

COMMITTEE ACTION SHEET

COUNCIL DOCKET OF		<u>Sept 4, 2007</u>		
<input type="checkbox"/> Supplemental	<input type="checkbox"/> Adoption	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Unanimous Consent	Rules Committee Consultant Review

R -

O -

Advertise and Award, Otay Pipeline II Improvements Cast Iron Replacement Phase

Reviewed Initiated By NR&C On 6/04/07 Item No. 1d

RECOMMENDATION TO:

Approve.

VOTED YEA: Frye, Faulconer, Hueso

VOTED NAY:

NOT PRESENT: Maienschein

CITY CLERK: Please reference the following reports on the City Council Docket:

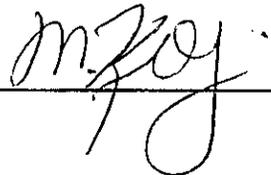
REPORT TO THE CITY COUNCIL NO.

COUNCIL COMMITTEE CONSULTANT ANALYSIS NO.

OTHER:

Executive Summary Sheet dated May 22, 2007

COUNCIL COMMITTEE CONSULTANT



EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: May 22, 2007
ATTENTION: Natural Resources and Culture Committee,
Agenda of June 4, 2007
ORIGINATING DEPARTMENT: Water Department, CIP Program Management Division
SUBJECT: Advertising and Award of Otay II Pipeline Project -
Cast Iron Replacement Phase
COUNCIL DISTRICTS: 4 (Young) & 7 (Madaffer)
STAFF CONTACT: Oscar Khoury/Iraj Asgharzadeh
(619-533-4102/619-533-5105)

REQUESTED ACTION:

Council authorization to approve plans and specifications for the construction of Otay II Pipeline Improvements – Cast Iron Replacement Phase as advertised by contract services and authorize the project funding and expenditure of \$15,506,506; authorize City Force work; authorize the Mayor to award a construction contract to the lowest responsible and reliable bidder and establish funding phases; Certify that the information contained in EIR, Project No. 5503 has been completed in compliance with the California Environmental Quality Act and that said EIR reflects the independent judgment of the City of San Diego as Lead Agency; stating for the record, that the final EIR has been reviewed and considered prior to approving the project.

STAFF RECOMMENDATION:

Adopt the resolutions.

EXECUTIVE SUMMARY:

The Otay II Pipeline was originally constructed to convey water 19 miles from the Otay Water Treatment Plant to the University Heights Reservoir in North Park. Built from 1928 to 1930, the pipeline continues to serve today as a lifeline, moving up to 20 million gallons of water north and south between the Alvarado and Otay service areas. The primary objective of the Otay II Pipeline Improvements Project is to maintain a reliable source of transmission of potable water through maintenance, repair, or replacement of the existing pipeline. The Cast Iron Replacement Phase is one of eight phases of the Otay II Pipeline Improvements Project. This project is one of the mandated projects by the California Department of Health Services (DHS) Compliance Order (04-14-96CO-022). The original mandated date for construction start was December 31, 2004 and construction completion was December 31 2006. Due to financing constraints, the Water Department deferred the mandated construction date to a future date. Failure to replace the aging pipeline will affect the department's ability to move water between service areas and will increase the risk of pipe breaks, which could result in disruption of water services and possible financial hardship to the impacted communities.

This project includes the installation of approximately 7,800 feet of new 42-inch welded steel pipe and replacement of approximately 3,220 feet of the existing cast iron pipe with 16-inch PVC distribution pipeline in 54th Street and abandonment of approximately 1,200 feet of the Otay I and Otay II Pipelines east of Easy Street. The support of the City Forces on this project is crucial due to several major pipeline connections and installation of temporary valves and piping for the 16-inch distribution line that will maintain the City's reliable source of potable water during construction.

FISCAL CONSIDERATIONS:

The total estimated cost of this project is \$17,460,606.00 of which \$1,954,100.00 was previously authorized. The remaining cost of this project is \$15,506,506.00 and will be phase funded in FY 2008, 2009, and 2010. Funding in FY 2008 in the amount of \$5,847,018.00 is available in Water Fund 41500, CIP 73-286.0, Otay II Pipeline Improvements. Of the \$5,847,018.00 for FY 2008, \$4,677,614.40 will be financed with proceeds from the Subordinated Water Revenue Notes, Series 2007A. The remaining \$1,169,403.60 will be cash funded. Funding for future phases will be contingent upon the issuance of bonds in FY 2009 and 2010, as part of the approved water rate increase. Of the remaining \$9,659,488.00 for FY 2009 and 2010, \$7,727,590.40 will be financed from future Water Revenue Bonds and \$1,931,897.60 will be cash funded.

PREVIOUS COUNCIL COMMITTEE ACTION:

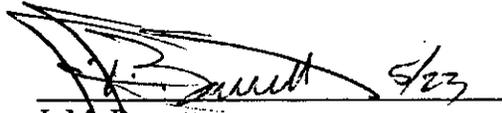
The design agreement with Black & Veatch Corporation was approved by City Council (RR-297421) dated October 28, 2002. This item was presented and approved at the Natural Resource and Culture Committee meeting of August 4, 2004.

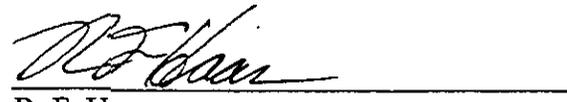
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community Outreach took place during the design of this project. Further outreach will take place in the Mid City and greater North Park areas prior to and during construction.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Key stakeholders are the Water rate payers, Black & Veatch Corporation (Design Consultant), the construction contractor (to be selected) and the California Department of Health Services.


 J. M. Barrett
 Water Department Director


 R. F. Haas
 Deputy Chief of Public Works

RECEIVED
 07 AUG 23 PM 12:14
 CITY CLERKS OFFICE
 SAN DIEGO, CA

REQUEST FOR COUNCIL ACTION
CITY OF SAN DIEGO

1. CERTIFICATE NUMBER
(FOR AUDITOR'S USE ONLY)
N/A

TO:
CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT):
WATER DEPARTMENT/ENGINEERING & CIP

3. DATE:
05/17/07

4. SUBJECT:
Advertising and Award of Otay II Pipeline Improvements, Cast Iron Replacement Phase

5. PRIMARY CONTACT (NAME, PHONE & MAIL STA.):
Marrell Gibson 3-5213

6. SECONDARY CONTACT (NAME, PHONE & MAIL STA.):
Iraj Asgharzadeh, 533-5105, MS 907

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	41500	41500	41500
DEPT.	760	760	760
ORGANIZATION	391040	391040	391040
OBJECT ACCOUNT	4220	4226	4909
JOB ORDER	187034	187035	187030
C.I.P. NUMBER	73-286.0 / 73-286.6	73-286.0 / 73-286.6	73-331.0/73-286.6
AMOUNT	\$14,449,655	\$466,851	\$590,000

9. ADDITIONAL INFORMATION / ESTIMATED COST:
 Previous Authorized \$ 1,954,100.00
 Phase 1 (FY08): \$ 5,847,018.00
 Phase 2 (FY09): \$ 9,075,280.00
 Phase 3 (FY10): \$ 584,208.00
 Total: \$17,460,606.00
 Previously Authorized: \$ 1,954,100.00
 Total Request: \$15,506,506.00

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIGINATING DEPARTMENT	<i>[Signature]</i>	6/4/07	8	DEPUTY CHIEF	<i>[Signature]</i>	6/22/07
2	EAS	<i>[Signature]</i> OCA	5/31/07	9	COO	<i>[Signature]</i>	6/22/07
3	EOC	<i>[Signature]</i>	6/6/07	10	CITY ATTORNEY	<i>[Signature]</i>	7/23/07
4	LIAISON OFFICE	<i>[Signature]</i>	6/20/07	11	ORIGINATING DEPARTMENT	<i>[Signature]</i>	5/17/07
5	CIP/FM	<i>[Signature]</i>	6/15/07	DOCKET COORD: <i>[Signature]</i> COUNCIL LIAISON: <i>[Signature]</i>			
6	AUDITORS	<i>[Signature]</i> Yeshe Bezench	6/19/07	COUNCIL PRESIDENT <input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION <input type="checkbox"/>			
7	DEBT MGMT	<i>[Signature]</i> Lakshmi Kan	6/20/07	COUNCIL DATE: 6/11/07			

11. PREPARATION OF: RESOLUTION(S) ORDINANCE(S) AGREEMENT(S) DEED(S) 10/16/07

- Approving the plans & specifications for the construction of Otay II Pipeline Improvements-Cast Iron Replacement Phase as advertised by Contract Services; and

11A. STAFF RECOMMENDATIONS:
Adopt the Resolutions

12. SPECIAL CONDITIONS:

COUNCIL DISTRICT(S): 4 (YOUNG), 7 (MADAFFER)

COMMUNITY AREA(S): Oak Park, Mid City

CITY CLERK INSTRUCTIONS: Please return one copy of the 1472, Advertise and Award of Otay II Pipeline Improvements, Cast Iron Replacement Phase to Elpidia Zaragoza, (619) 533-6901, MS 906.

ENVIRONMENTAL IMPACT: The City of San Diego as Lead Agency under CEQA has reviewed and considered an EIR, Project No. 5503, dated May 7, 2004, covering this activity. Adopted June 28, 2004, by Resolution No. RR-299378.

HOUSING IMPACT: None

OTHER ISSUES: None

ATTACHMENTS: Project Cost Estimate, Location Map, Plans and Specifications, Executive Summary Report

SECTION 11 - CONTINUED

2. Authorizing the expenditure of \$15,506,506.00 from Water Fund 41500, CIP No.73-286.0, Otay II Pipeline Improvements of which \$14,916,506.00 is from Water Fund 41500, CIP No. 73-286.0 for the purpose of providing for the construction and related costs associated with Sub CIP No. 73-286.6, Otay II Pipeline Improvements(Cast Iron Replacement Phase), and \$590,000.00 is from Water Fund 41500, CIP No. 73-331.0, Annual Allocation – Water Pooled Contingency, for the purpose of providing funds for this project contingency provided that the City Auditor first furnishes one or more certificates certifying that funds necessary for expenditure under established contract phases are or will be, on deposit with the City Treasurer; and
3. Authorizing the Mayor or his designee to establish contract funding phases and execute a construction contract with the lowest responsible and reliable bidder provided that the City Auditor first furnishes one or more certificates certifying that funds necessary for expenditure under established contract funding are, or will be, on deposit with the City Treasurer; and
4. Authorizing the use of City Force Work in Water Fund 41500, CIP No. 73-286.0 for the construction of Sub CIP No. 73-286.6, Otay II Pipeline Improvements (Cast Iron Replacement Phase) in an amount not to exceed \$446,851.00 to perform operational checks and inspections related to this project; and
5. Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves; and
6. Certifying that the information contained in Project No. 5503 has been completed in compliance with the California Environmental Quality Act and State CEQA Guidelines, and that said EIR reflects the independent judgment of the City of San Diego as Lead Agency.
7. Stating for the record that the final EIR, has been reviewed and considered prior to approving the project.
8. Adopting the Mitigation, Monitoring, and Reporting Program.

RECEIVED
 07 OCT 4 AM 11:50
 PLANNING OFFICE
 SAN DIEGO, CA

RECEIVED
 07 AUG 23 PM 12:15
 CITY ATTORNEY
 07 JUL -- 2 SAN DIEGO, CA
 CIVIL DIVISION

PROJECT WATER COST ESTIMATE

Otay II Pipeline Improvements,
Cast Iron Replacement Phase
(Project Title)

Agreement
Advertise
Award/Amend

Prepared by: Bobak Madgedi
Date: 17-May-07
W.O. No. 187031

000615

ACTIVITY	% OF E	CIP NO. OR OTHER SOURCE OF FUNDS				TOTALS	TOTALS	% OF E
		Previous	This Request FY08 Phase 1	FY09 Phase 2	FY10 Phase 3			
A. Planning/Design/Administration								
4114 Preliminary Engineering	2.9%	510,000.00				510,000.00		
4115 Outside Engineering - Tasks	0.8%		135,443.00			135,443.00		
4116 Construction Engineering	8.1%		600,000.00	665,000.00	150,000.00	1,415,000.00		
4118 Engineering Design	8.3%	1,444,100.00				1,444,100.00		
41181 Engineering Design #2	0.0%					0.00		
4151 Professional Services	0.0%					0.00		
4159 Construction Management	0.0%					0.00		
4222 Misc Contractual Services	0.0%					0.00		
4240 Reimbursement Agreements	0.0%					0.00		
Total Planning/Design/Administration		1,954,100.00	735,443.00	665,000.00	150,000.00	3,504,543.00	3,504,543.00	20.15%
B. Construction								
4150 Safety	0.0%					0.00		
4220 Prime Construction Contract	73.9%		4,387,865.00	8,111,347.00	350,000.00	12,849,212.00		
42201 Construction Contract #2	0.0%					0.00		
42220 JOC	0.0%					0.00		
4226 City Forces Work	2.6%		358,710.00	83,933.00	4,208.00	446,851.00		
4810 OCIP / Prof Liability / Bldrs Risk	0.0%					0.00		
4981 SDDPC Support	0.0%					0.00		
Total Construction		0.00	4,746,575.00	8,195,280.00	354,208.00	13,296,063.00	13,296,063.00	76.46%
C. Equipment and Furnishings								
3316 Pipe Fittings	0.0%					0.00		
4922 Construction Related	0.0%					0.00		
Total Equipment and Furnishings		0.00	0.00	0.00	0.00	0.00	0.00	0.00%
D. Contingencies								
4905 Contingencies	0.0%					0.00		
4909 Pooled Contingencies	3.4%		340,000.00	180,000.00	70,000.00	590,000.00		
Total Contingencies		0.00	340,000.00	180,000.00	70,000.00	590,000.00	590,000.00	3.39%
SUBTOTAL		1,954,100.00	5,822,018.00	9,040,280.00	574,208.00	17,390,606.00	17,390,606.00	100.00%
E. Equipment & Furnishings								
4922 Equipment & Furnishings						0.00	0.00	
F. Land Acquisition								
4639 Land Acquisition			25,000.00	35,000.00	10,000.00	0.00	70,000.00	70,000.00
TOTAL PROJECT		1,954,100.00	5,847,018.00	9,075,280.00	584,208.00	0.00	17,460,606.00	17,460,606.00

(When Applicable) SAVINGS BY USE OF CITY FORCES	
City Forces	Contract
Labor	
Material	
Equip.	
Prof#	
TOTAL	0 0

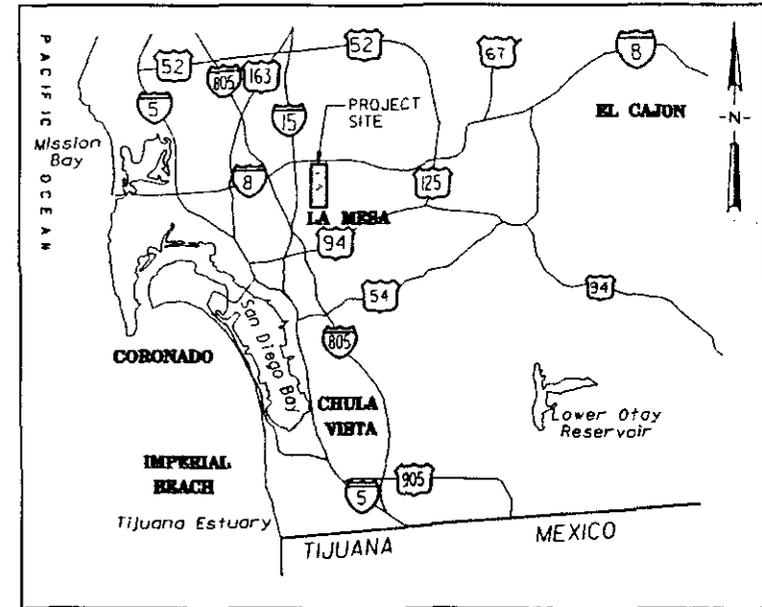
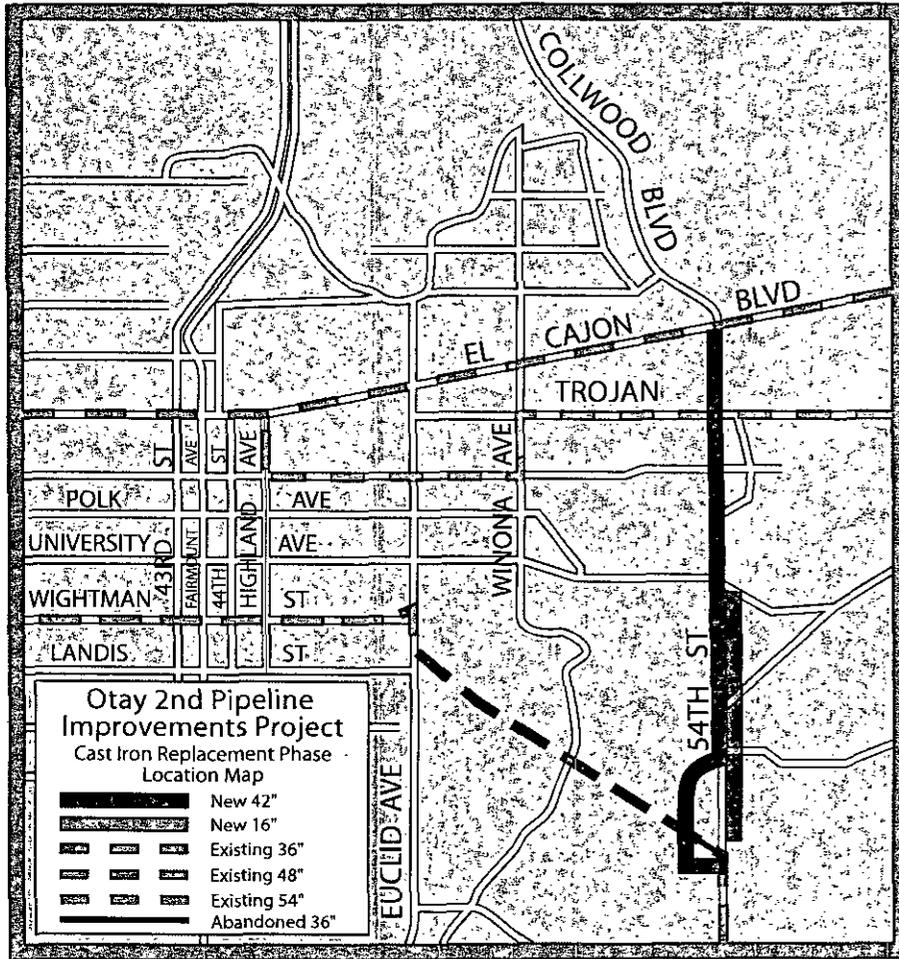
Prev. Auth. Res. #	R-297241	1,954,100.00
Prev. Auth. Res. #		
Total Previous Authorized		1,954,100.00
ADDITIONAL AUTH. REQUIRED		15,506,506.00

FUNDING: 41500

COMMENTS:

Otay II Pipeline Improvements, Cast Iron Replacement Phase

000616



VICINITY MAP
NO SCALE

Senior Engineer: Iraj Asgharzadeh
(619) 533-5105

Project Manager: Maryam Liaghat
(619) 533-5192

Project Engineer: Bobak Madgedi
(619) 533-5241

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE REPORT ISSUED:
 ATTENTION: Council President and City Council
 ORIGINATING DEPARTMENT: Water Department, Engineering & CIP Management
 Division
 SUBJECT: Advertising and Award of Otay II Pipeline Project
 -Cast Iron Replacement Phase
 COUNCIL DISTRICTS: 4 (Young) & 7 (Madaffer)
 STAFF CONTACT: Marnell Gibson/Iraj Asgharzadeh
 (619-533-4102/619-533-5105)

REQUESTED ACTION:

Council authorization to approve plans and specifications for the construction of Otay II Pipeline Improvements – Cast Iron Replacement Phase as advertised by contract services and authorizing the expenditure of \$15,506,506.00. This construction is anticipated to begin in Fall of 2007 and to be completed in Fall of 2009. Certifying that the information contained in EIR, Project No. 5503 has been completed in compliance with the California Environmental Quality Act and that said EIR reflects the independent judgment of the City of San Diego as Lead Agency. Stating for the record, that the final EIR has been reviewed and considered prior to approving the project.

STAFF RECOMMENDATION:

Adopt the resolutions.

EXECUTIVE SUMMARY:

The Otay II Pipeline was originally constructed to convey water 19 miles from the Otay Water Treatment Plant to the University Heights Reservoir in North Park. Built from 1928 to 1930, the pipeline continues to serve today as a lifeline, moving up to 20 million gallons of water north and south between the Alvarado and Otay service areas. The primary objective of the Otay II Pipeline Improvements Project is to maintain a reliable source of transmission of potable water through maintenance, repair, or replacement of the existing pipeline. The Cast Iron Replacement Phase is one of eight phases of the Otay II Pipeline Improvements Project. This project is one of the mandated projects by the California Department of Health Services (DHS) Compliance Order (04-14-96CO-022). The original mandated dates were design completion by December 2004 and construction completion in 2006. Mandated design completion date was met but due to financing constraints, the Water Department deferred the mandated construction date to a future date. Failure to replace the aging pipeline will affect the department ability to move water between service areas and will increase the risk of pipe breaks, which could result in disruption of water services and possible financial hardship to the impacted communities.

This project includes the installation of approximately 7,800 feet of new 42-inch welded steel pipe and replacement of approximately 3,220 feet of the existing cast iron pipe with 16-inch PVC distribution pipeline in 54th Street and abandonment of approximately 1,200 feet of the Otay I and Otay II Pipelines east of Easy Street. The support of the City Forces on this project is crucial due to several major pipeline connections and installation of

temporary valves and piping for the 16-inch distribution line that will maintain the City's reliable source of potable water during construction.

FISCAL CONSIDERATIONS:

The total estimated cost of this project is \$17,460,606.00 of which \$1,954,100.00 was previously authorized. The remaining cost of this project is \$15,506,506.00 and will be phase funded in FY 2008, 2009, and 2010. Funding in FY 2008 in the amount of \$5,847,018.00 is available in Water Fund 41500, CIP 73-286.0, Otay II Pipeline Improvements. Of the \$5,847,018.00 for FY 2008, \$4,677,614.40 will be financed with proceeds from the Subordinated Water Revenue Notes, Series 2007A. The remaining \$1,169,403.60 will be cash funded. Funding for future phases will be contingent upon the issuance of bonds in FY 2009 and 2010, as part of the approved water rate increase. Of the remaining \$9,659,488.00 for FY 2009 and 2010, \$7,727,590.40 will be financed from future Water Revenue Bonds and \$1,931,897.60 will be cash funded. The Auditor's Certificate for Phase I (FY2008) construction will be issued prior to contract award.

PREVIOUS COUNCIL COMMITTEE ACTION:

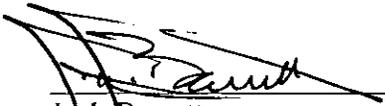
The design agreement with Black & Veatch Corporation was approved by City Council (RR-297421) dated October 28, 2002. This item was presented and approved at the Natural Resource and Culture Committee meeting of August 4, 2004. This item was presented again and approved at the Natural Resource and Culture Committee meeting of June 4, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

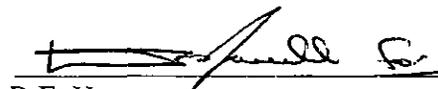
Community Outreach took place during the design of this project. Further outreach will take place in the Mid City and greater North Park areas prior and during construction.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Key stakeholders are the Water rate payers, Black & Veatch Corporation (Design Consultant), the construction contractor (to be selected) and the California Department of Health Services.



J.M. Barrett
Water Department Director



R.F. Haas
Deputy Chief of Public Works

RESOLUTION NUMBER R- _____

DATE OF FINAL PASSAGE _____

A RESOLUTION APPROVING PLANS AND SPECIFICATIONS;
 AUTHORIZING PHASE FUNDING OF PUBLIC WORKS
 CONTRACT; AUTHORIZING THE EXPENDITURE OF FUNDS;
 AND TAKING RELATED ACTIONS.

BE IT RESOLVED, by the Council of the City of San Diego [City], as follows:

1. That the plans and specifications for the construction of the Otay II Pipeline Improvements – Cast Iron Replacement Phase Project [Project] as advertised by the Department of Purchasing and Contracting and filed in the office of the City Clerk as Document No. _____, are approved.

2. That the Mayor or his designee is authorized to establish contract funding phases and execute a construction contract with the lowest responsible and reliable bidder, provided that the City Auditor first furnishes one or more certificates certifying that the funds necessary for expenditure under established contract funding phases are, or will be, on deposit with the City Treasurer.

3. That the expenditure of an amount not to exceed \$15,506,506.00 is authorized from Water Fund 41500, CIP No. 73-286.0, Otay II Pipeline Improvements, with \$14,916,506.00 from Water Fund 41500, CIP No. 73-286.0, for the purpose of providing for the construction and related costs associated with Sub CIP No. 73-286.6, Otay II Pipeline Improvements (Cast Iron Replacement Phase), and \$590,000.00 from Water Fund 41500, CIP No. 73-331.0, Annual Allocation – Water Pooled Contingency, for the purpose of providing funds for this Project, provided that the City Auditor first furnishes one or more certificates certifying that the funds

necessary for expenditure under established contract funding phases are, or will be, on deposit with the City Treasurer.

4. That the use of City Force Work is authorized in Water Fund 41500, CIP 73-286.0, Otay II Pipeline Improvements (Cast Iron Replacement Phase) in an amount not to exceed \$446,851.00 for the purpose of performance of Project related operational checks and inspections.

5. That the City Auditor and Comptroller, upon advice from the administering department, is authorized to transfer excess funds, if any, to the appropriate reserves.

6. That prior to approving the Project, the City, as Lead Agency under the California Environmental Quality Act [CEQA], reviewed and considered Environmental Impact Report [EIR] No. 5503, dated May 7, 2004, covering this activity, which was adopted on June 28, 2004 by Resolution No. RR-299378.

7. That the City certifies that the information contained in EIR No. 5503 has been completed in compliance with CEQA and State CEQA Guidelines, and that EIR No. 5503 reflects the independent judgment of the City as Lead Agency and that the City adopts the Mitigation, Monitoring and Reporting Program.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



Raymond C. Palmucci
Deputy City Attorney

RCP:js
07/23/2007
Or.Dept: Water Dept./E&CP
R-2008-76