



BOARD LETTER APPROVAL

ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: October 27, 2025

SUBJECT: Amendment No. 6 to Agreement No. 47071-2 with Webcor|Obayashi|Lyles, a Joint Venture, for the Silver Lake Reservoir Complex Storage Replacement Project/Headworks Reservoir Project

SUMMARY

The proposed Amendment No. 6 (Amendment) is needed to complete the Headworks Reservoir Restoration (Phase 4) of the Silver Lake Reservoir Complex Storage Replacement Project/Headworks Reservoir Project (Project). The proposed Amendment will extend Agreement No. 47071-2 (Agreement) with Webcor|Obayashi|Lyles, a Joint Venture (Contractor) from December 31, 2025 by an additional four years for a total of 18 years, ending on December 31, 2029. This Amendment will also increase the not-to-exceed contract amount by \$18 million (budgeted) which will increase the Agreement total from \$388 million to \$406 million.

The Project replaces water storage from the Silver Lake and Ivanhoe Reservoirs which were taken out of service to comply with the Long Term 2 Enhanced Surface Water Treatment Rule, enacted by the United States Environmental Protection Agency (EPA) to improve drinking water quality.

Upon completion of Phase 4, the Headworks 23-acre project site will be restored and transformed into a public resource, providing an outdoor space for the local community and visitors while providing education opportunities about the Los Angeles Water System. The passive-use park will include pedestrian and cyclist pathways which will enhance connectivity to the surrounding area, including Griffith Park.

City Council approval is required under Charter Section 373.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing City Council's approval of Amendment No. 6 with Contractor as required in Charter Section 373.

ALTERNATIVES CONSIDERED

The alternative to this Board Action is to issue a new contract to construct Phase 4 which will result in significant delays to the completion of the project. Based on the latest schedule, the Los Angeles Department of Water and Power (LADWP) would anticipate a delay of approximately two years. As a result of this delay LADWP would anticipate increased costs due to escalation. Timely construction of Phase 4 is also critical due to the potential of overlapping construction schedules on the same site for Phase 4 and the proposed Design-Build Water Quality Lab Project.

By securing the services of the Contractor under this proposed Amendment, the Contractor will complete Phase 4 as specified under their original Contract. Given their experience on the previous construction phases at Headworks, the Contractor will provide continuity in the delivery of Phase 4 and will be able to leverage their understanding of the technical constraints and opportunities/risks from Phases 1 thru 3 of the Headworks Reservoir Project, as well as the stakeholder sensitivities.

FINANCIAL INFORMATION

The Board authorized LADWP to spend up to \$388 million (budgeted) on a task assignment basis, contingent upon availability of funds, for the construction of the four Project phases.

The not to exceed total authorized expenditure for Phase 4 will increase by \$18 million, from \$22 million to \$40 million including contingency. By approving the Amendment, the Board will increase the not-to-exceed Agreement amount from \$388 million to \$406 million (budgeted) for all four phases and extend the contract expiration date to December 31, 2029.

BACKGROUND

In January 2006, the EPA promulgated the Long Term 2 Enhanced Surface Water Treatment Rule and the Stage 2 Disinfectants and Disinfection Byproducts Rule. To comply with the new regulations, reservoirs must either be covered, have their water treated prior to use, or be bypassed. It was determined that covering or treating water from Silver Lake and Ivanhoe Reservoirs was

impractical and the reservoirs would need to be removed from service. The Project replaces the functionality of the reservoirs.

The Project consists of four phases: Headworks Reservoir East (Phase 1), Headwork Reservoir West (Phase 2), Flow Control Station (Phase 3), and Reservoir Restoration. Phases 1 and 2 are complete. The reservoirs provide a combined 110 million gallons of potable water storage capacity. Phase 3, which is approximately 95 percent complete, will serve as the new conduit for influent water for Headworks East and West Reservoirs. LADWP has issued a Request for Proposal for the design of Phase 4, with construction completion anticipated in 2028.

Phase 4 will be a public resource within the City of Los Angeles where the local community and visitors will be able to enjoy an outdoor space while also learning about the Los Angeles Water System. Phase 4 is identified in the Los Angeles River Revitalization Master Plan and will incorporate a passive use recreation open space with native plant landscaping, and a segment of the Los Angeles River Trail system for future linking to adjacent recreation areas and trails.

On December 6, 2011, the Board approved the Construction Manager at Risk Agreement with the Contractor for preconstruction and construction services on a task assignment basis in the amount of \$230 million, with funding for construction contingent on Board approval. On October 17, 2016, the Board authorized increasing the contract budget by \$123 million to \$353 million due to design changes, project expansion, and an extended construction timeline. On November 6, 2018, the contract end date was extended from December 31, 2018, to December 31, 2021, to conduct research and development for an improved concrete mix and to redesign Headworks Reservoir West for a combined total operational capacity of 110 million gallons. On March 23, 2021, the Board authorized the increase of the budget by \$35 million from \$353 million to \$388 million, updating the cost estimate based on final design. On October 26, 2021, the contract was extended to December 31, 2025, to allow for Project completion. On September 24, 2024, the Board approved reallocating \$10 million from Phase 4 to Phase 3 for the replacement of existing equipment necessary to operate the Headworks Flow Control Station, placing the River Supply Conduit (RSC) Upper Reach in-service, and to address change orders and unforeseen changes for Phase 3 completion. The proposed Amendment will allocate the necessary time and funding to complete the Project.

The Project has received \$418,195,032 in California Safe Drinking Water State Revolving Funds (DWSRF) for LADWP labor expenses; professional services; permitting; Phases 1, 2, and 3 of the Agreement; and other Project expenses toward a total estimated Project cost of approximately \$514 million.

Since the Agreement's execution, the Contractor has performed satisfactorily.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's (CAO) Report was approved on October 24, 2025.

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)(2) states that continuing administrative or maintenance activities, such as amendments to existing contracts, do not meet that definition. Therefore, the amendment of a contract to extend the contract duration and add funds is not subject to CEQA.

In addition, determine item is in compliance with CEQA Guidelines Sections 15080- 15097 (Environmental Impact Report previously adopted). In accordance with CEQA, an EIR was prepared to analyze the impacts associated with the construction and operation of the Silver Lake Reservoir Complex Replacement Project. On May 16, 2006, the Board certified the EIR; adopted the Mitigation Monitoring and Reporting Program, Findings of Fact, and Statement of Overriding Considerations; and approved the project. Two subsequent addendums to the EIR were also prepared and considered in 2013 and 2017, respectively.

In addition, determine item is in compliance with CEQA Guidelines Sections 15070- 15075 (MND previously adopted). In accordance with CEQA, a Mitigated Negative Declaration (MND) was prepared to analyze the impacts associated with the construction and operation of the Headworks Site Development Project. On September 10, 2024, the Board of Water and Power Commissioners adopted the MND and Mitigation Monitoring and Reporting Program, and approved the project.

CITY ATTORNEY

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

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment
- CAO Report

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Webcor Obayashi Lyles (WOL), a Joint Venture
2.	Procurement Type: Amendment
3.	Procurement Details: A. Contract Status: Amendment B. Bid Advertisement Date: NA C. Pre-Bid Conference Date: NA D. Bid/Proposal Due Date: NA E. Number of Downloads of Solicitation: NA F. Number of Bids/Proposals Received: NA G. Protest Received: NA
4.	Buyer Assigned: Ermiase Tesfaye
5.	Contract Administrator: Ofelia Rubio
6.	LADWP System/Division: Water/Water Engineering & Technical Services
7.	Contact Person for Item: Gregory R. Reed

A. Evaluation Rating Summary of Proposals

Not Applicable to the Amendment

B. Evaluation of Proposal

The Amendment does not revise the Agreement's fee schedule. Prices have been determined to be fair and reasonable since there have been no price increases since Amendment No. 3, executed on December 11, 2018.

C. Procurement History

Service/Item History and Vendor Experience - Number of Times Item or Service has been Procured and Number of Contracts Vendor had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	End Date	Contract Amount
47071-2	Silver Lake Reservoir Complex Storage Replacement Project/Headworks Reservoir Project	14 years	12/06/11	12/31/25	\$388,000,000

D. Local Business Preference Program (LBPP)

Not applicable to the Amendment

E. Additional Outreach Efforts Taken

Not applicable to the Amendment

F. Small Business Enterprise (SBE)/Disable Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Subcontracting Participation

This contract is funded by the Drinking Water State Revolving Fund (DWSRF), which subjected the procurement to DWSRF regulations. The state funding mandated a Good Faith Effort (GFE) outreach to be included in the procurement, of which Webcor|Obayashi|Lyles, a Joint Venture successfully fulfilled. As a result, Webcor|Obayashi|Lyles, a Joint Venture had committed to 19 percent MBE and 9 percent WBE utilization.

Progress of diverse supplier utilization as of 06/04/2025:

- SBE Utilization – 2.77%
- MBE Utilization – 11.79%
- WBE Utilization – 2.76%
- OBE Utilization – 60.58%