



RESOLUTION NO. 026 013

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 "Janisse Quinones", written over a horizontal line.

JANISSE QUINONES
Chief Executive Officer and Chief Engineer

DATE: July 8, 2025

SUBJECT: Amendment No.3 to Agreement No. 47525 for Progressive Design-Build Services for San Fernando Groundwater Basin Remediation with Kiewit Infrastructure West Company

SUMMARY

The proposed Amendment No. 3 (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 seven (7) years ending September 8, 2026. There are no changes to the Agreement's budget, and all other terms and conditions remain unchanged.

The extension is required to retain Kiewit for the commissioning of the San Fernando Groundwater Basin Remediation Program's (Project) Tujunga Well Field Response Action Treatment Facility (TJ Facility). Due to the emergence of Per- and Polyfluoroalkyl Substances (PFAS) contaminants in the Tujunga Well Field, the permitting of the TJ Facility has been impacted. LADWP is working with the Division of Drinking Water (DDW) to evaluate treatment and operational modifications to mitigate the new contaminants and secure the permit to operate the TJ Facility. Amendment No.3 would enable LADWP and Kiewit to commission the facility within the project warranty period. The TJ Facility DDW permit to operate this facility is expected to be approved in the fourth quarter of 2025.

City Council approval is required pursuant to Section 373 of the Los Angeles City Charter.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing approval of the Amendment to the Agreement with Kiewit as required in Charter Section 373.

ALTERNATIVES CONSIDERED

Alternatives considered include allowing the contract to expire. This alternative would result in a lapse in coverage by Kiewit before the commissioning of the TJ Facility is performed.

If the regulators require modifications to the Project, utilizing LADWP's resources for the modifications could delay startup, especially if LADWP forces are already working on other projects. In addition, authorizing LADWP forces 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 agency issues a permit to operate.

FINANCIAL INFORMATION

Amendment No. 3 does not request additional funding. The not-to-exceed amount will remain the same at \$495,000,000 (budgeted).

	<u>Original Maximum Expenditure</u>
Agreement Amount	\$408,000,000
Amendment No. 1	\$87,000,000
Amendment No. 2	Not applicable
Amendment No. 3	Not applicable
Not-to-Exceed Amount	\$495,000,000

BACKGROUND

The City of Los Angeles (City) 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. 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 to address groundwater contamination in the Tujunga and Rinaldi-Toluca Well Fields, aiming to restore the SFB's beneficial use. 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. The Project's two facilities include the Tujunga Well Field Response Action Treatment Facility (TJ Facility) and North Hollywood Central Response Action Treatment Facility (NHC Facility).

On January 26, 2021, the Board adopted Resolution No. 021 133, executing Amendment No. 1 to the Agreement which increased the budget to \$495,000,000 due to cost escalations during conceptual design, additional real estate requirements, facility relocations, and heightened regulatory compliance costs.

On August 27, 2024, the Board adopted Resolution No. 025 032, executing Amendment No. 2 to extend the Agreement by 12 months due to delays caused by procurement challenges during the COVID-19 Pandemic, ensuring Kiewit's support during the DDW 97-005 permitting process and Project's commissioning. The commissioning of the NHC Facility is expected to be complete during the summer of 2025.

In May 2023, PFAS were first detected in the Tujunga Well Field. LADWP has been working with the DDW to evaluate treatment and operational modifications to mitigate the new contaminants and secure the permit to operate the TJ Facility. The U.S. Environmental Protection Agency (EPA) has established Maximum Contaminant Levels (MCLs) for PFAS. Although the EPA's MCLs are federally enforceable in 2029, LADWP is working with the DDW to meet the established MCLs in the permit for the TJ Facility which is expected in the summer of 2025. Amendment No. 3 will address the delays encountered due to the emergence of PFAS in the Tujunga Well Field and will facilitate the Project completion with Kiewit and compliance with regulatory requirements.

Throughout the Project's construction phase, LADWP has maintained ongoing communication with regulatory agencies, conducting quarterly meetings, site visits, and document reviews, and has engaged with neighboring stakeholders. Upon completion, the Project will augment the City's water supply, particularly crucial during drought and emergency periods, while remediating SFB contamination, restoring the groundwater basin to its original state.

The Project has 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 July 8, 2025.

ENVIRONMENTAL DETERMINATION

Determine the 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 a 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. 3
- CAO Report

PROCUREMENT SUMMARY

1.	Recommended Vendor: Kiewit Infrastructure West Company
2.	Procurement Type: Board Amendment
3.	Procurement Details: A. Contract Status: Amendment No. 3 B. RFP Advertisement Date: Not Applicable C. Pre-Proposal Conference Date: Not Applicable D. Proposal Due Date: Not Applicable E. Number of Downloads of Solicitation: Not Applicable F. Number of Proposals Received: Not Applicable G. Protest Received: Not Applicable
4.	Buyer Assigned: Andrew Castro
5.	Contract Administrator: Ofelia Rubio
6.	LADWP System/Division: Water System / Groundwater Project Management
7.	Contact Person for Item: Gregory R. Reed

A. Evaluation Rating Summary of Proposal

Not applicable to the Amendment.

B. Evaluation of Proposal

Pricing is determined to be fair and reasonable since there is no change to the not-to-exceed amount of the contract.

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	Original Contract Amount
47525-0	Progressive Design-Build Services for San Fernando Groundwater Basin Remediation With Kiewit Infrastructure West Company	6 Years	9/9/2019	9/8/2025	\$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
47525-0	Progressive Design-Build Services for San Fernando Groundwater Basin Remediation With Kiewit Infrastructure West Company	6 Years	9/9/2019	9/8/2025	\$495,000,000
07694-7	Construction of the Upper Stone Canyon Reservoir Water Quality Improvement Project	One-time Purchase	4/24/17	730 days from NTP	\$26,945,133
47174-3	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
47997-1	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
N7769-7	Construction of Temporary Emergency Measures on Owens Lake	One-time Purchase	4/19/17	12/31/17	\$15,000,000

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

The minimum mandatory SBE/DVBE participation requirement set for this contract was 15 percent. Kiewit Infrastructure West Company committed to an overall SBE/DVBE participation of 15 percent which will continue to apply to the amended contract amount.

Actual subcontractor participation commitments and achievements are provided below:

SBE SUBCONTRACTING

SBE PARTICIPATION		
Name	Original Commitment	Achievement thru (01/23/2025)
Geo-Advantec	N/A	0.10%
Surveying & Drafting Services, Inc.	N/A	0.07%
SWPPQueen, Inc. (MBE)	N/A	0.01%
Aqueous Vets (DVBE)	N/A	0.02%
Paradyne Consulting Works, LLC	N/A	3.33%
IBRA-RMAC Automation Systems, LLC	N/A	6.39%
Civic CM	N/A	0.02%
The Culver Group	N/A	0.04%
Daniel Mechanical	N/A	0.17%
DC Traffic Control	N/A	0.01%
Global Transloading	N/A	0.14%
G.T.E. Metal Erectors	N/A	0.05%
H. Wayne Lewis Inc	N/A	0.17%
Halco Service Corp	N/A	0.93%
Hammer Down Transportation	N/A	0.10%
Inplant Sales	N/A	1.45%
Morgner Construction Management	N/A	0.67%
Nor Cal Pipeline Services	N/A	0.00%
Parada Painting Inc	N/A	0.02%
SM Sales	N/A	0.56%
Soffa Electric,	N/A	0.00%
Steel West USA Inc	N/A	0.43%
Triumph Geo-Synthetics Inc	N/A	1.04%
Andessaw Consulting	N/A	0.14%
Angelview LLC	N/A	0.18%
Century Sweeping	N/A	1.23%
Inline Concrete Cutting & Coring, Inc.	N/A	0.83%
J & S Building Maintenance, Inc	N/A	0.01%
Matrix Environmental, Inc.	N/A	0.04%
Monzon & Son Enterprises, Inc	N/A	0.01%
National Eagle Security, Inc	N/A	1.04%
Service Connected, Inc	N/A	0.01%
Southern California Environmental, Inc.	N/A	0.28%
West Coast Aerial Photography	N/A	0.07%
Crump and Co. Inc	N/A	0.02%
Floriani Engineering (WBE)	N/A	0.16%
Marne Construction	N/A	0.25%
Link-Nilsen Corp	N/A	0.40%
Big Bear Electric (DVBE)	N/A	0.16%
Janet Sullivan	N/A	0.10%
Stanley Construction Supply	N/A	0.01%
Western Industrial Supply Corp	N/A	0.04%
JML Staffing Solutions (MBW, WBE)	N/A	0.56%
Trinity Equipment (DVBE)	N/A	0.03%
Infinity Drywall Contracting	N/A	4.04%
Charles P Crowley Company	N/A	0.16%
Grupo Espinosa Sales and Marketing	N/A	0.44%
GT Express	N/A	4.51%
Parker Lighting Inc	N/A	0.14%
Barney's Hole Drilling Service	N/A	1.28%
Econo Fence	N/A	0.07%

G&F Concrete Cutting	N/A	0.01%
GMAT	N/A	0.05%
Charter Industrial Supply	N/A	0.38%
Red Hawk Services	N/A	0.24%
MAD Transportation	N/A	0.19%
Maxim Security Systems	N/A	0.09%
Building Electronic Controls	N/A	0.05%
Sierra Landscape Development, Inc.	N/A	0.04%
SBE Totals:		33.91%

DVBE SUBCONTRACTING

DVBE PARTICIPATION		
Name	Original Commitment	Achievement thru (01/23/2025)
Kana Subsurface Engineering	N/A	0.17%
Eberhard Energy Systems	N/A	0.93%
DVBE Totals:		1.10%

MBE SUBCONTRACTING

MBE PARTICIPATION		
Name	Original Commitment	Achievement thru (01/23/2025)
Pinnacle Petroleum, Inc (WBE)	N/A	0.14%
Traffic Management	N/A	0.04%
MBE Totals:		0.18%

WBE SUBCONTRACTING

WBE PARTICIPATION		
Name	Original Commitment	Achievement thru (01/23/2025)
Keramida Environmental	N/A	0.01%
WBE Totals:		0.01%

OBE SUBCONTRACTING

OBE PARTICIPATION (Non-Certified Firms)		
Name	Original Commitment	Achievement thru (01/23/2025)
Ground Penetrating Radar Systems	N/A	0.01%
Stantec	N/A	6.39%
Associated Tank Constructors	N/A	0.56%
Earthcam Inc.	N/A	0.03%
Jifco Inc.	N/A	4.04%
McGrath Rent Corp	N/A	0.16%
RP Adams Company Inc.	N/A	0.44%
Trojan Technologies Group LLC	N/A	4.51%
OBE Totals:		16.14%

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%