



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

Handwritten signature of Richard F. Harasick in blue ink.

RICHARD F. HARASICK
Senior Assistant General Manager
Water System

Handwritten signature of Martin L. Adams in blue ink.

MARTIN L. ADAMS
Chief Operating Officer

Handwritten signature of David H. Wright in blue ink.

DAVID H. WRIGHT
General Manager

DATE: April 12, 2017

SUBJECT: Amendment No. 1 to Contract No. 7241 for the Construction of River Supply Conduit Improvement Upper Reach – Unit 5 & 6 - W.A. Rasic/SAK Joint Venture

SUMMARY

Amendment No. 1 to Contract No. 7241 (Amendment) with W.A. Rasic/SAK Joint Venture (Rasic/SAK), will grant an eight-month extension to the current contract duration for the Construction of River Supply Conduit Improvement Upper Reach – Unit 5 & 6 Project (RSC 5 & 6), to June 27, 2018. No additional funding is required.

The Amendment is necessary for the completion of RSC 5 & 6 and closure of the construction contract with Rasic/SAK. The time extension is needed for tunneling re-alignment to mitigate construction impacts on the community for conditions that have delayed the productivity of the tunneling operation. Extending this contract also allows for punch list corrections, operational testing, and compliance with operational needs, and will resolve all remaining proposed change orders and potential claims.

City Council approval is required pursuant to City Charter Section 373.

ENVIRONMENTAL DETERMINATION

In compliance with the California Environmental Quality Act (CEQA), Sections 15080-15097 (EIR previously adopted.) In accordance with CEQA, an Environmental Impact Report (EIR) was prepared to analyze the impacts associated with the construction and operation of the River Supply Conduit Upper Reach project.

The Board approved the EIR on September 16, 2008 (Resolution No. 009-065). A Notice of Determination was filed on September 18, 2008 with the City of Los Angeles Office of the City Clerk (City Case No.WP-009-08).

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of Amendment with Rasic/SAK as required in Charter Section 373.

ALTERNATIVES CONSIDERED

One alternative is to re-bid the portion of remaining work. However, this is not practical. This would impose extended construction impact to local businesses and it result in an increase in project budget due to the mobilization cost of utilizing a new contractor.

Extension of the existing contract is the only viable option. An extension ensures continued construction progress and earliest completion date thereby minimizing construction impact to the local businesses. By taking no action, LADWP will not meet contractual payment obligations for the remaining work.

FINANCIAL INFORMATION

No additional funding is requested. The recommended time extension of eight months does not have a financial impact on Contract No. 7241. The contract total of \$91,272,050 and contingency of \$18,254,410 (20 percent) remain the same as originally awarded for an amount not to exceed \$109,526,460.

BACKGROUND

The existing River Supply Conduit (RSC) is a major transmission pipeline in the LADWP water distribution system. RSC was built in the 1940's to transport water from the Los Angeles Reservoir and local groundwater, to reservoirs and distribution facilities located in the central areas of Los Angeles. RSC begins at North Hollywood Pump Station and ends at Ivanhoe Reservoir. As a result of different system requirements and operational and maintenance needs, the pipeline is divided into two segments, the Upper Reach and the Lower Reach. The Lower Reach is currently under construction and a portion of the alignment is already in service. The limits of the Upper Reach are from the North Hollywood area to the Headworks Reservoir Facility. The RSC Upper Reach is divided into RSC 5 & 6 and RSC 7. RSC 5 & 6 is currently in construction under Contract No. 7241. RSC 7 will be built in the future under a separate contract.

The RSC 5 & 6 Project consists of installing approximately 15,800 feet of 78-inch diameter welded steel pipe and appurtenances utilizing open trench, pipe jacking, and tunneling construction methods. To date, Rasic/SAK has completed 84 percent of the open trench work and has completed 44 percent of the pipe jacking/tunneling work. The time extension is needed due to tunneling re-alignment to mitigate construction

impacts on the community and for unforeseen conditions that have delayed the productivity of the tunneling operation. The time extension also allows for the completion of work, punch list corrections, operational testing, and additional work to comply with operational needs and to resolve all remaining proposed change orders and potential claims.

Improvements to be completed under the RSC 5 & 6 project will result in the following:

- The pipeline will provide higher water pressures as required by the State Water Resources Control Board (SWRCB) Division of Drinking Water's regulations.
- Greater operational flexibility allowed to compensate for loss of open reservoir storage within the distribution system.
- Accommodate future demands on water capacity.

The RSC 5 & 6 project anticipates receiving over \$100 million in funding from the SWRCB's Safe Drinking Water State Revolving Fund.

The total authorized change orders to date equal \$378,469.60. Five change orders have been authorized to fund additional work due to differing site conditions, errors, omissions, additional regulatory requirements, etc. Authorized change orders and unforeseen conditions have extended the contract duration by eight months.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report (CAO) was approved on March 29, 2017.

WSJV has performed satisfactorily to date.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- CAO Report