



REVISED

ITEM NO.
6.1

BOARD MEMORANDUM

DATE: May 11, 2020

TO: Board of Directors

FROM: Keith Abercrombie
Chief Operating Officer

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 Woodard and Curran for Inspection Services for the Commerce Center Drive Pipeline Project

SUMMARY

The Commerce Center Drive 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 Woodard and Curran (W&C) for inspection services.

DISCUSSION

The Agency's Capital Improvement Program includes construction of new production wells that will replace capacity lost from wells that were shut down in 1997 because of perchlorate contamination. Construction of the Replacement (Saugus 3 and 4) Wells Project, which consists of three parts: 1) two new wells just west of Magic Mountain amusement park, 2) site preparation and infrastructure, 3) and a pipeline to convey the water along Commerce Center Drive to the Magic Mountain Parkway Pipeline. It will consist of about 1,000 feet of 30-inch welded steel pipeline. On October 1, 2019, the Agency executed Amendment No. 1 to the Magic Mountain Water Pipeline Installation Agreement (Agreement) with Newhall Land. Under the terms of the Agreement, Newhall Land will install the Commerce Center Drive pipeline as a part of the road improvements and the Agency will reimburse Newhall Land for construction costs.

Newhall Land solicited construction bids on April 7, 2020.

On April 17, 2020, four bids were received by Newhall Land. A summary of the bids is presented below:

Bidder	Bidder Location	Total Bid Price
Blois Construction, Inc.	Oxnard, CA	\$891,139.70
Toro Enterprises, Inc.	Oxnard, CA	\$972,109.60
Leatherwood Construction	Fountain Valley, CA	\$1,062,601.00
Sam Hill & Sons, Inc.	Ventura, CA	\$1,692,152.00

Newhall Land and Agency staff evaluated the submitted bids. The apparent responsive low bid was from Blois Construction Inc. (Blois) for a total of \$891,139.70. The engineer's estimate for the project is \$598,360. Blois 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 Commerce Center Drive Pipeline project 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 solicited proposals for inspection services. Staff is recommending W&C for the work. The general scope of work includes providing inspection, overall construction coordination and material testing.

CEQA Determination

The proposed action is installing the Commerce Center Pipeline, and was previously evaluated by the Castaic Lake Water Agency's (CLWA) Board of Directors. On September 14, 2005, CLWA, as the lead agency under CEQA, ~~certified-adopted~~ the Mitigated Negative Declaration for the Groundwater Containment, Treatment, and Restoration Project ([MND](#)) ([State Clearinghouse #2005081053](#)) ~~and-adopted findings, the Statement of Overriding Considerations~~ and the Mitigation Monitoring and Reporting Programs with the adoption of Resolution No. 2429. CLWA filed the Notice of Determination with the Los Angeles County Clerk's Office and the State Clearinghouse on September 19, 2005.

~~[As a result of the integration of CLWA into the Agency, the Agency is now the lead agency under CEQA for the Commerce Center Drive Pipeline Project. In its role as lead agency the Agency has now evaluated the adopted MND pursuant to CEQA Guideline 15162 to determine if, when taking subsequent discretionary actions in furtherance of a project for which an MND has been adopted, the Agency is required to review whether any of the circumstances under Public Resources Code section 21166 and CEQA Guidelines section 15162 have occurred that require additional environmental review. Based on that evaluation, and given that the proposed pipeline alignment and sizing have been updated in such a manner that the Project will now run through an existing right of way, staff concluded that the MND fully analyzed and mitigated all potentially significant environmental impacts, if any, that would result from the Project, and therefore, no subsequent EIR or mitigated negative declaration is required. The pipeline alignment and sizing have been updated 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.](#)~~

On May 7, 2020, 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, and (2) a Work Authorization to a Woodard and Curran for Inspection Services for the Commerce Center Drive Pipeline 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. Blois' construction bid is \$891,139.70. Newhall Land's budget for construction management and miscellaneous costs (permits, construction survey, and geotechnical testing) is an amount not to exceed \$84,100. Woodard and Curran's budget for inspection services is an amount not to exceed \$260,000. Woodard and Curran's services will be performed on a time and materials basis.

This project is funded in the Agency's Biennial Budget for FY 2019/2020 and FY 2020/2021 as part of the \$11,161,000 Replacement (Saugus 3 and 4) Wells Project. The Commerce Center Drive Pipeline project's total estimated cost, including engineering, construction management, construction, inspection and miscellaneous costs, is \$1,271,139.70. As of March 31, 2020, the Replacement (Saugus 3 and 4) Wells project's total expenses are \$468,997.65. The first \$8.3 million of the project will be funded by Whittaker Corporation, consistent with terms of Castaic Lake Water Agency Litigation Settlement Agreement related to perchlorate contamination.

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 \$891,139.70 for construction costs and an amount not to exceed \$84,100 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 Woodard and Curran for an amount not to exceed \$260,000 for inspection services for the Commerce Center Drive Pipeline project.

JL

Attachments

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REVISED

**RESOLUTION NO. SCV-XXX
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 COMMERCE CENTER DRIVE PIPELINE 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 connect ~~the~~ [AgencySCVWA](#)'s future Replacement (Saugus 3 and 4) Wells Project to the Magic Mountain Pipeline, 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, 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, [on September 14, 2005, Castaic Lake Water Agency \(CLWA\), as the lead agency under California Environmental Quality Act \(CEQA\), adopted the Mitigated Negative Declaration for the Groundwater Containment, Treatment, and Restoration Project \(MND\) \(State Clearinghouse #2005081053\), and MND which evaluate the Commerce Center Drive Pipeline Project and approved the Mitigation Monitoring and Reporting Programs with the adoption of Resolution No. 2429; and](#)

WHEREAS, ~~Castaic Lake Water Agency (CLWA)~~, as a CEQA ~~Responsible Lead Agency~~ [AgencySCVWA](#), filed the Notice of Determination with the Los Angeles County Clerk's Office and the State Clearinghouse on September 19, 2005; and

WHEREAS, [as a result of ~~it~~ the integration of CLWA into SCVWA, the SCVWA is now the lead agency under CEQA for the Commerce Center Drive Pipeline Project; and](#)

WHEREAS, [in its role as lead agency ~~the~~ SCVWA has now evaluated the adopted MND pursuant to CEQA Guideline 15162 to determine if, when taking subsequent discretionary actions in furtherance of a project for which an MND has been adopted, ~~the~~ SCVWA is required to review any changed circumstances to determine whether any of the circumstances under Public Resources Code section 21166 and CEQA Guidelines section 15162 require additional environmental review; and](#)

WHEREAS, [based on that evaluation, and given that the proposed pipeline alignment and sizing have been updated in such a manner that the Project will now run through an existing right of way, SCVWA staff concluded that the MND fully analyzed and mitigated all potentially significant environmental impacts, if any, that would result from the Project, and therefore, no subsequent EIR or mitigated negative declaration is required; and](#)

~~WHEREAS, the proposed action is installing the Commerce Center Pipeline; and~~

~~WHEREAS, the pipeline alignment and sizing have been updated 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 Amendment No. 1 to the Magic Mountain Water Pipeline Installation Agreement with Newhall Land for the construction of the Commerce Center Drive Pipeline on October 1, 2019; and

WHEREAS, all bid proposals submitted to Newhall Land, pursuant to the Magic Mountain Water Pipeline Installation Agreement, and ~~the Agency~~SCVWA's construction contract documents, as amended by Addenda, were received by Newhall Land on Friday, April 17, 2020 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 Blois Construction, Inc. in the amount of \$891,139.70 is the lowest responsible bid of four bids submitted, and that said bid substantially meets the requirements of said construction contract documents as amended by Addenda; and

WHEREAS, ~~the Agency~~SCVWA'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~~SCVWA's best interest that the Board of Directors change the General Manager'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 \$84,100.

NOW, THEREFORE, BE IT RESOLVED, the SCVWA Board of Directors (Board) finds that the administrative record has been completed in compliance with CEQA, the CEQA Guidelines, and that the MND and supporting materials, taken together, reflect the Board's independent judgment.

Further, based on the substantial evidence set forth in the record, including but not limited to the MND and supporting materials the Board finds that, based on the whole record before it, none of the conditions under State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred because the Project:

- a) will not result in substantial changes that would require major revisions of the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
- b) will not result in substantial changes with respect to the circumstances under which the Project is developed that would require major revisions of the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and

c) does not present new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time the MND was adopted, as applicable, showing any of the following: (i) that the modifications would have one or more significant effects not discussed in the earlier environmental documentation; (ii) that significant effects previously examined would be substantially more severe than shown in the earlier environmental documentation; (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the applicant declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the applicant declined to adopt.

Further, based on the substantial evidence set forth in the record, including but not limited to the MND and supporting materials, the Board finds that the applicable mitigation measures identified in the MND have been incorporated into a specific mitigation monitoring program for the Project and would ensure that any potential environmental impacts would be reduced to less than significant levels.

The Board re-adopts those mitigation measures identified in the MND that are relevant to the Project as detailed specifically in the Mitigation Monitoring Program and by this reference incorporated herein.

The documents and materials that constitute the record of proceedings on which this Resolution has been based are located at 27234 Bouquet Canyon Road, Santa Clarita CA 91350. The custodian for these records is the SCVWA Board Secretary. This information is provided in compliance with Public Resources Code section 21081.6.

A Notice of Determination shall be filed with the County of Los Angeles and the State Clearinghouse within 5 (five) working days of the Board's final Project approval.

RESOLVED FURTHER that the ~~Board Agency's Board of Directors~~ does authorize its General Manager to accept said low bid and does therefore authorize ~~the Agency~~SCVWA's General Manager or its Chief Operating Officer to approve the funding to Newhall Land for a reimbursement to Blois Construction, Inc., hereby found to be the "lowest responsible bidder" for the Commerce Center Drive Pipeline Project pursuant to said ~~Agency~~SCVWA's construction contract documents, as amended by Addenda, for a total construction budget not to exceed \$891,139.70.

RESOLVED FURTHER that the ~~Agency's Board of Directors~~Board does authorize its General Manager or its Chief Operating Officer to approve change orders up to ten percent (10%) of the original construction contract amount for the Commerce Center Drive Pipeline Project with details of all construction change orders being reported to the Board of Directors.

RESOLVED FURTHER that the ~~Agency's Board of Directors~~Board does authorize its General Manager or its Chief Operating Officer to approve the funding to Newhall Land for construction management and miscellaneous construction support services for the Commerce Center Drive Pipeline Project pursuant to the Magic Mountain Water Pipeline Installation Agreement in an amount not to exceed \$84,100.