



ERIC GARCETTI  
*Mayor*

Commission  
THOMAS S. SAYLES, *President*  
ERIC HOLOMAN, *Vice President*  
RICHARD F. MOSS  
CHRISTINA E. NOONAN  
JONATHAN PARFREY  
BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS  
*General Manager*

July 22, 2013

The Honorable City Council  
City of Los Angeles  
Room 395, City Hall  
Los Angeles, California 90012

Honorable Members:

Subject: Contract No. 7038 (Amendment No. 3) with Steve P. Rados, Inc.

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 19584, adopted by the Board of Water and Power Commissioners (Board) on July 16, 2013, approved as to form and legality by the City Attorney, which authorizes Contract No. 7038 (Amendment No. 3) for Construction of the River Supply Conduit Improvement Lower Reach, Unit 4 with Steve P. Rados, Inc. The amendment will increase the contract by \$2,500,000. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,

Barbara E. Moschos  
Board Secretary

BEM:oja

Enclosures: LADWP Resolution  
Board Letter  
CAO Report  
Amendment No. 3 to Contract No. 7038

**Water and Power Conservation . . . a way of life**

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700  
Telephone: (213) 367-4211 Cable address: DEWAPOLA



c/enc: Mayor Eric Garcetti  
Councilmember Jose Huizar, Chair, Energy and the Environment Committee  
Gerry F. Miller, Chief Legislative Analyst  
Miguel A. Santana, City Administrative Officer  
Rafael Prieto, Legislative Analyst, CLA  
William R. Koenig, Chief Administrative Analyst  
Winifred Yancy

RESOLUTION NO. 19584

WHEREAS, Contract No. 7038 for the construction of the River Supply Conduit Improvement Lower Reach, Unit 4 (Project) was awarded to Steve P. Rados, Inc. (SPR) by the Board of Water and Power Commissioners (Board) on July 7, 2009; and

WHEREAS, Amendment No. 1 for an interim 6-month extension of the original contract was adopted by the Board on August 7, 2012, pursuant to Resolution No. 19478; and

WHEREAS, Amendment No. 2 for a formal 18-month contract extension and a \$3,300,000 increase in contingency funds was adopted by the Board on August 7, 2012, pursuant to Resolution No. 19479 and adopted by the City Council on August 24, 2012; and

WHEREAS, 94 percent of the contract has been completed to date; however, \$4,898,215.50 in change orders have been authorized, with an additional \$3,435,080.61 in proposed change orders identified, totaling 97 percent of the total contingency funds; and

WHEREAS, a similar change order trend is anticipated and will continue based on the on-going issues with the construction conditions and environmental mitigation; and

WHEREAS, the Los Angeles Department of Water and Power's (LADWP) Water System recommends Amendment No. 3 to Contract No. 7038 (Amendment No. 3) with SPR to increase the contingency and contract total by \$2,500,000, from a contract total of \$43,990,013 to a revised contract total of \$46,490,013; and

WHEREAS, the contract period of the Project is beyond the 3 year authority of this Board and Amendment No. 3 will therefore require the approval of the Los Angeles City Council, pursuant to Los Angeles Charter Section 373 and City of Los Angeles Administrative Code Section 10.5; and

WHEREAS, Amendment No. 3 is necessary to complete the Project to avoid additional costs to LADWP for compensable construction delays owed to SPR.

NOW, THEREFORE, BE IT RESOLVED that Amendment No. 3, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between LADWP and Steve P. Rados, Inc., be and the same is hereby approved.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Water Revenue Fund in payment of the obligations arising under this Amendment Agreement.

BE IT FURTHER RESOLVED that the President or Vice President of this Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board be and they are hereby authorized and directed to execute said Amendment Agreement.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

APPROVED AS TO FORM AND LEGALITY  
CARMEN J. TRUITMAN, CITY ATTORNEY  
MICHAEL N. FEUER

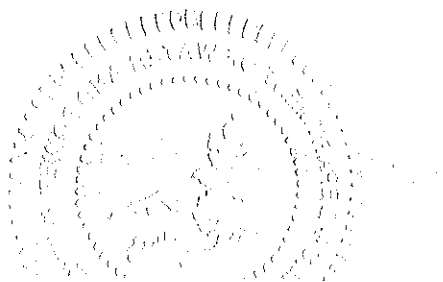
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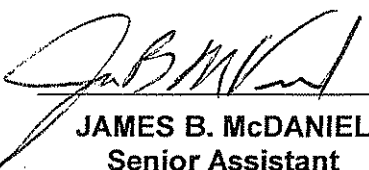
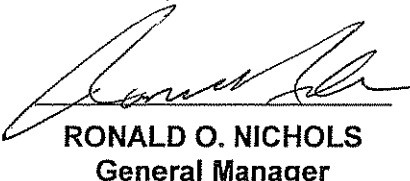
BY Eric Rosenblatt  
ERIC ROSENBLATT  
CITY ATTORNEY

Barbara E. Rados  
Secretary

1860



**LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER**

<b>TO: BOARD OF WATER AND POWER COMMISSIONERS</b>	<b>DATE: July 3, 2013</b>	
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">   <b>JAMES B. McDANIEL</b>                  Senior Assistant                  General Manager -                  Water System             </div> <div style="text-align: center;">   <b>RONALD O. NICHOLS</b>                  General Manager             </div> </div>  <hr/> <hr/>	<b>SUBJECT:</b>  <p align="center"><b>Amendment No. 3 Contract No. 7038</b></p> <p align="center"><b>Construction of the River Supply Conduit Improvement Lower Reach, Unit 4</b></p> <p align="center"><b>Recommended for Amendment to: Steve P. Rados, Inc, Santa Ana, California</b></p>	
	<b>FOR COMMISSION OFFICE USE:</b> RESOLUTION NO. _____	
<b>CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></b>	<b>IF YES, BY WHICH CITY CHARTER SECTION: 373</b>	

Amendment to Existing Contract

**PURPOSE**

Attached Resolution, if approved, will authorize Amendment No. 3 (Amendment) to Contract No. 7038 (Contract) with Steve P. Rados, Inc. (SPR), for an additional \$2,500,000 in contingency funds, equal to an additional 7 percent of the original contract amount of \$35,382,620 for the River Supply Conduit Improvement Lower Reach, Unit 4 (RSCILR4). The RSCILR4 project is approximately 94 percent complete as of April 11, 2013.

This Amendment is necessary to maintain continuity of RSCILR4 as construction could be halted prior to completion due to insufficient contingency funds available to pay for necessary change order work. This could result in significant delays as well as additional costs to complete contractual work.

**COST AND DURATION**

The contract contingency will be increased by 7 percent for a total of 31 percent contingency.

1. Original Contract Total	\$35,382,620.00
2. Original Contingency (15 percent)	\$5,307,393.00
3. Amendment 2 Contingency (9 percent)	\$3,300,000.00
4. Proposed Additional Contingency (7 percent)	<u>\$2,500,000.00</u>
<b>Proposed Contract Total</b>	<b>\$46,490,013.00</b>

This Amendment does not seek any additional time extensions. The original contract completion date of September 15, 2012, was extended by 18 months under Amendment No. 2 to March 15, 2014. This time extension includes 3.3 months for approved change orders, approximately 5 months for changes currently being negotiated, and an additional 9.7 months of schedule contingency to handle anticipated challenges for remaining work.

Proposed Amendment incorporates the terms and conditions of the existing contract. There is no impact on the City of Los Angeles' (City) General Fund.

### **BACKGROUND**

On July 7, 2009, the Board of Water and Power Commissioners (Board) awarded this Contract to SPR for a total contract amount of \$40,690,013 which included a 15 percent contingency. RSCILR4 is the installation of approximately 10,400 linear feet of 48-, 66-, 72-, 84-inch, and 96-inch diameter welded steel pipe and appurtenances from Griffith Park to the Rowena Tank and the Silver Lake Reservoir Complex areas. The RSCILR4's heavy construction activities began in March 2010.

On August 7, 2012, the Board adopted Resolution Nos. 19478 and 19479 for Amendment No. 1 and Amendment No. 2, respectively. Amendment No. 1 is an interim six month extension of the original contract that allowed sufficient time to process Amendment No. 2. This was necessary because Amendment No. 2 added \$3,300,000 in contingency funds and formally extended the contract time by 18 months, which made the contract longer than the 3-year authority of the Board and required approval by the City Council pursuant to the City Charter Section No. 373 and the City Administrative Code 10.5. Due to the requirement for City Council approval, the time to process Amendment No. 2 was likely to extend beyond the original contract expiration date of September 15, 2012. Amendment No. 2 which was subsequently sent to the City Council and adopted on August 24, 2012, formally increased the contract contingency amount and extending the contract completion date to March 15, 2014. To date, 94 percent of RSCILR4 has been completed and 92 percent of the authorized contract total has been spent.

Based on the information available at the time, the \$3,300,000 requested in Amendment No. 2 was sufficient funding for mitigation of potential future differing site conditions for the remaining construction of RSCILR4. However, shortly after the City Council adopted Amendment No. 2, staff learned of additional unanticipated environmental mitigation and special accommodations requested by Ivanhoe Elementary School (Ivanhoe) administrators and parents which resulted in additional costs to LADWP. Staff worked closely with Ivanhoe administrators to address and alleviate the Ivanhoe community's

concerns related to construction noise and potential exposure of students at Ivanhoe to particulate matter (PM<sub>10</sub>). Additional monitoring was implemented for the duration of construction by Ivanhoe including weekly construction monitoring, monthly noise monitoring, monthly fugitive dust monitoring related to RSCILR4 construction activities, and collection of 24-hour real time hourly averages of PM<sub>10</sub>, wind speed, and wind direction at the Ivanhoe playground.

LADWP also funded LADOT Traffic Control Officers to control traffic during morning school drop-off hours as well as full time nursing services at Ivanhoe. All necessary steps were taken, including suspension of major excavation activities in front of Ivanhoe until its winter break began in December 2012.

Additional unanticipated costs were also incurred in the same work area to realign the excavation shoring and pipeline; to avoid the conflicting, unmarked appurtenances of an existing water pipeline; and to relocate a conflicting sewer line that crossed RSCILR4 pipeline alignment near Ivanhoe.

As of March 27, 2013, the total authorized change orders to date equal \$4,898,215.50. Twenty-nine change orders have been authorized for time extensions and to fund differing site conditions, errors, omissions, additional regulatory requirements, etc.

As of March 28, 2013, staff anticipates that out of the \$3,709,177.50 of remaining contingency funds, approximately \$3,435,080.61 of additional pending claims and pending change orders are yet to be processed. Majority of these claims/change orders relate to the following: (1) differing site condition at Glendale Boulevard and Waverly Drive; (2) additional dust and sound mitigation in the vicinity of Ivanhoe including installation of sound blankets around the perimeter of Ivanhoe and dedicating two full time SPR laborers to watering of potential fugitive dust sources at the job site; (3) construction inefficiencies due to a limited work area resulting from splitting one work area into two separate phases in order to address concerns from the Ivanhoe community and to address access for businesses and residences along Rowena Avenue; (4) construction inefficiencies due to limited work hours during school days to address concerns from the Ivanhoe community; (5) premium/overtime wages for construction on Saturdays and beyond typical work hours to avoid heavy excavation work while Ivanhoe was in session; (6) restoration of pavement along Rowena Avenue, Riverside Drive, and West Silver Lake Boulevard; (7) unanticipated relocation of a conflicting unmarked sewer line that crossed the RSCILR4 pipeline and installation of two sewer maintenance holes at Auburn Avenue and Rowena Avenue; (8) realignment of excavation shoring and pipeline to avoid conflicting, unmarked appurtenances of an existing water pipeline such as buried maintenance holes for blowoff structures not shown on the contract drawings; (9) additional monitoring and protection of an existing high pressure water pipeline adjacent to RSCILR4 pipe construction, which experienced 3 leaks while working next to it; and (10) modifications to construction sequencing and acceleration in completing approximately 68 percent of RSCILR4 work by December 2012, to place the pipeline into service to meet operational needs.

Based on the past three years of experience with RSCILR4 in this area, as well as previous experience with similar construction projects, staff also anticipates that an additional \$2,500,000 may be necessary to complete the remaining 6 percent of RSCILR4.

The final remaining portion of RSCILR4 requires slip lining the Rowena Tunnel and connecting to the remainder of RSCILR4 pipeline using open trenching methods. Additional pending and potential claims/change orders include the following:

- (1) continuous sound mitigation for the communities surrounding the slip lining operation;
- (2) change in slip lining method due to the condition of the Rowena Tunnel;
- (3) potential repair of unmarked substructures that may be damaged during the last segment of open trench construction located on Recreation and Parks property; and
- (4) restoration of landscaping and securing the Rowena Complex property.

<u>Category</u>	<u>Totals</u>
Current Authorized Contingency Total	\$ 8,607,393.00
Authorized Change Orders	\$ 4,898,215.50
Pending Change Orders	\$ 3,435,080.61
Remaining Contingency	\$ 274,096.89
Additional Contingency Requested	\$ 2,500,000.00

RSCILR4 has been faced with, and has overcome many unanticipated challenges including geotechnical conditions (from hard to loose, sandy soils); development of traffic control plans and traffic signal plans that allow for installation of large-diameter pipe on narrow, major traffic arteries while keeping traffic flowing and allowing access to businesses and residents; extensive restoration paving due to the poor pre-existing condition of some of the street surfaces; and increased levels of community outreach and accommodations.

Proposed Amendment will provide LADWP the necessary funding to continue to immediately address any unforeseen or differing site conditions as they occur as well as the issues described above, without suspending construction and incurring additional costs related to compensable delays for SPR. The history of RSCILR4 as it relates to major traffic plan modifications, soil conditions, substructure conflicts, and unanticipated mitigation of community impacts, indicates that without the requested increase in contingency funds, there is a possibility that the project may be suspended while funding issues are resolved.

Per City Charter Section 373, Los Angeles City Council approval is required. Accordingly, attached is the signed City Administrative Officer Report dated May 24, 2013.



**BUDGET INFORMATION**

Additional contingency under this Amendment will increase the contract amount by \$2,500,000 taken from Functional Item No. 23222, Job No. 23118, Water System Book, Cost Element 30, Page 1 of 12. Proposed Amendment will not result in overspending of the overall Capital Budget and will not impact rates.

For reference purposes, the following table is a summary of contingency expenditures on the most recent completed jobs. The average amount of contingency expended on these projects was 10 percent of the total project cost; well below the 15 percent allowed for these contracts.

**SUMMARY – CONTINGENCY USAGE ON LAST THREE COMPLETED PROJECTS**

<b>Specification Number and Project Name</b>	<b>Contract Amount with Options</b>	<b>Original Contingency Amount</b>	<b>Remaining Contingency Amount and Contractor</b>	<b>Percentage of Contract Amount Used for Contingency</b>
<b>7042</b> Van Norman Chloramination Stations 1 and 2	\$32,840,020.00	\$ 4,926,003.00	\$2,486,656.37 Griffith Company	7%
<b>7106</b> Santa Ynez Reservoir Floating Cover	\$16,634,845.00	\$ 2,495,227.00	\$ 911,118.13 Environmental Construction Inc	10%
<b>7112</b> Terminal Hill Tunnel and Shaft	\$14,040,866.00	\$ 2,386,947.00	\$1,019,233.80 Drill Tech Drilling and Shoring, Inc	10%
<b>Totals</b>	<b>\$63,515,731.00</b>	<b>\$9,808,177.00</b>	<b>\$4,417,008.30</b>	<b>8%</b>

**METHOD OF SELECTION**

Competitive       Cooperative Purchase       Sole Source

**MINORITY/WOMEN/OTHER BUSINESS ENTERPRISE (M/W/OBE) SUBCONTRACTING PARTICIPATION**

SPR was awarded this contract with the following goals based on the original contract amount: a WBE Goal of \$87,000 (0.25 percent), a MBE Goal of \$573,000 (1.62 percent), and an OBE Goal of \$15,221,300 (43.02 percent). As of April 18, 2013, 0.33 percent of the payments to date to SPR have been subcontracted to the approved WBE supplier and 1.64 percent of the payments have been subcontracted to the approved MBE companies. In addition, 34.24 percent of the current expenditures have

been paid to OBE companies. Contract is expected to meet all participation goals. A summary of the MBE and WBE payments is as follows:

Company Name	Brief Description of Work	Original WBE Goal	Spent Dollar Amount (April 2013)
G&F Concrete	Concrete Supplier	\$87,000.00	\$121,057.63
<b>Total:</b>		<b>\$87,000.00</b>	<b>\$121,057.63</b>

Company Name	Brief Description of Work	Original MBE Goal	Spent Dollar Amount (April 2013)
Western Paving	Asphalt Paving	\$425,000.00	\$509,647.06
Sudhakar Co. (Replaced by SCI)	Striping	\$ 80,000.00	\$ 17,280.00
Shamrock	Aggregate Base	\$ 68,000.00	\$ 77,765.91
<b>Total:</b>		<b>\$573,000.00</b>	<b>\$604,692.97</b>

The Water System is committed to creating equal opportunities for MBE, WBE, and OBE companies to participate in the performance of its contracts. At the award of this contract, SPR received 100 of 100 points on their Good Faith Effort as evaluated by the Office of Contract Compliance. Per SPR, it was a challenge to find enough MBE/WBE's that were willing or available to participate in this RSCILR4 since many small companies are not comfortable taking on large portions of a contract.

**ENVIRONMENTAL DETERMINATION**

In accordance with the California Environmental Quality Act, the environmental impacts associated with RSCILR4 were previously evaluated in an Environmental Impact Report certified by the Board on February 21, 2006.

**RECOMMENDATION**

It is recommended that your Honorable Board adopt the attached Resolution recommending this Amendment.

SYT:jmp

Attachments

e-c/att: Ronald O. Nichols  
Richard M. Brown  
Aram Benyamin  
James B. McDaniel  
Philip Leiber

Gary Wong  
Gwendolyn W. Williams  
Susan R. Rowghani  
Sabrina Y. Tsui

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: May 24, 2013

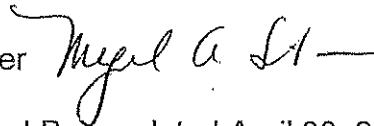
CAO File No.: 0150-09828-0001

Council File No.: 11-2130-S3

Council District: 4

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Department of Water and Power dated April 30, 2013

Subject: **THIRD AMENDMENT TO CONTRACT NO. 7038 BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND STEVE P. RADOS, INC.**

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### SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing the execution of the Third Amendment to Contract No. 7038 (Agreement) with Steve P. Rados, Inc. (SPR), for the installation of water pipe that increases expenditure authority by \$2.5 million for additional contingency funds resulting in a total contract amount of approximately \$46.5 million. The term of the Agreement remains the same. Pursuant to Charter Section 373, for long term contracts, City Council approval is required because the cumulative length of the agreement exceeds three years. The City Attorney has approved the proposed resolution as to form and legality.

### Background

The DWP Board of Commissioners (Board) awarded the competitively bid original Agreement to SPR for a total contract amount of \$40.7 million for the construction of the River Supply Conduit Improvement Lower Reach, Unit 4 (RSCILR4) Project. The RSCILR4 Project includes the installation of 10,400 linear feet of various large diameter (48 to 96 inches) welded steel water pipes from Griffith Park to the Silver Lake Reservoir Complex area.

Construction activities began in March 2010 and the planned completion date was September 15, 2012. However, due to unexpected site conditions, development of traffic control plans, extensive restoration paving due to the poor pre-existing condition of certain streets, increased levels of public outreach, and additional regulatory requirements, only 74 percent of the RSCILR4 Project was completed at that time. An additional 18 month term, expiring March 15, 2014, was requested to complete the RSCILR4 Project including the pending change orders already negotiated.

On August 7, 2012, the Board of Water and Power Commissioners (Board) approved the First Amendment to the Agreement to provide a limited term extension and expenditure authority. In accordance with Los Angeles Administrative Code Section 10.5(b)(2), the term was extended for six months expiring March 15, 2013, and authorized payments were limited to approximately \$134,000. Per the City Attorney, Board approval of the First Amendment is allowed to provide both a limited term extension and limited funding to prevent a break in the contract term while approval of this proposed Second Amendment was considered.

Subsequently, on August 28, 2012, the City Council and the Mayor approved the Second Amendment to the Agreement (C.F. 11-2130-S3) which per the City Attorney superseded the actions of the First Amendment. The Second Amendment the term was extended for 18 months expiring March 15, 2014, and increases the authorized expenditure authority by \$3.3 million to approximately \$44 million.

### **Third Amendment**

According to the Department, based on the information available in August 2012, \$44 million was provided for the mitigation of any future unanticipated site conditions for the remaining construction of the RSCILR4 Project. However, shortly after the adoption of the Second Amendment, DWP learned of additional environmental mitigation and special accommodations requested by Ivanhoe Elementary School administrators and parents which have resulted in additional costs. Based on the past three years of experience with the RSCILR4 Project, DWP estimates an additional cost of \$2.5 million to complete the remaining work on the project.

The additional accommodations and mitigations have included:

- Added inefficiencies due to reduced work area in order to address access for businesses and residences near Rowena Avenue which is adjacent to the construction site;
- Additional dust and site mitigation in the vicinity of Ivanhoe Elementary School located a block from Rowena Avenue;
- Construction inefficiencies due to limited work hours during school days;
- Premium overtime wages for Saturdays and beyond normal work hours to avoid heavy excavation while school was in session; and,
- Modifications to construction sequencing and acceleration were necessary to complete approximately 68 percent of the RSCILR4 Project work by December 2012, to place the pipeline in use to meet DWP's operational needs in the surrounding neighborhood.

As of March 28, 2013, the remaining \$3,709,177.50 contingency funds have been nearly depleted with a remaining balance of approximately \$274,000. The DWP states that based on their past experience with similar construction projects, it is unknown whether additional funding for contingencies will be necessary to complete the RSCILR4 Project. If the Third Amendment is approved, the resulting total contract expenditure authority from the Water Revenue Fund Capital Program will increase from \$44 million to \$46.5 million. The additional authority is required to prevent any delays in the project or addressing community concerns.

The above-mentioned aspects of the proposed Second Amendment, and this report, are based upon information received from the Department and the City Attorney subsequent to the initial request submittal.

## **RECOMMENDATION**

That the Mayor:

1. Approve the proposed resolution authorizing the execution of the Third Amendment to Contract No. 7038 with Steve P. Rados, Inc., providing an additional expenditure authority of \$2.5 million increasing the expenditure authority from \$44 million to \$46.5 million; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed resolution provides additional expenditure authority up to \$2.5 million from the Water Revenue fund. The proposed Agreement complies with the Department's adopted Financial Policies. Approval of the proposed resolution will have no impact on the City's General Fund.

## **TIME LIMIT FOR COUNCIL ACTION**

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.

Department of Water and Power



the City of Los Angeles

ERIC GARCETTI  
Mayor

Commission  
THOMAS S. SAYLES, *President*  
ERIC HOLOMAN, *Vice President*  
RICHARD F. MOSS  
CHRISTINA E. NOONAN  
JONATHAN PARFREY  
BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS  
General Manager

June 11, 2013

Mr. Derek Rados, Project Manager  
Steve P. Rados, Inc.  
2002 East McFadden Avenue, Suite 200  
Santa Ana, CA 92705

Dear Mr. Rados:

Subject: Amendment No. 3 – Specifications No. 7038, River Supply Conduit  
Improvement Lower Reach – Unit 4

This Amendment No. 3 to Specifications No. 7038 is made and entered into by and between the City of Los Angeles, a municipal corporation acting by and through the Department of Water and Power (LADWP), and Steve P. Rados, Inc. (SPR).

LADWP and SPR agree to amend Specifications No. 7038 as follows, subject to approval by the Board of Water and Power Commissioners and the Los Angeles City Council:

- The contingency amount on the Specifications total of \$8,607,393 as specified in the Proposal Schedule, Division C2 of Part C of Specifications No. 7038 and Amendment No. 2, is hereby increased by \$2,500,000 to a total of \$11,107,393. The Specifications maximum expenditure not-to-exceed amount is increased herewith to \$46,490,013.
- An extension of time is not needed for the increased contingency.

Except as expressly provided herein, all other terms and conditions of Specifications No. 7038 shall remain in full force and effect.

This Amendment No. 3 is issued pursuant to the provisions of the above-numbered contract.

Water and Power Conservation . . . a way of life

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700  
Telephone: (213) 367-4211 Cable address: DEWAPOLA



Mr. Derek Rados  
Page 2  
June 11, 2013

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to Specifications No. 7038 to be executed by their authorized representatives on the day and year written below:

DEPARTMENT OF WATER AND POWER  
OF THE CITY OF LOS ANGELES BY  
BOARD OF WATER AND POWER COMMISSIONERS  
OF THE CITY OF LOS ANGELES

By: \_\_\_\_\_  
RONALD O. NICHOLS  
General Manager

Date: \_\_\_\_\_

And: \_\_\_\_\_  
BARBARA E. MOSCHOS  
Secretary

APPROVED AS TO FORM AND LEGALITY  
CARMEN A. TRUTANICH, CITY ATTORNEY

JUN 20 2013

BY:   
EDUARDO A. ANGELES  
SENIOR ASSISTANT CITY ATTORNEY

STEVE P. RADOS, INC

By:   
Signature of Person Authorized to Bind  
Company

WALTER S. RADOS CO - PRESIDENT  
Name and Title of Authorized Person

Your authority to execute this Amendment will be in the form of a bilaterally signed copy of this document.

SYT:jmp