





Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL



JAMES B. MCDANIEL
Senior Assistant General Manager -
Water System



RONALD O. NICHOLS
General Manager

DATE: December 5, 2013

SUBJECT: Bid No. 7375 for the Construction of the Owens Lake Dust Mitigation Project – Phase 7a

SUMMARY

The purpose of this proposed contract is for the Construction of the Owens Lake Dust Mitigation Project – Phase 7a (OLDMP7a) in order to comply with the requirements of the Stipulated Order for Abatement (SOA) No. 110317-01 and Modified SOA for Abatement No. 130819-01 issued by the Great Basin Unified Air Pollution Control District (GBUAPCD).

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners adopt the attached Resolution authorizing approval of award to Barnard Construction Co., Inc.

ALTERNATIVES CONSIDERED

This is a legally mandated project with potential financial penalties if not completed by the Regulatory Compliance deadline of December 31, 2015 (SOA No. 110317-01 and Modified SOA No. 130819-01). The only alternative considered was to have LADWP forces perform the work. After analyzing LADWP forces availability it was determined that LADWP does not have the necessary personnel to take on such a large project while ensuring that daily core functions are also being performed. As a result, the work will be performed by a contractor.

FINANCIAL INFORMATION

The contract will not exceed two years.

Expenditure	\$208,511,824.00
Contingency (10 percent)	<u>20,850,000.00</u>
Contract Total	\$229,361,824.00

The total quotation of \$208,511,824.00 is approximately 13 percent higher than LADWP's estimate of \$184,500,000.00. The variance is attributed to the fact that the project was advertised while the design was being completed. This was done to meet the project schedule agreed to in the June 2013 Settlement Agreement between LADWP and GBUAPCD. Due to the avoidance of environmentally sensitive areas, three dust control areas (DCAs) required significant modifications. Final design drawings were issued to the bidders through addenda to the original solicitation. The estimate, which is required to be completed prior to the release of any solicitation, did not include these final design elements.

Other factors contributing to the variance include the fact that OLDMP7a includes concepts that have not been used at Owens Lake in previous construction projects. As a result, the estimate was based on limited historical pricing information. Some of the new concepts include:

1. Hybrid dust control. This is a concept that utilizes water, vegetation, and gravel within an area. This is a concept developed during the Master Plan Process and is being used for the first time on a large scale at Owens Lake.
2. Use of 2-inch gravel cover. Historical pricing information for a 4-inch thick gravel cover is available; however, the potential cost savings from the gravel blanket thickness reduction was over estimated.

LADWP is requesting an additional 10 percent contingency amount of \$20,850,000 to address potential unforeseen and changed conditions, which may include unknown subsurface conditions, differing soil conditions, unstable soils, water intrusion, provisions for public safety, provisions for weather, environmental restrictions, and mitigations, and especially, restrictions imposed by regulatory agencies, which may arise during the course of the work. In addition, the contingency will help mitigate potential issues associated with the possibility for encountering additional cultural resources.

BACKGROUND

SOA No. 110317-01 and Modified SOA Abatement No. 130819-01 requires LADWP to construct 3.1 square miles of new dust control areas (DCA's) and to transition 3.0 square miles of existing shallow flood to a hybrid dust control for a total of 6.1 square miles of work. The regulatory compliance deadline for the OLDMP7a is December 31, 2015. Failure to comply with this deadline could potentially lead to fines of up to \$10,000

per day. OLDMP7a was created through negotiated SOA Abatement No. 110317-01 with GBUAPCD. It addresses the remaining 3.1 square miles of the 13.2 square mile Phase 7 order that LADWP was unable to complete because it was unable to secure a lease from the landowner for a waterless Moat and Row dust control project. The 3.1 square miles became OLDMP7a. In addition, OLDMP7a includes the transition of 3.0 square miles of existing shallow flood to hybrid dust control. This ensures that no additional water is used at Owens Lake for dust control in accordance with an LADWP Board of Commissioners directive (Board Resolution No. 010 063) that sets a limit on the amount of water used at Owens Lake.

Since 1995 LADWP has spent approximately \$1.2 billion in construction, operations and maintenance, cost of water, and payments to GBUAPCD to comply with mandatory requirements for dust control and mitigation at Owens Lake. Phase 7a will be a fast-paced project with an estimated construction duration of 18 months and is the largest and most complex Owens Lake DCA project to date. Phase 7, which was awarded in 2011 in the amount of \$114,830,795, was for a smaller area with a scope of work that was far less complex than the work for Phase 7a.

LADWP has had previous contracts with Barnard and this firm has performed well.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act, an Environmental Impact Report (EIR) for the Construction of the OLDMP7a was prepared. The Board of Commissioners approved the EIR on June 4, 2013 (Resolution No. 013 303).

CITY ATTORNEY

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

ATTACHMENTS

- A. Procurement Summary
- B. Resolution
- C. Map of Owens Lake
- D. Phase 7a Rendering

PROCUREMENT SUMMARY

1.	Recommended Vendor: Barnard Construction Co., Inc.
2.	Procurement Type: Invitation for Bid
3.	Procurement Details: A. Contract Status: New B. Bid Advertisement Date: August 30, 2013 C. Pre-Bid Conference Date: September 11, 2013 D. Number of Solicitations mailed: 9 E. Number of Bids/Proposals Received: 2 F. Protest Received: No
4.	Buyer Assigned: Diane Torres
5.	Contract Administrator: Louis Rubalcaba
6.	LADWP System: Water
7.	Contact Person for Item: Martin L. Adams

A. Summary of Bids Received/Evaluation Rating Summary of Proposals or

Term	Barnard	Flatiron West, Inc.
Contract Total	\$208,511,824.00*	\$227,900 000.00

*rounded to the nearest dollar

The number of potential bidders interested in preparing and submitting bids may have been limited due to the size and complexity of this project and the remote location of Owens Lake. The introduction of new concepts as dust control methods and the limited history of pricing information on these methods may also have played a role in companies choosing not to participate in this process. OLDMP7a is a project different from all other past construction projects at Owens Lake because it includes new concepts: hybrid dust control and use of 2-inch gravel cover methods as described earlier in the board letter.

B. Evaluation of Bid/Proposal/Cooperative Agreement

The recommended price is believed to be fair and reasonable even though higher than the LADWP estimate as described in the Financial Information section of this letter.

Barnard is the lowest bidder, however, this firm did not complete the "List of Proposed Subcontractors", under Division C3, detailed bid information, Article 3b of the Mandatory Subcontracting Minimum Requirement Information, as required by the specifications. In addition, this firm did not include a dollar amount for their fuel subcontractor. This firm was considered non-responsive

The only other bidder, Flatiron West, Inc. did not complete either state contractor identification numbers and/or principals of subcontractors on Bidder Contributions CEC Form 55 as required. In addition, this firm did not include the dollar amounts of their high-density polyethylene plastic pipe supplier and their stainless steel pipe supplier. This firm is considered non-responsive.

After seeking required approval from LADWP's General Manager, staff entered into negotiations with Barnard who then was allowed to provide the missing documentation. Barnard is now in complete compliance with the specifications.

In accordance with the foregoing facts, it is in the best interest of LADWP to enter into a negotiated contract with Barnard under their original proposal and correspondence dated November 5, 2013.

C. Contract/Vendor History

There is no contract history.

Vendor History					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
7328	Construction of Owens Lake Phase 8	One-time Purchase	9/2011	---	\$55,242,057.00
7140	Construction of Owens Lake Phase 7	One-time Purchase	8/2008	---	\$114,830,795.00

D. Local Business Preference Program (LBPP)

LBPP was included in the bid, however, Barnard is not a certified Local Business Enterprise

E. Additional Outreach Efforts Taken

In addition to the original bid list, the following outreach efforts were taken:

- The bid was posted on the LADWP website and the City of Los Angeles Business Assistance Virtual Network.
- The bid was electronically advertised on the Electronic Request-Solicit-Procure System (eRSP) for direct download.

F. Small Business Enterprise (SBE)/Disabled Veterans Business Enterprise (DVBE)/Minority Business Enterprise (MBE)/Woman Business Enterprise (WBE)/Other Business Enterprise (OBE) Subcontracting Participation

Barnard met and exceeded the contract specific SBE and DVBE subcontracting participation goal(s).

Barnard successfully completed the steps required to demonstrate its GFE to reach out to available SBE/DBVE/MBE/WBE/OBE firms. As a result, Barnard will subcontract approximately \$128,613,159.00.00 or 61.68 percent of the contract amount to 22 subcontractors.

Bid No. 7375 included a 7 percent Mandatory Subcontracting Minimum (MSM). Barnard met the MSM subcontracting participation.

SBE SUBCONTRACTING:

Name	Description of Subcontracting Work	Dollar Amount	Percentage
Allied Steel Co., Inc.	Structural steel	\$126,050.00	0.06%
Baja Exploration	Electrical and instrumentation	\$25,000.00	0.01%
Ladner Coatings, Inc.	Painting and coating	\$315,740.00	0.15%
Nature's Image	Seeding and irrigation	\$580,385.00	0.28%
Our Valley Fence Company	Sand fencing	\$1,087,979.00	0.52%
Southwest Boulder and Stone	Supplying boulders	\$223,493.00	0.11%
W.C. Goolsby	Fuel	\$7,825,182.00	3.75%
Walker River Construction, Inc.	Structural concrete	\$2,130,715.00	1.02%
Total:		\$12,314,544.00	5.90%

DVBE SUBCONTRACTING:

Name	Description of Subcontracting Work	Dollar Amount	Percentage
G&C Equipment Corporation	Supplying miscellaneous construction material and providing modular units	\$1,213,000.00	0.58%

OBE SUBCONTRACTING:

Name	Description of Subcontracting Work	Dollar Amount	Percentage
Chapman's Welding, Inc.	Welding	\$17,000.00	0.01%
Corpro Companies	Cathodic protection material supply	\$105,344.20	0.05%
Culwell Abrasive, Inc.	Decorative sandblasting	\$12,820.00	0.01%
Double E. Construction, Inc.	Structural concrete	\$5,386,783.00	2.58%
F.W. Aggregates, Inc.	Aggregate Supplier	\$23,932,184.00	11.48%
G&J Heavy Haul, Inc.	Trucking	\$6,504,594.00	3.12%
Helix Electric, Inc.	Electrical	\$14,280,000.00	6.85%
Kleinfelder	Quality control	\$1,589,250.00	0.76%
Northwest Pipe, Inc.	Supplying welded steel pipe	\$252,000.00	0.12%
Olsen Precast Company	Manufacturing precast concrete structures	\$815,477.00	0.39%
PermaTrak North America LLC	Boardwalk material supplier	\$6,710,728.00	3.22%
RAM Fiberglass	Supplying fiberglass reinforced pipe	\$20,500.00	0.01%
Santa Fe Winwater	Piping, supplier	\$55,458,935.00	26.60%
Total:		\$115,085,615.20	55.20%

MBE:	None
WBE:	None

WHEREAS, through a competitive bid process, the Los Angeles Department of Water and Power (LADWP) issued a solicitation to procure construction of the Owens Lake Dust Mitigation Project – Phase 7a under Bid No.7375; and

WHEREAS, Barnard Construction Co., Inc., is the lowest bidder under Bid No.7375.

NOW, THEREFORE, BE IT RESOLVED that Barnard Construction Co., Inc. is awarded the contract for a total amount not to exceed \$229,361,824.00, including a 10 percent contingency of \$20,850,000.00 for a period of two years, Contract No.7375.

BE IT FURTHER RESOLVED that pursuant to City Charter Section 1022, the Board finds that it is more feasible to have the work performed by an independent contractor.

BE IT FURTHER RESOLVED that Contract No. 7375, approved as to form and legality by the City Attorney, and filed with the Secretary of the Board, is hereby approved.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Water Revenue Fund, in accordance with the terms of this contract awarded pursuant to Bid No. 7375 and this resolution.

BE IT FURTHER RESOLVED that the President or Vice President, 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 are hereby authorized and directed to execute said contract for and on behalf of LADWP.

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

Secretary

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

DEC 05 2013

BY _____
DIRK P. BROERSMA
DEPUTY CITY ATTORNEY

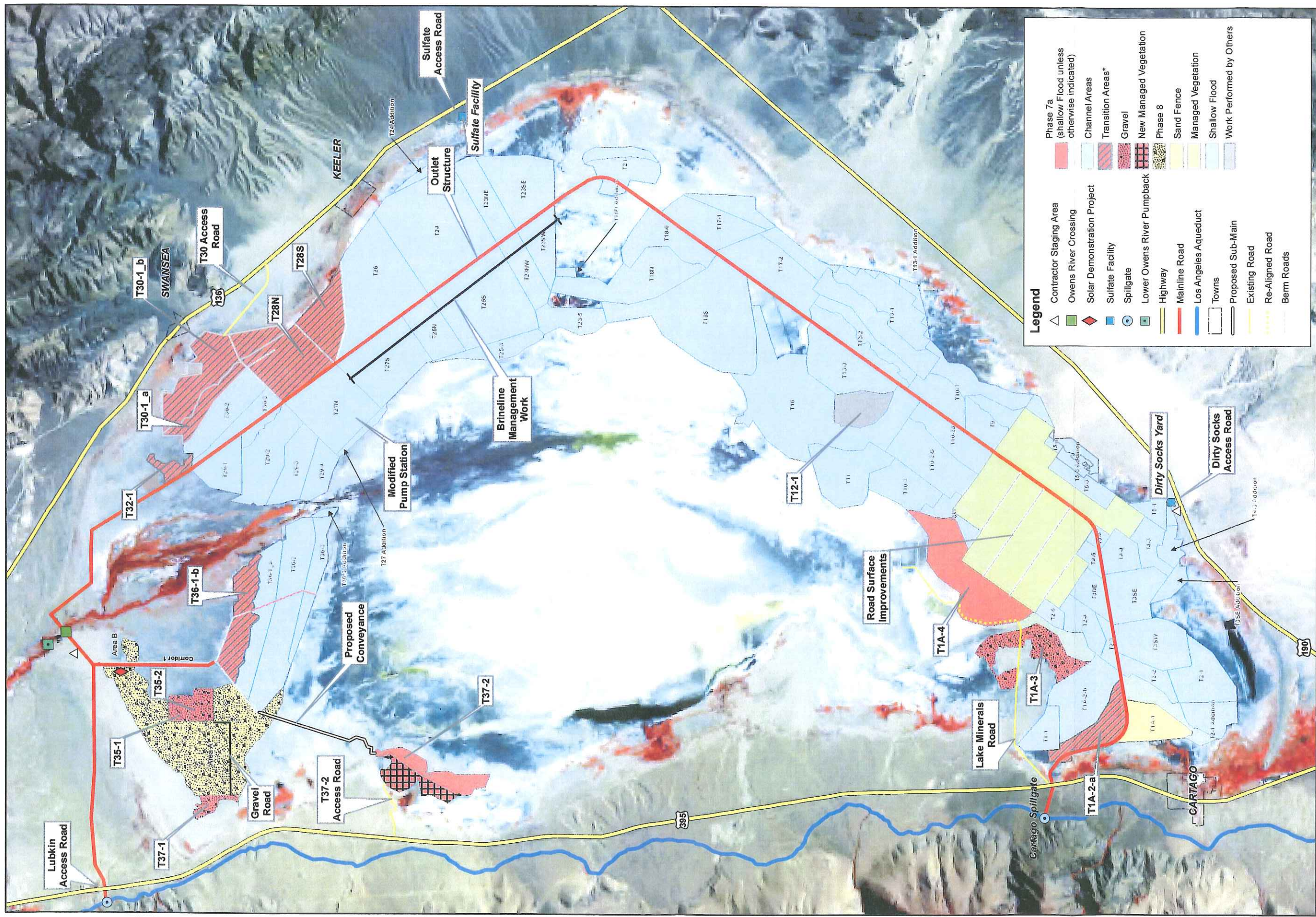
Phase 7a Rendering

Before



After





Legend

△ Contractor Staging Area	Phase 7a (shallow Flood unless otherwise indicated)
■ Owens River Crossing	Channel Areas
◇ Solar Demonstration Project	Transition Areas*
□ Sulfate Facility	Gravel
○ Spillgate	New Managed Vegetation
■ Lower Owens River Pumpback	Phase 8
■ Highway	Sand Fence
■ Mainline Road	Managed Vegetation
■ Los Angeles Aqueduct	Shallow Flood
□ Towns	Work Performed by Others
--- Proposed Sub-Main	
--- Existing Road	
--- Re-Aligned Road	
--- Berm Roads	

* Transition Areas include Shallow Flood, Managed Vegetation, and Gravel



Figure 1-2
Phase 7a Nomenclature Map
Owens Lake Dust Mitigation Project - Phase 7a
Los Angeles Department of Water and Power