



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

4/12/2022 Board Meeting

7-6

Subject

Adopt the CEQA determination that the proposed project was previously addressed in the approved 2014 Mitigated Negative Declaration and related CEQA action and (1) award a \$17,226,250 contract to Spiniello Infrastructure West, Inc. to replace the lining in a portion of the Orange County Feeder; and (2) authorize the General Manager to enter into a new 24-month lease agreement, with an 18-month option to extend, at 2750 Bristol Street in Costa Mesa, CA (Assessor's Parcel No. 418 182-05) in an amount not to exceed \$360,000 for use as a construction staging and storage site

Executive Summary

Internal inspections of the Orange County Feeder have identified significant deterioration of the pipeline's existing coal-tar enamel lining, which is over 80 years old. While the pipeline's structural integrity remains sound at present, the interior lining displays blistering and disbonding, which exposes the pipeline to accelerated rates of corrosion and eventual leakage. A three-stage approach to relining the feeder was implemented, with Stage 1 completed in July 2017 and Stage 2 in November 2019. This action awards a construction contract to move forward with the final stage of the Orange County Feeder relining. The relining of this final reach of the pipeline will enhance delivery reliability to member agencies served by the feeder and will improve access for future maintenance of the feeder.

Details

Background

The Orange County Feeder conveys treated water from the F. E. Weymouth Water Treatment Plant in La Verne to six member agencies in Los Angeles and Orange Counties. The feeder was constructed in three reaches, with the first reach commissioned in 1941, extending 28 miles south from the Weymouth plant to the city of Santa Ana. The second reach of the feeder, which is the subject of this rehabilitation project, has a diameter of 36 to 39 inches, is made of welded steel pipe with coal-tar enamel lining, and was completed in 1942. This reach is known as the Orange County Feeder Extension and follows Bristol Street south for approximately 11 miles through the cities of Santa Ana, Costa Mesa, and Newport Beach. The third and final reach of the feeder, which was completed in 1953, extends 1.5 miles from the hills overlooking Newport Beach harbor to the Pacific Coast Highway.

Internal inspections of the Orange County Feeder Extension identified significant deterioration of the existing 80-year-old coal-tar enamel lining along the feeder's 11-mile length. Video inspections of the pipeline found large areas of degradation of the internal lining, including blistering, disbonding, and rust. In 2009 and 2016, two leaks occurred in this portion of the feeder that required unscheduled shutdowns to perform urgent repairs. Relining the pipe is recommended to avoid continued corrosion of the steel pipe, which will result in an increasing number of leaks.

In November 2014, Metropolitan's Board authorized the design to replace the lining within the 11-mile portion of the Orange County Feeder Extension in three stages. The first stage, which was completed in July 2017, rehabilitated approximately three miles of the Orange County Feeder Extension within the city of Santa Ana. The second stage, which was completed in November 2019, rehabilitated four miles of the Orange County Feeder Extension within the cities of Santa Ana and Costa Mesa. The third and final stage of the project, which is the

subject of this action, will reline the remaining four miles of the Orange County Feeder Extension within the cities of Costa Mesa and Newport Beach.

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 rehabilitation of the Orange County Feeder, pending board award of the contract described below. Based on the current Capital Investment Plan 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). Funds required for work to be performed pursuant to the subject contract after fiscal year 2021/22 will be budgeted within the Capital Investment Plan Appropriation for Fiscal Years 2022/23 and 2023/24. 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 Distribution System Reliability Program.

Orange County Feeder Lining Replacement, Stage 3 – Construction

The project consists of replacing the coal-tar enamel lining in approximately four miles of the Orange County Feeder Extension. The contractor will remove pipe segments at 17 sites along the feeder to enable the cleaning and relining machines to access the interior of the pipe. The interior wall of the pipe will be cleaned by removing the coal-tar enamel and corrosion using water blasting. Damaged pipe segments will be repaired, joints will be welded, and a new cement mortar lining will be applied to the pipe's interior wall. At each access site, new steel pipe segments with maintenance hole outlets will be installed. These outlets will significantly improve access to the feeder for future maintenance. Metropolitan force activities will include bulkhead procurement and fabrication; multiple feeder shutdowns and establishment of clearances; final disinfection and water quality testing; and return of the pipeline to service.

Supplemental environmental monitoring of the construction is required to ensure compliance with the project's Mitigated Negative Declaration. Construction will occur in close proximity to residences and will require round-the-clock operation of equipment at the access points into the pipeline. Supplemental environmental monitoring will be performed by Helix Environmental Planning, Inc. under an agreement that is planned to be executed under the General Manager's Administrative Code authority to award contracts of \$250,000 or less.

A total of \$22,400,000 is required for this work. In addition to the amount of the contract described below, other funds to be allocated include \$100,000 for supplemental environmental monitoring and reporting by Helix Environmental Planning, Inc.; \$204,000 for lease of a parcel that will be used by the contractor for construction staging and storage as described below. Allocated funds for Metropolitan staff activities include \$1,400,000 for Metropolitan force activities as described above; \$80,000 for materials and supplies; \$1,500,000 for construction management and inspection; \$460,000 for submittals review, technical support during construction, responding to requests for information, and preparation of record drawings; \$140,000 for public outreach support; \$626,000 for contract administration, environmental monitoring, and project management; and \$663,750 for the remaining budget. Approximately \$2.82 million has been expended on the Orange County Feeder Lining Replacement - Stage 3 to date.

Attachment 1 provides the allocation of the required funds. The total estimated cost to complete the Orange County Feeder Lining Replacement-Stage 3, including the amount allocated to date and funds allocated for the work described in this action, is approximately \$25.22 million. The total estimated cost to reline the Orange County Feeder (all three stages) is \$46.9 million.

Award of Construction Contract (Spiniello Infrastructure West, Inc.)

Specification No. 1961 to replace the lining in a portion of the Orange County Feeder was advertised for bids on January 27, 2022. As shown in **Attachment 2**, three bids were received and opened on March 15, 2022. The low bid from Spiniello Infrastructure West, Inc. in the amount of \$17,226,250 complies with the requirements of the specifications. The other bids ranged from approximately \$22.4 million to \$22.7 million, while the engineer's estimate for this project was \$14.3 million. Staff investigated the difference between the engineer's estimate and the low bid, and believes it reflects the low bidder's anticipation of increased costs for specialized cleaning equipment needed to perform the extensive water blasting and surface preparation required to apply the new cement mortar lining. For this contract, Metropolitan established a Small Business Enterprise participation level

of at least 15 percent of the bid amount. Spiniello Infrastructure West, Inc. has agreed to meet this level of participation. The subcontractors for this contract are listed in **Attachment 3**.

As described above, Metropolitan staff will perform construction management and inspection. Engineering Services' performance metric target range for inspection of projects with construction greater than \$3 million is 9 to 12 percent. For this project, the performance metric goal for inspection is 8.0 percent of the total construction cost. The total cost of construction for this project is \$18,706,250, which includes the cost of the contract (\$17,226,250), procurement of materials (\$80,000) and Metropolitan force construction (\$1,400,000).

Property Lease at 2750 Bristol St., Costa Mesa, CA (Assessor's Parcel No. 418-182-05) – New Agreement

In November 2018, Metropolitan's Board awarded the second of three-planned construction contracts to replace the damaged interior lining in a portion of the Orange County Feeder Extension. At that time, a two-year lease agreement with an 18-month option to extend was executed for approximately one acre of vacant land located at 2750 Bristol Street in Costa Mesa, CA, for contractor staging and storage. The third construction contract to reline the Orange County Feeder Extension is in the same general geographical location and will also utilize the same vacant lot to support the storage of equipment and the contractor's mobilization activities.

This action authorizes the General Manager to enter into a new lease agreement at 2750 Bristol Street in Costa Mesa, CA, in order to provide the contractor an area for staging and storage of equipment for 24 months starting May 1, 2022, through April 30, 2024. The total lease amount for 24 months is \$204,000, with an option for an 18-month extension and a total not-to-exceed amount of \$360,000. A land lease package was preliminarily processed, and its implementation is subject to board authorization.

Alternatives Considered

Staff considered accomplishing this final stage of the relining project by issuing two contracts, one for each affected city. This approach would manage the geographically diverse projects and resolve local agency permitting issues on a case-by-case basis. This approach would also shorten the length of individual shutdowns but would require successive shutdowns spread over multiple years. Following these evaluations, staff recommends using one construction contract to reline the remaining four miles of the Orange County Feeder Extension at this time. Design and coordination with the jurisdictional cities are in place to allow for relining of the final reach of the Orange County Feeder Extension under one contract. This alternative is a cost-effective approach that minimizes the risk of service interruptions to member agencies as a result of pipeline leaks and enhances the reliability of Metropolitan's distribution system.

Summary

This action awards a \$17,226,250 construction contract to Spiniello Infrastructure West, Inc. to replace the lining in a portion of the Orange County Feeder. 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

August 2023 – Completion of lining replacement of the Orange County Feeder

Policy

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

By Minute Item 51963, dated April 14, 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:

To comply with CEQA and the State CEQA Guidelines, Metropolitan, as the Lead Agency, prepared a Mitigated Negative Declaration (MND) for the Orange County Feeder Relining Project. The MND was distributed for a 30-day public review period that began on August 7, 2014, and ended on September 6, 2014. The Board later

adopted the MND and the Mitigation Monitoring and Reporting Program on November 18, 2014. The present board action is solely based on awarding a construction contract and entering into a new lease agreement, and not on any changes to the approved project itself. Hence, the previously adopted environmental documentation in conjunction with the current action fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further environmental documentation is necessary for the Board to act on with respect to the proposed action.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt CEQA determination that the proposed project was previously addressed in the approved 2014 Mitigated Negative Declaration and related CEQA documentation, and that no further environmental analysis or documentation is required and

- a. Award \$17,226,250 contract to Spiniello Infrastructure West, Inc. to reline a portion of the Orange County Feeder.
- b. Authorize General Manager to enter into a new 24-month lease agreement with an 18-month option to extend at 2750 Bristol Street in Costa Mesa, CA (Assessor's Parcel No. 418 182-05) in an amount not to exceed \$360,000.

Fiscal Impact: Expenditure of \$22.4 million in capital funds. Approximately \$800,000 will be incurred in the current biennium and has been previously authorized. The remaining capital expenditures will be funded from future CIP appropriations following board approval.

Business Analysis: This option will protect Metropolitan's assets, enhance delivery reliability to member agencies, and reduce the risk of costly urgent repairs.

Option #2

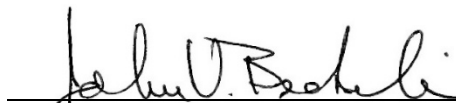
Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: This option would forego an opportunity to enhance reliability and extend the service life of the Orange County Feeder and could lead to more extensive repairs, higher costs, and unplanned shutdowns.

Staff Recommendation

Option #1



John V. Bednarski
Manager/Chief Engineer
Engineering Services

3/24/2022

Date



Adel Hagekhalil
General Manager

3/30/2022

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 Orange County Feeder Lining Replacement, Stage 3

	Current Board Action (Apr. 2022)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt., envir. monitoring)	766,000
Submittals Review & Record Drwgs.	460,000
Construction Inspection & Support	1,500,000
Metropolitan Force Construction	1,400,000
Materials & Supplies	80,000
Incidental Expenses	-
Professional/Technical Services	
Helix Environmental Planning, Inc.	100,000
Right-of-Way	204,000
Equipment Use	-
Contracts	
Spiniello Infrastructure West, Inc.	17,226,250
Remaining Budget	663,750
Total	\$ 22,400,000

The total amount expended to date for the Orange County Feeder Lining Replacement-Stage 3 is approximately \$2.82 million. The total estimated cost to complete the Stage 3 lining replacement, including the amount appropriated to date and funds allocated for the work described in this action, is about \$25.22 million.

The Metropolitan Water District of Southern California**Abstract of Bids Received on March 15, 2021, at 2:00 P.M.****Specifications No. 1961
Orange County Feeder Lining Replacement, Stage 3**

The work includes removal of existing coal-tar enamel lining; hydro-blasting; welding joints with buttstraps; and application of cement mortar lining inside a 36-inch to 39-inch-diameter steel pipeline for approximately 4 miles.

Engineer's estimate: \$14,300,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE¹
Spiniello Infrastructure West, Inc. Pomona, CA	\$17,226,250	\$2,583,940	15%	Yes
Mladen Buntich Construction Co., Inc Upland, CA	\$22,387,500	-	-	-
TE Roberts, Inc. Orange, CA	\$22,720,874	-	-	-

¹ Small Business Enterprise (SBE) participation level established at 15% for this contract.

The Metropolitan Water District of Southern California**Subcontractors for Low Bidder****Specifications No. 1961****Orange County Feeder Lining Replacement, Stage 3**

Low bidder: Spiniello Infrastructure West, Inc.

Subcontractor and Location
LNA Concrete Structures, Inc. Chino Hills, CA
Mat Chlor, Inc. El Monte, CA
Aqua Drill International Dickinson, TX
Hardy & Harper, Inc. Lake Forest, CA
PCI Long Beach, CA
FM General Engineering, Inc. Moreno Valley, CA
Wessex Industries, Inc Rancho Cucamonga, CA
T&M Trucking San Pedro, CA
Summit Environmental Contractors San Juan Capistrano, CA
Smithson Electric, Inc. Orange, CA

