



COMMITTEE MEMORANDUM

DATE: August 1, 2018

TO: Engineering and Operations Committee

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

SUBJECT: Approve (1) a Resolution for Construction Contract and Management Funding to The Newhall Land and Farming Company, LLC, and (2) a Work Authorization to Kennedy/Jenks Consultants for Inspection Services for the Magic Mountain Pipeline Phase 4 Project

SUMMARY

The Magic Mountain Pipeline Phase 4 (Phase 4 Pipeline) project has been advertised for construction bids. Bids have been received and staff is recommending approval of construction contract and construction management funding to The Newhall Land and Farming Company, LLC (Newhall Land). Staff is also recommending approval of a work authorization to Kennedy/Jenks Consultants (K/J) for inspection services for the Pipeline project.

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 three phases (Phases 4, 5, and 6) based on the Mission Village development road construction schedule. On February 11, 2015, the Castaic Lake Water Agency (CLWA) Board of Directors authorized the General Manager to execute the Magic Mountain Water Pipeline Installation Agreement (Agreement) with Newhall Land. Under the terms of the Agreement, Newhall Land will install the Phase 4 Pipeline as a part of the road improvements and the Agency will reimburse Newhall Land for construction costs.

The Phase 4 Pipeline is approximately 2,400 feet long and 42-inches in diameter. The pipeline will be installed within Magic Mountain Parkway beginning near the intersection of Magic Mountain Parkway and The Old Road and ending near the intersection of Magic Mountain Parkway and the Magic Mountain Amusement Park entrance. The project was advertised for construction bids by Newhall Land on May 1, 2018.

On July 11, 2018, two 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	\$3,084,725.00
Blois Construction, Inc.	Oxnard, CA	\$4,140,291.00

Newhall Land and Agency staff evaluated the submitted bids. The apparent responsive low bid is from Toro Enterprises Inc. (Toro) for a total of \$3,084,725. The engineer's estimate for the project is \$3,443,963. 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 4 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 proposals for inspection services from two of the Agency's on-call engineering firms. The proposals were evaluated based on the consultant's qualifications and experience. Staff is recommending that K/J provide inspection services for the project. K/J will be performing inspections and reviewing progress pay estimates.

CEQA Determination

The proposed action was previously evaluated by CLWA's 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.

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 \$3,084,725. Since there are potentially multiple issues to be resolved during construction, staff is recommending a ten percent (10%) construction contingency be added to Toro's bid resulting in a not to exceed construction budget amount of \$3,393,198. Newhall Land's budget for construction management and miscellaneous costs (permits, construction survey, and geotechnical testing) is an amount not to exceed \$234,300.

K/J's budget for inspection services is an amount not to exceed \$285,000. K/J's services will be performed on a time and materials basis. This project is funded in the Agency's FY 2018/19 Budget for the Magic Mountain Pipeline No. 4 Project. The project's total estimated cost is \$4,765,000. The FY 2018/19 project budget is \$4,596,000. As of June 30, 2018, the project expenditures are \$166,738.

RECOMMENDATION

That the Engineering and Operations Committee recommends that the Board of Directors (1) approve the attached resolution awarding funding in an amount not to exceed \$3,393,198 for construction costs and an amount not to exceed \$234,300 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, and (2) authorize the General Manager to execute a work authorization with Kennedy/Jenks Consultants for an amount not to exceed \$285,000 for inspection services during construction of the Magic Mountain Pipeline Phase 4 project.

ES

Attachment

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RESOLUTION NO. SCV-XX

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
APPROVING THE FUNDING FOR CONSTRUCTION CONTRACT
AND CONSTRUCTION MANAGEMENT
TO THE NEWHALL LAND AND FARMING COMPANY, LLC,
FOR THE MAGIC MOUNTAIN PIPELINE PHASE 4 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 three phases, Magic Mountain Pipeline Phases 4-6, 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, 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, July 11, 2018 by 5:00 p.m., in full accordance with the law and the Newhall Land and Farming Company'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 \$3,084,725 is the lowest responsible bid of two bids submitted, and that said bid substantially meets the requirements of said construction contract documents as amended by Addenda; and

WHEREAS, it is in the Agency's best interest that the Board of Directors authorize a ten percent (10%) construction contingency in an amount not to exceed \$308,473; 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%).

NOW, THEREFORE, BE IT RESOLVED that the Agency's Board of Directors does authorize its General Manager to accept said low bid and does thereafter 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 4 Project pursuant to said Agency's construction contract documents as amended by Addenda and a ten percent (10%) construction contingency for a total construction budget not to exceed \$3,393,198.

RESOLVED FURTHER that the Agency's Board of Directors does authorize its General Manager or its Chief Engineer to approve change orders up to a ten percent (10%) of the original construction contract amount for the Magic Mountain Pipeline Phase 4 Project.