



BOARD MEMORANDUM

DATE: October 14, 2019

TO: Board of Directors

FROM: Brian J. Folsom, P.E. *BJF*
Chief Engineer

SUBJECT: Approve (1) a Resolution for Construction Contract and Management Funding to The Newhall Land and Farming Company, LLC, (2) a Work Authorization to Michael Baker International for Engineering Services During Construction and (3) a Work Authorization to Cannon Corporation for Inspection Services for the Magic Mountain Pipeline Phase 6A Project

SUMMARY

The Magic Mountain Pipeline Phase 6A (Phase 6A Pipeline) Project has been advertised for construction bids. Bids have been received and staff is recommending approval of a construction contract and construction management funding to The Newhall Land and Farming Company, LLC (Newhall Land). Staff is recommending approval of a work authorization to Michael Baker International (MBI) for engineering services during construction and approval of a work authorization to Cannon Corporation (Cannon) for inspection services.

DISCUSSION

The Agency's Capital Improvement Program includes construction of new pipelines to extend its existing Magic Mountain Pipeline to the future Magic Mountain Reservoir located in the Mission Village development. The pipeline extension will be constructed in four phases (Phases 4, 5, 6A, and 6B) based on the Mission Village development road construction schedule. On August 1, 2018, the Agency executed the Magic Mountain Water Pipeline Installation Agreement (Agreement) with Newhall Land. Under the terms of the Agreement, Newhall Land will install the Phase 6A Pipeline as a part of the road improvements and the Agency will reimburse Newhall Land for construction costs.

The Phase 6A Pipeline is approximately 3,300 feet long and 42-inches in diameter. As shown on the attached map, the pipeline will be installed within Magic Mountain Parkway (approximately 500 feet) and within Westridge Parkway (approximately 2,800 feet). The project was advertised for construction bids by Newhall Land on August 27, 2019.

On September 11, 2019, three bids were received by Newhall Land. A summary of the bids is presented below:

Bidder	Bidder Location	Total Bid Price
Toro Enterprises Inc.	Oxnard, CA	\$7,168,844.85
Blois Construction Inc.	Oxnard, CA	\$7,494,173.00
Sam Hill & Sons Inc.	Ventura, CA	\$9,450,967.60

Newhall Land and Agency staff evaluated the submitted bids. The apparent responsive low bid was from Toro Enterprises Inc. (Toro) for a total of \$7,168,844.85. The engineer's estimate for the project is \$6,545,939. Toro is a licensed Class A contractor in the State of California and is registered with the Department of Industrial Relations.

The Agency's Purchasing Policy allows the General Manager to approve change orders up to four percent (4%) of the original contract amount, however, the Board may grant a different change order authority on a project specific basis. Newhall Land will manage the construction contract of the Phase 6A Pipeline as part of the overall road development. Since it is anticipated that there may be a limited time for change order processing and approval, staff is recommending increasing the General Manager's Change Order Authority from four percent (4%) to ten percent (10%) of the original contract amount.

Staff requested the engineering design consultant, MBI, to provide a proposal for professional engineering services during construction. MBI services include attending various construction meetings, performing construction observation site visits, responding to contractor's request for information and clarifications, reviewing contractor submittals for conformance to the project's technical aspects, reviewing request for quotes and preparing as-built drawings.

Staff also solicited proposals for inspection services. Staff is recommending Cannon for the work. The general scope of work includes providing inspection, overall construction coordination and material testing.

CEQA Determination

The proposed action was previously evaluated by the Castaic Lake Water Agency's (CLWA) Board of Directors. On February 11, 2015, CLWA, as a Responsible Agency under CEQA, certified the Mission Village Final Environmental Impact Report (Final EIR) and adopted the Lead Agency's (the County of Los Angeles) findings, the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Programs with the adoption of Resolution No. 3023. CLWA filed the Notice of Determination with the Los Angeles County Clerk's Office and the State Clearinghouse on February 24, 2015. There are no substantial changes to the project and no further CEQA documentation is necessary for the Board to act with regards to the proposed actions.

On October 10, 2019, the Engineering and Operations Committee considered staff's recommendation to approve (1) a Resolution for Construction Contract and Management Funding to The Newhall Land and Farming Company, LLC, (2) a Work Authorization to Michael Baker International for Engineering Services During Construction and (3) a Work Authorization to Cannon Corporation for Inspection Services for the Magic Mountain Pipeline Phase 6A Project.

FINANCIAL CONSIDERATIONS

The Agency will reimburse Newhall Land for construction costs and the Agency shall pay Newhall Land for construction management and miscellaneous costs for permits, construction survey and geotechnical testing. Toro's construction bid is \$7,168,844.85. Newhall Land's budget for construction management and miscellaneous costs (permits, construction survey, and geotechnical testing) is an amount not to exceed \$320,000. MBI's budget for engineering services during construction is an amount not to exceed \$150,000 and the work will be

performed on a time and expense basis. Cannon's budget for inspection services is an amount not to exceed \$510,000. Cannon's services will be performed on a time and materials basis.

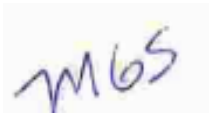
This project is funded in the Agency's FY 2019/20 Budget for the Magic Mountain Pipeline No. 6 Project. The project's total estimated cost, including engineering, construction management, construction, inspection and miscellaneous costs, is \$11,105,000. As of September 19, 2019, the project's total expenses are \$217,064.

RECOMMENDATION

The Engineering and Operations Committee recommends that the Board of Directors (1) approve the attached resolution awarding funding in an amount not to exceed \$7,168,844.85 for construction costs and an amount not to exceed \$320,000 for construction management and miscellaneous costs to The Newhall Land and Farming Company, LLC, and authorize the General Manager to execute construction change orders up to ten percent (10%) of the original construction contract, (2) authorize the General Manager to execute a work authorization with Michael Baker International for an amount not to exceed \$150,000 for engineering services during construction and (3) authorize the General Manager to execute a work authorization with Cannon Corporation for an amount not to exceed \$510,000 for inspection services for the Magic Mountain Pipeline Phase 6A Project.

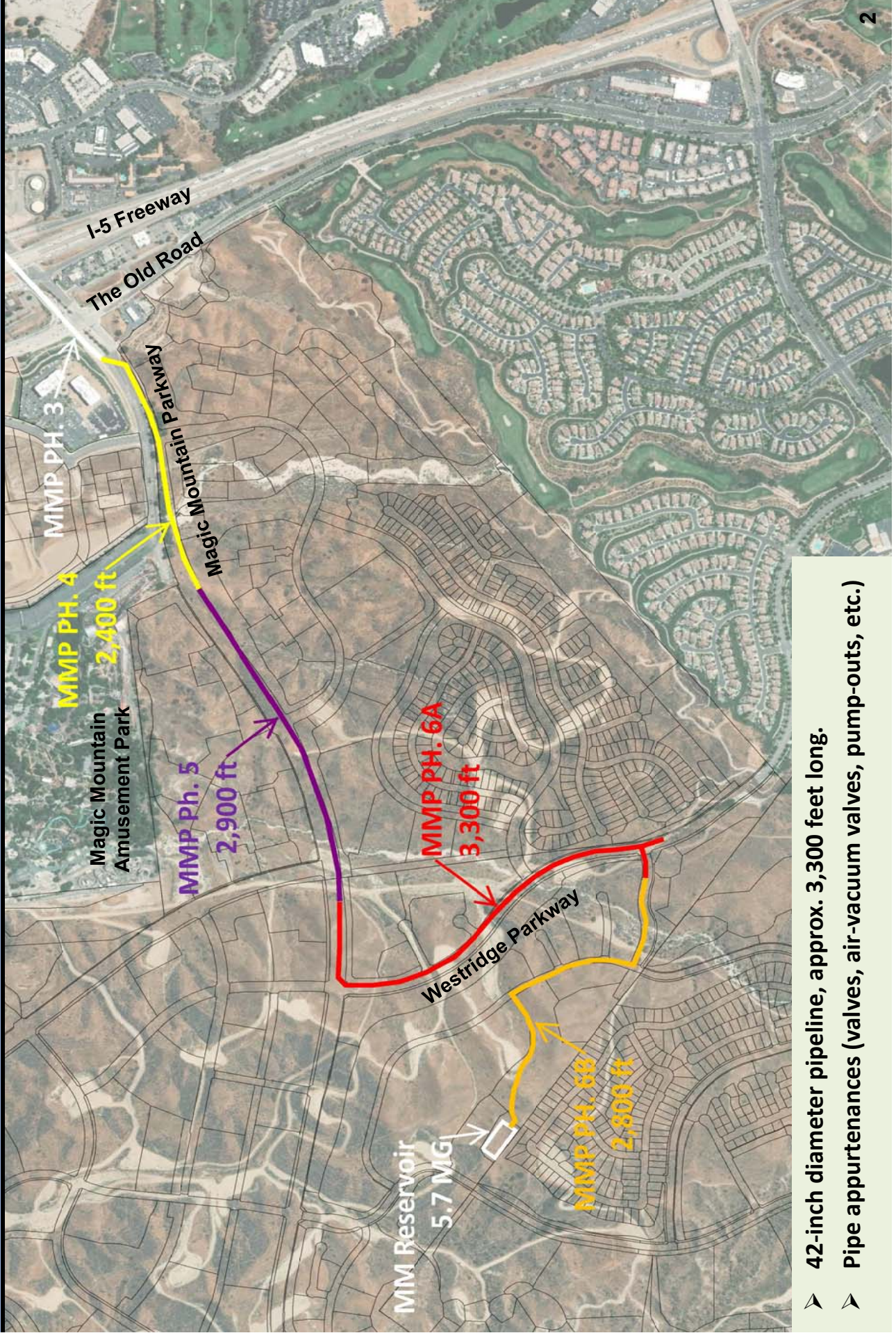
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Attachments



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Magic Mountain Pipeline Phase 6A Location and Description



- 42-inch diameter pipeline, approx. 3,300 feet long.
- Pipe appurtenances (valves, air-vacuum valves, pump-outs, etc.)

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RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
APPROVING FUNDING FOR CONSTRUCTION CONTRACT
AND CONSTRUCTION MANAGEMENT
TO THE NEWHALL LAND AND FARMING COMPANY, LLC,
FOR THE MAGIC MOUNTAIN PIPELINE PHASE 6A PROJECT**

WHEREAS, Santa Clarita Valley Water Agency (SCVWA) desires to take steps to increase the reliability of its existing water system; and

WHEREAS, SCVWA's Capital Improvement Program includes new pipelines to extend the Agency's existing Magic Mountain Pipeline to the future Magic Mountain Reservoir, located in The Newhall Land and Farming Company, LLC, (Newhall Land)'s Mission Village project; and

WHEREAS, Newhall Land is constructing the Mission Village project, and would like to install/construct SCVWA's new pipelines in four phases, Magic Mountain Pipeline Phases 4, 5, 6A and 6B, as part of Newhall Land's road improvements, subject to SCVWA's reimbursement; and

WHEREAS, any agreement with Newhall Land regarding the Mission Village project is independent of SCVWA's pre-existing plans to construct the pipeline as part of SCVWA's Capital Improvement Program to ensure a reliable supply of water; and

WHEREAS, Castaic Lake Water Agency (CLWA), as a CEQA Responsible Agency, filed the Notice of Determination with the Los Angeles County Clerk's Office and the State Clearinghouse on February 24, 2015 and there are no substantial changes to the project, and no further CEQA documentation is necessary for the Board to act with regards to the proposed actions; and

WHEREAS, the General Manager executed the Magic Mountain Water Pipeline Installation Agreement with Newhall Land for the construction of the Magic Mountain Pipeline Phases 4-6 on August 1, 2018; and

WHEREAS, all bid proposals submitted to the Newhall Land, pursuant to the Magic Mountain Water Pipeline Installation Agreement, and the Agency's construction contract documents, as amended by Addenda, were received by Newhall Land on Wednesday, September 11, 2019 by 2:00 p.m., in full accordance with the law and Newhall Land's customary procedures; and

WHEREAS, the Board of Directors finds, after considering the opinion of staff, that the total bid of Toro Enterprises Inc. in the amount of \$7,168,844.85 is the lowest responsible bid of three bids submitted, and that said bid substantially meets the requirements of said construction contract documents as amended by Addenda; and

WHEREAS, the Agency's Purchasing Policy allows the General Manager to approve change orders up to four percent (4%) of the original contract amount and the Board of Directors may grant a different change authority on a project-specific basis; and

WHEREAS, it is in the Agency's best interest that the Board of Directors change the General Manger's Change Order Authority for this project from four percent (4%) to ten percent (10%); and

WHEREAS, under the terms of the Magic Mountain Water Pipeline Installation Agreement, Newhall Land will perform the construction management and miscellaneous construction support services for this project in an amount not to exceed \$320,000.

NOW, THEREFORE, BE IT RESOLVED that the Agency's Board of Directors does authorize its General Manager to accept said low bid and does therefore authorize the Agency's General Manager or its Chief Engineer to approve the funding to Newhall Land for a reimbursement to Toro Enterprises Inc., hereby found to be the "lowest responsible bidder" for the Magic Mountain Pipeline Phase 6A Project pursuant to said Agency's construction contract documents, as amended by Addenda, for a total construction budget not to exceed \$7,168,844.85.

RESOLVED FURTHER that the Agency's Board of Directors does authorize its General Manager or its Chief Engineer to approve change orders up to ten percent (10%) of the original construction contract amount for the Magic Mountain Pipeline Phase 6A Project with details of all construction change orders being reported to the Board of Directors.

RESOLVED FURTHER that the Agency's Board of Directors does authorize its General Manager or its Chief Engineer to approve the funding to Newhall Land for construction management and miscellaneous construction support services for the Magic Mountain Pipeline Phase 6A Project pursuant to the Magic Mountain Water Pipeline Installation Agreement in an amount not to exceed \$320,000.