



RESOLUTION NO. _____

BOARD LETTER APPROVAL

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RICHARD F. HARASICK
Senior Assistant General Manager
Water System

A handwritten signature in blue ink, appearing to read 'M. Adams', is written over a horizontal line.

MARTIN L. ADAMS
Chief Operating Officer

A handwritten signature in blue ink, appearing to read 'D. Wright', is written over a horizontal line.

DAVID H. WRIGHT
General Manager

DATE: June 29, 2017

SUBJECT: Amendment No. 3 to Agreement Nos. 47260A-5, 47260B-5, and 47260C-5 for Engineering Design Services for the Owens Lake Dust Mitigation Program – Tetra Tech Inc., CH2M Hill, and CDM Smith Inc., Respectively

SUMMARY

Amendment No. 3 (Amendment) to Agreement Nos. 47260A-5, 47260B-5, and 47260C-5 will increase the not-to-exceed amount by \$3,000,000 from \$20,420,000 to \$23,420,000 (budgeted); and extend the term by one year for a cumulative term of four years, ending August 28, 2018.

During construction of the Owens Lake Dust Mitigation Program (OLDMP) – Phase 9/10 Project, LADWP encountered a significant number of unanticipated archeological, paleontological, biological, and tribal sensitive sites, necessitating design changes on over 30-percent of the construction drawing set issued at the time of bid. This Amendment will add \$1,000,000 to offset the increased design charges associated with encountered resources, and to ensure that adequate funds are available for the completion of the Phase 9/10 Project. The balance of \$2,000,000 of this Amendment will also enable LADWP to respond to any further weather related events impacting the OLDMP during the fall of 2017 and spring of 2018.

City Council approval is required in accordance with Charter Section 373.

RECOMMENDATION

It is requested that the Board adopt the attached Resolution recommending City Council's approval of Amendment No. 3 with Tetra Tech Inc., CH2M Hill, and CDM Smith Inc., as required in Charter Section 373.

ALTERNATIVES CONSIDERED

One alternative considered was to perform the work in-house. There is currently not enough LADWP staff with the appropriate expertise to perform the needed work within the required timeframe mandated by the Great Basin Unified Air Pollution Control District (GBUAPCD). Furthermore, there is not enough time to hire and train new staff to provide the engineering design services.

FINANCIAL INFORMATION

This Amendment will extend the term from August 29, 2017 through August 28, 2018; and increase the not-to-exceed amount by \$3,000,000 from \$20,420,000 to \$23,420,000 budgeted in the OLDMP for Fiscal Year 2017-2018.

The table below provides the cost breakdown:

Deliverables	Total
Original Contract Not-to-Exceed Amount	\$12,000,000
Amendment No. 1 (Phase 7a Project)	\$ 5,250,000
Amendment No. 2 (Emergency Work)	\$ 3,170,000
Amendment No. 3 (Phase 9/10 Project and Weather Related Emergencies)	\$ 3,000,000
Amended Agreement Not-to-Exceed Total	\$23,420,000

BACKGROUND

In November 2014, LADWP reached a historic agreement with GBUAPCD regarding OLDMP. The agreement which was codified in a Stipulated Judgment placed an upper limit on the total area which LADWP may be ordered by GBUAPCD to implement dust mitigation measures at Owens Lake, and allowed for implementation of water saving measures at Owens Lake. The Stipulated Judgment also required LADWP to install dust mitigation measures on 3.62 square-miles of new Dust Control Areas (DCA) by December 31, 2017, through the construction of the Phase 9/10 Project.

During construction of the Phase 9/10 Project, a significant number of unanticipated archeological, paleontological, biological, and tribal sensitive sites were encountered. To mitigate the impacts of the encountered resources and to maintain the fast pace construction schedule, LADWP authorized design changes to civil, electrical, and/or mechanical components of the Phase 9/10 Project. The number of resources

encountered requiring design changes were not accounted for in the development of the original estimate for the engineering design services.

Funding for this Amendment will, in part, enable LADWP to continue uninterrupted with commissioning, startup, and design support services during construction close-out of the Phase 9/10 Project. Commissioning, startup, and design support services includes, but are not limited to, support during testing of the electrical and mechanical components, review of operations and maintenance manuals, review of means and methods for completion of punch-list items, preparation of as-built drawings, and reports.

This Amendment will also provide support for the restoration and removal of emergency measures that have been put in place for protection of the OLDMP's major infrastructure due to the atmospheric storms of earlier this year and projected runoff conditions.

All three contractors have performed satisfactorily to date on their respective Agreements.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's (CAO) Report is being processed concurrently. Funds will be on hold until all approvals are final.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. The Board of Water and Power Commissioners certified the Environmental Impact Report, adopted the Mitigation Monitoring and Reporting Program, and approved the Owens Lake Dust Mitigation Program Phase 9/10 Project on June 2, 2015. Any other projects supported by this contract will comply with CEQA prior to implementation. However, since this contract does not commit LADWP to any specific project, it is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment Letters