

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed Amendment No. 3 to Contract No. 7038 with Steve P. Rados, Inc. (SPR) for construction of the River Supply Conduit Improvement Lower Reach, Unit 4 Project.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' action of July 16, 2013, Resolution No. 19584, authorizing Amendment No. 3 to Contract No. 7038 with SPR for construction of the River Supply Conduit Improvement Lower Reach, Unit 4 Project to increase the contract by \$2,500,000.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of Amendment No. 3 to Contract No. 7038 provides additional expenditure authority up to \$2.5 million from the Water Revenue Fund. The proposed Amendment complies with the Los Angeles Department of Water and Power's adopted Financial Policies. Approval of the proposed Second Amendment will not impact the City's General Fund.

Community Impact Statement: None submitted.

TIME LIMIT ITEM - SEPTEMBER 24, 2013

(LAST DAY FOR COUNCIL ACTION - SEPTEMBER 24, 2013)

On August 7, 2013, your Committee considered July 22, 2013 Board of Water and Power Commissioners (Board) and May 24, 2013 CAO reports and Resolution No. 19584 relative to proposed Amendment No. 3 to Contract No. 7038 with SPR for construction of the River Supply Conduit Improvement Lower Reach, Unit 4 (RSCILR4) Project. According to the CAO, the Board of Water and Commissioners (Board) awarded the competitively bid original Agreement to SPR for a total contract amount of \$40.7 million for the construction of the RSCILR4 Project which 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 the poor pre-existing condition of the certain streets, increased levels of public outreach, and additional regulatory requirements, only 74% of the RSCIR4 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 approved Amendment No. 1 to the Agreement to provide a limited term extension and expenditure authority. The term was extended for six months, expiring March 15, 2013 and authorized payments were limited to approximately \$134,000. Subsequently, on August 28, 2012, Amendment No. 2 was approved, superseding the actions of Amendment No. 1. Amendment No. 2 extended the term, expiring March 15, 2014 and increases the authorized expenditure authority by \$3.3 million to approximately \$44 million.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of Resolution No. 19584 as detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	YES
HUIZAR:	ABSENT
KORETZ:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-