIR
DIAMOND VALLEY LAKE
ORANGE COUNTY
RIVERSIDE COUNTY
LAKE SKINNER
OCEAN
RIVERSIDE COUNTY
SAN DIEGO COUNTY