



RESOLUTION NO. 025 032

BOARD LETTER APPROVAL

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ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

A handwritten signature in black ink, appearing to read 'Aram Benyamin', is positioned above the name of the official.
Aram Benyamin (Aug 8, 2024 17:37 PDT)

ARAM BENYAMIN
Chief Operating Officer

A handwritten signature in black ink, appearing to read 'Janisse Quiñones', is positioned above the name of the official.

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: August 2, 2024

SUBJECT: Amendment No.2 to Agreement No. 47525 for Progressive Design-Build Services for San Fernando Groundwater Basin Remediation - Kiewit Infrastructure West Company

SUMMARY

The proposed Amendment No. 2 (Amendment) to Agreement No. 47525 (Agreement) with Kiewit Infrastructure West Company (Kiewit) is to extend the term of the Agreement by one year for a total term of six years ending September 8, 2025. There are no changes to the Agreement's budget, and all other terms and conditions remain unchanged.

This extension is needed for obtaining permits necessary for the San Fernando Groundwater Basin Remediation Project (Project). The Project includes the design and construction of the Tujunga Well Field Response Action Treatment Facility and the North Hollywood Central Response Action Treatment Facility. Delays in Project completion due to challenges related to the COVID-19 pandemic and permitting requirements of the new facilities necessitate the extension. Failure to extend the agreement would render Kiewit unavailable to assist LADWP during the California State of Water Resources Control Board Division of the Drinking Water 97-005 permitting process. Extending Kiewit's contract ensures compliance with regulatory requirements and facilitates the Project's commissioning phase.

City Council approval is required in Charter Section 373.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of the Amendment as required in Charter Section 373.

ALTERNATIVES CONSIDERED

Alternatives considered are as follows: Allowing the contract to expire would create a lapse in coverage until a permit to operate is received.

If the regulators require modifications to the Project, utilizing LADWP's resources for the modifications before receiving the operating permits could delay startup, especially if LADWP is already working on other projects. Additionally, authorizing LADWP staff to modify work completed by Kiewit under the Agreement, may void the Project's warranty.

Therefore, the proposed Contract Amendment presents the most effective solution, allowing LADWP to retain Kiewit while the permitting agencies issue a permit to operate.

FINANCIAL INFORMATION

This Amendment is not requesting additional funding. The not-to-exceed amount will remain the same at \$495,000,000 (budgeted).

	Maximum Expenditure
Agreement Amount	\$408,000,000
Amendment No. 1	\$87,000,000
Not-to-Exceed Amount	\$495,000,000

BACKGROUND

The City of Los Angeles (City) has historically relied on local groundwater for approximately 11 percent of its water supply, with a greater dependence during droughts and emergencies. The San Fernando Basin (SFB) constitutes the City's primary local groundwater basin, representing over 80 percent of its annual adjudicated groundwater rights. Unfortunately, contamination resulting from past industrial activities, unrelated to LADWP, has severely compromised the groundwater's usability, affecting nearly half of LADWP's groundwater wells.

The Project's objective is to design and construct two treatment facilities targeting groundwater contamination in the Tujunga and Rinaldi-Toluca Well Fields, aiming to

restore the SFB's beneficial use. Kiewit was the successful bidder to provide Progressive Design-Build services of two facilities: the North Hollywood Central Response Action Treatment Facility and Tujunga Well Field Response Action Treatment Facility. On August 27, 2019, the Board adopted Resolution No. 020 028, awarding Agreement No. 47525 to Kiewit for a term of five years and for a not to exceed amount of \$408,000,000 due to a competitive solicitation process, under Request for Proposal No. 90419 advertised on November 20, 2017.

The Project entails the design and construction of two state of the art treatment facilities that will remove contaminants from the groundwater and protect the public health and environment by reducing exposure to contaminants. As a result of the restored operation of the Tujunga and Rinaldi-Toluca Well Fields, LADWP will be able to utilize its annual water rights of 87,000-acre feet per year and reduce dependence on imported water.

On January 26, 2021, the Board adopted Resolution No. 021 133, executing Amendment No. 1 to the Agreement which increased the Agreement amount by \$87,000,000, from \$408,000,000 to \$495,000,000 due to unforeseen cost escalations during conceptual design, required real estate acquisitions, relocation of existing facilities, and increased regulatory compliance cost.

Amendment No. 2 will extend the Agreement by one year to ensure timely compliance with regulatory permitting requirements. Several factors extended the construction completion of the Project, including procurement delays and the moratorium on real estate acquisitions due to the COVID-19 pandemic as well as the length of the rigorous permitting process. Due to the extended construction duration, the Division of Drinking Water 97-005 permitting process will occur after the existing Agreement expires resulting in Kiewit's unavailability to assist LADWP should the regulatory agencies require modifications to the facilities.

Throughout the Project's construction phase, LADWP has maintained ongoing communication with regulatory agencies, conducting quarterly meetings, site visits, and document reviews, alongside engaging with neighboring stakeholders. Upon completion, the Project will augment the City's water supply, particularly crucial during drought periods, while remediating SFB contamination, restoring it to its original state. The two treatment facilities have received California Proposition 1 Water Quality, Supply, and Infrastructure Improvement Act grant awards totaling \$257,817,737 for the remediation of the SFB groundwater.

To date, Kiewit has demonstrated satisfactory performance under the Agreement.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's (CAO) Report was approved on August 1, 2024.

ENVIRONMENTAL DETERMINATION

Determine item is in compliance with California Environmental Quality Act (CEQA) Guidelines Sections 15070-15075. In accordance with CEQA, LADWP prepared a Mitigated Negative Declaration (MND) for the proposed response action for North Hollywood Central to analyze the impacts associated with the project. On December 11, 2018, the Board adopted the MND and Mitigation Monitoring and Reporting Program (MMRP) and approved the interim remedial action in an Interim Remedial Action Decision (IRAD). LADWP also prepared an MND for the proposed response action for Tujunga Well Field to analyze the impacts associated with the project. On January 22, 2019, the Board adopted the MND and MMRP and approved the interim remedial action for the Tujunga Well Field in an IRAD. The IRADs contemplate the design and construction of groundwater treatment facilities that constitute the Project.

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 No. 2
- CAO Report

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Kiewit Infrastructure West Company
2.	Procurement Type: Amendment
3.	Procurement Details: A. Contract Status: Amendment B. Bid Advertisement Date: Not Applicable C. Pre-Bid Conference Date: Not Applicable D. Bid/Proposal Due Date: Not Applicable E. Number of Downloads of Solicitation: Not Applicable F. Number of Bids/Proposals Received: Not Applicable G. Protest Received: Not Applicable
4.	Buyer Assigned: De'Andre Washington
5.	Contract Administrator: Louis Rubalcaba/Ofelia Rubio
6.	LADWP System/Division: Water System / Groundwater Project Management
7.	Contact Person for Item: Evelyn Cortez-Davis

A. Evaluation Rating Summary of Proposals

Not applicable to the Amendment.

B. Evaluation of Proposals

Not applicable to the Amendment.

C. Procurement History

Service/Item History – Number of Times Item or Service has been Procured					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
47525	Kiewit Infrastructure West Company	5 Years	9/9/19	9/8/24	\$495,000,000

Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 10 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
47997	Engineer, Procure, and Construct the Balance of Plant and Install the Combustion Turbine for Haynes Units 5 and 6	4 years	1/14/11	1/13/15	\$264,428,659
47174	Engineer, Procure, and Construct the Balance of Plant and Install the combustion and Steam Turbine Scattergood Generating Station Unit 3 Repowering Project	5 years	4/26/13	4/25/18	\$507,030,836

N7769	Construction of Temporary Emergency Measures on Owens Lake	One-time Purchase	4/19/17	12/31/17	\$15,000,000
07694	Construction of the Upper Stone Canyon Reservoir Water Quality Improvement Project	One-time Purchase	4/24/17	730 days from NTP	\$26,945,133
47525	Progressive Design-Build Services for San Fernando Groundwater Basin Remediation with Kiewit Infrastructure West Company	5 Years	9/9/19	9/8/24	\$495,000,000

D. Local Business Preference Program (LBPP)

Not applicable to the Amendment.

E. Additional Outreach Efforts Taken

Not applicable to the Amendment.

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

Kiewit Infrastructure West Company met the contract specific SBE/DVBE participation goal of 15 percent and committed to an overall SBE/DVBE participation of the same percentage, which will continue to apply to the amended contract period.

Actual subcontractor participation commitments and achievements are provided below:

SBE SUBCONTRACTING

SBE PARTICIPATION		
Name	Original Commitment	Achievement thru (03/31/2024)
Geo-Advantec	TBD	0.10%
Surveying & Drafting Services, Inc.	TBD	0.07 %
SWPPQueen, Inc. (MBE, WBE)	TBD	0.02 %
Aqueous Vets (DVBE)	TBD	3.39 %
Paradyne Consulting Works, LLC	TBD	0.02 %
IBRA-RMAC Automation Systems, LLC	TBD	0.04 %
Civic CM	TBD	0.01 %
The Culver Group	TBD	0.14 %
Daniel Mechanical	TBD	0.05 %
DC Traffic Control	TBD	0.18 %
Global Transloading	TBD	0.1 %
G.T.E. Metal Erectors	TBD	1.47 %
H. Wayne Lewis Inc	TBD	0.68 %
Halco Service Corp	TBD	0 %

Hammer Down Transportation	TBD	0.02 %
Inplant Sales	TBD	0.56 %
Morgner Construction Management	TBD	0 %
Nor Cal Pipeline Services	TBD	0.41%
Parada Painting Inc	TBD	1.01 %
SM Sales	TBD	0.14 %
Soffa Electric,	TBD	1.24 %
Steel West USA Inc	TBD	0.85 %
Triumph Geo-Synthetics Inc	TBD	0.01 %
Andessaw Consulting	TBD	1.03 %
Angelview LLC	TBD	0.01 %
Century Sweeping	TBD	0.25 %
Inline Concrete Cutting & Coring, Inc.	TBD	0.06 %
J & S Building Maintenance, Inc	TBD	0.02 %
Matrix Environmental, Inc.	TBD	0.16 %
Monzon & Son Enterprises, Inc	TBD	0.26 %
National EagleSecurity, Inc	TBD	0.38 %
Service Connected, Inc	TBD	0.16 %
Southern California Environmental, Inc.	TBD	0.10 %
West Coast Aerial Photography	TBD	0.01 %
Crump and Co. Inc	TBD	0.04 %
Floriani Engineering (WBE)	TBD	0.14 %
Marne Construction (DVBE)	TBD	1.26 %
Link-Nilsen Corp	TBD	0.06 %
Big Bear Electric (DVBE)	TBD	0.01 %
Janet Sullivan	TBD	0.08 %
Stanley Construction Supply	TBD	0.16 %
Western Industrial Supply Corp	TBD	0.12 %
JML Staffing Solutions (MBW, WBE)	TBD	0.04 %
Trinity Equipment (DVBE)	TBD	0.03 %
Infinity Drywall Contracting	TBD	0.11%
Charles P Crowley Company	TBD	0.03 %
Grupo Espinosa Sales and Marketing	TBD	0.22 %
GT Express	TBD	0.05 %
Parker Lighting Inc	TBD	0.04 %
Barney's Hole Drilling Service	TBD	0.05 %
Econo Fence	TBD	0.01 %
G&F Concrete Cutting	TBD	0.01 %
GMAT	TBD	0.06 %
Charter Industrial Supply	TBD	0.38 %
Red Hawk Services	TBD	0.03 %
MAD Transportation	TBD	0.09 %
Maxim Security Systems	TBD	0.08 %
Building Electronic Controls	TBD	0.05 %
Sierra Landscape Development, Inc.	TBD	0 %
SBE Totals:		16.10 %

DVBE SUBCONTRACTING

DVBE PARTICIPATION		
Name	Original Commitment	Achievement thru (03/31/2024)
Kana Subsurface Engineering	TBD	0.18 %
Eberhard Energy Systems	TBD	0.95 %
DVBE Totals:		1.13%

MBE SUBCONTRACTING

MBE PARTICIPATION		
Name	Original Commitment	Achievement thru (03/31/2024)
Pinnacle Petroleum, Inc (WBE)	TBD	0.15 %
Traffic Management	TBD	0.04 %
MBE Totals:		0.19%

WBE SUBCONTRACTING

WBE PARTICIPATION		
Name	Original Commitment	Achievement thru (03/31/2024)
Keramida Environmental	TBD	0.01 %
WBE Totals:		0.01%

OBE SUBCONTRACTING

OBE PARTICIPATION (Non-Certified Firms)		
Name	Original Commitment	Achievement thru (03/31/2024)
Ground Penetrating Radar Systems	TBD	0.01 %
Stantec	TBD	6.37 %
Associated Tank Constructors	TBD	0.57 %
Earthcam Inc.	TBD	0.03 %
Jifco Inc.	TBD	4.11 %
McGrath RentCorp	TBD	0.15 %
RP Adams Company Inc.	TBD	0.45 %
Trojan Technologies Group LLC	TBD	4.59 %
OBE Totals:		16.28%

G. Project Labor Agreement

Kiewit is in compliance with the Project Labor Agreement targeted hiring mandated goals.

PROJECT LABOR AGREEMENT HIRING CATEGORY	GOAL	ACTUAL
Construction work hours performed by local residents	30%	37%
Construction apprentice work hours performed by local residents	50%	51%
Project construction work hours performed by local resident transitional workers	10%	11%