

COMMITTEE ACTION SHEET

COUNCIL DOCKET OF _____

Supplemental Adoption Consent Unanimous Consent Rules Committee Consultant Review

R -

O -

Otay Second Pipeline Replacement Project – Authorize Advertising/Bid/Award of the North Encanto Segment

Reviewed Initiated By NR&C On 9/26/07 Item No. 3d

RECOMMENDATION TO:

Approve

VOTED YEA: Frye, Faulconer, Maienschein, Hueso

VOTED NAY:

NOT PRESENT:

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

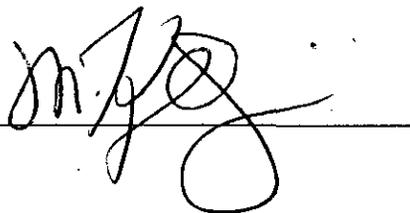
REPORT TO THE CITY COUNCIL NO.

COUNCIL COMMITTEE CONSULTANT ANALYSIS NO.

OTHER:

Water Department's September 26, 2007, Executive Summary Sheet; Water Department's September 26, 2007, PowerPoint

COUNCIL COMMITTEE CONSULTANT



EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: September 13, 2007 REPORT NO: N/A
ATTENTION: Natural Resources & Culture Committee,
Agenda of September 26, 2007
ORIGINATING DEPARTMENT: Water Department, Engineering & CIP Management
Division
SUBJECT: Authorization to Advertise, Bid, and Award the Otay 2nd
Pipeline Replacement Project – North Encanto Segment
4 (Young)
COUNCIL DISTRICT(S):
CONTACT/PHONE NUMBER: Alex Ruiz - (619) 533-6692
Iraj Asgharzadeh – (619) 533-5105
John Stohr – (619) 533-6626

REQUESTED ACTION:

Authorization to advertise, bid, award, and approve expenditures for the construction of the Otay 2nd Pipeline Replacement Project- North Encanto Segment as advertised by Contract Services. Stating for the record that the final EIR has been reviewed and considered prior to approving the project. Adopt the Mitigation, Monitoring and Reporting for the required paleontology and historical cultural resources.

STAFF RECOMMENDATION:

Adopt the resolutions.

EXECUTIVE SUMMARY:

The Otay 2nd Pipeline was constructed in 1929 and conveys water 19 miles from Otay Water Treatment Plant to the University Heights Reservoir in North Park. The City Council approved the Otay II Pipeline Improvements Project, LDR 42-0955 EIR on June 28, 2004 by Resolution R-299380. The EIR was completed for the entire 19 mile long, 36-inch diameter water transmission pipeline. The EIR contemplated 8 projects or phases to complete the required replacements, realignments and cathodic protection improvements necessary to address a variety of deficiencies found in the 78 year old pipeline. The North Encanto Segment Project realigns and replaces one mile of the existing 36-inch pipe with new, 42-inch welded steel pipe. The 100% designed plans have been on hold for 3 years for lack of funding. City Environmental staff has confirmed that all activities of Otay 2nd pipeline for North Encanto are covered under the Otay II Pipeline Improvements Project (LDR 42-0955) Environmental Impact Report. This activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the prior environmental documents adequately covered this project scope of work as part of the previously approved project, there is no need for a separate environmental report per CEQA Guidelines Sections 15060 (c)(3) and 15378(c).

This pipeline is a critical backbone water transmission and distribution system. It is used to convey up to 20 million gallons of water per day north and south between the Alvarado and Otay water treatment plants' service areas. The primary objective of the Otay 2nd Pipeline

Improvement Project is to maintain a reliable source of potable water through maintenance, realignment, or replacement of the existing pipeline. The new pipeline will be constructed within the public street rights-of-way. Failure to replace the aging pipeline will negatively impact the department's flexibility to convey water between service areas. Any further delay to these projects risks pipe breaks that have potential to disrupt water service and increase Water Department costs associated with water pipe breaks. This project includes the installation of approximately 7,600 feet of new 42-inch welded steel pipe, installation of curb ramps, and asphalt pavement overlay or slurry seal of Brooklyn, Otay and 60th Streets. The one year construction duration is anticipated to begin in February of 2008.

FISCAL CONSIDERATIONS:

The total estimated cost of this project is \$8,486,364 of which \$717,512.00 was previously authorized. The remaining cost of this project is \$7,768,852.00 and will be phase funded in FY 2008 and FY 2009. Funding in FY '08 in the amount of \$3,884,426.00 is available in Water Fund 41500, CIP 73-286.0 Otay II Pipeline Improvements. Of the \$3,884,426.00 for FY '08, 80% or \$3,107,540.80 will be financed with proceeds from the Subordinated Water Revenue Notes, Series 2007A. The remaining 20% or \$776,885.20 will be cash funded. FY '09 funding for Phase 2 of \$3,884,426.00 will also be split 80% or \$3,107,540.80 financed from Water Revenue Bonds and 20% or \$776,865.20 being cash funded.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The design agreement with Boyle Engineering was approved by City Council Resolution (R-298463) dated September 29, 2003.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community outreach occurred during the design phase in 2004. Further community outreach efforts are planned for the North Encanto community prior to and during construction. Moreover, a CIP hotline is regularly maintained to answer any questions and provide information to the public. Door hangers, fact sheets, and updates to the City of San Diego Web site are also included in the plan for community outreach.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders are rate payers who receive water from the Otay 2nd Pipeline, design consultant Boyle Engineering, and construction contractor to be selected through the bid process.




 J. M. Barrett R. F. Haas
 Water Department Director Deputy Chief of Public Works

RECEIVED
 07 NOV 20 02 AM 3:18
 CITY CLERKS OFFICE
 SAN DIEGO, CA



Natural Resources and Culture Committee Meeting

Water Department

Otay 2nd Pipeline Replacement Project – North Encanto
Segment



September 26, 2007

001493

NRCC 9/26/07 #34



Otay 2nd Pipeline Replacement Project

Authorization to Advertise, Bid, and
Award the Otay 2nd Pipeline
Replacement Project – North Encanto
Segment



Project Background

001495

- Originally installed in 1929, the Otay II Pipeline is one of the City's oldest water transmission pipelines
- Pipeline conveys water north from Otay Water Treatment Plant to the Mid-City Area
- Portions of the Otay 2nd Pipeline are near the end of its service life, replacement is essential
- Boyle Engineering submitted the design plans & Spec's in 2004. The project was put on hold until funding became available in 2007

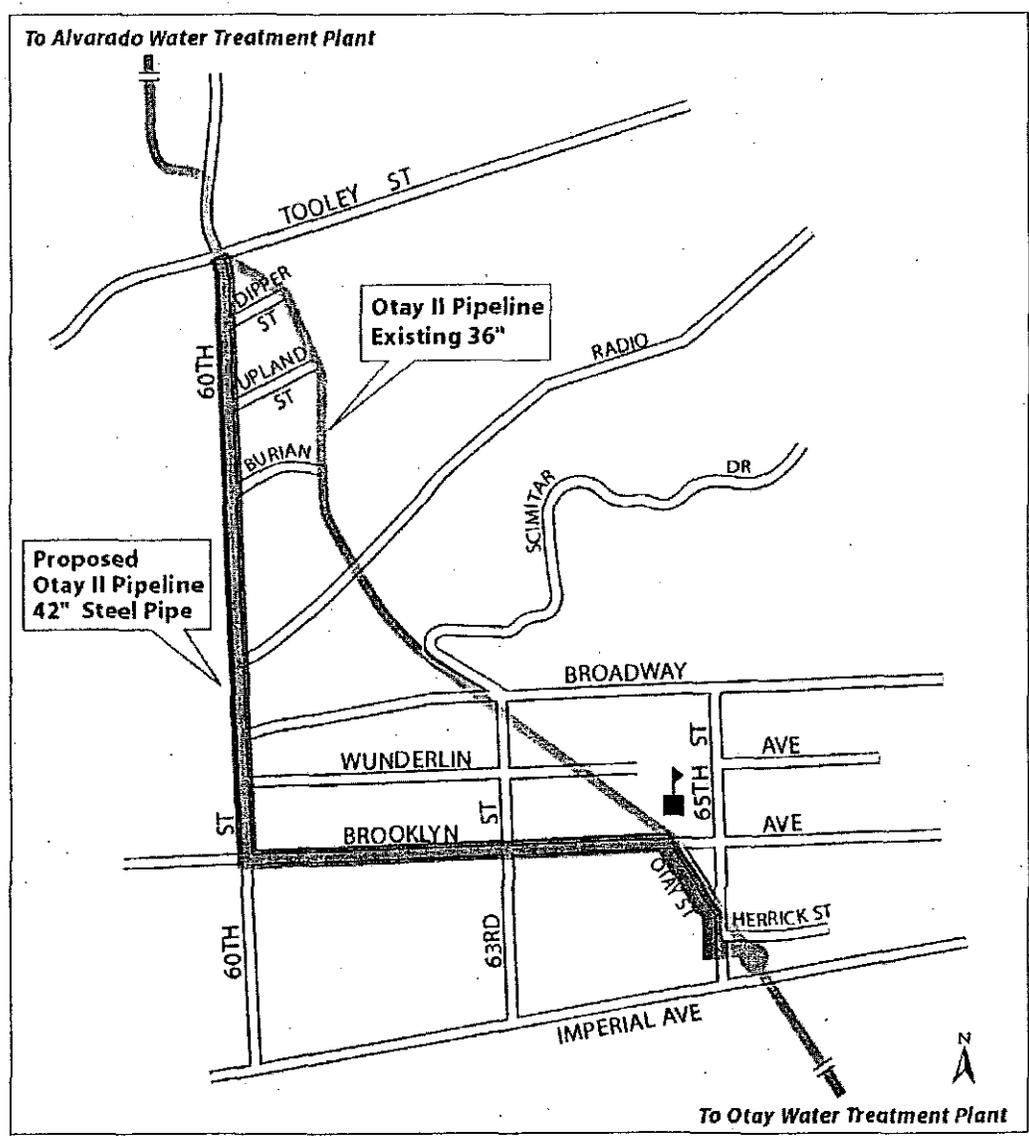
Description & Benefits

001496

- The project will construct 7600' of 42" diameter welded steel pipe which will improve reliability of the water delivery system
- Enhance operational flexibility to move water between the Alvarado and Otay water service areas
- Existing pipeline is under houses and backyards; new alignment will place the pipe in street right-of-way
- New pipes help reduce the need for costly repairs in the event of a pipe break

North Encanto Segment Map

001497



Schedule, Cost & Requested Action

- Construction will begin in February 2008, and take approximately 1 year to complete
- Estimated project cost is \$8.5 million
- The Environmental Impact Report was approved by Council on June 28, 2004
- Authorize the advertisement, bid and award of the Olay 2nd Replacement Project – North Encanto Pipeline Segment

RECEIVED
07 NOV 20 PM 3:18
CITY CLERK'S OFFICE
SAN DIEGO, CA

REQUEST FOR COUNCIL ACTION
CITY OF SAN DIEGO

1. CERTIFICATE NUMBER
(FOR AUDITOR'S USE ONLY) 01/08
100
N/A

TO: CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT):
ENGINEERING & CAPITAL PROJECTS

3. DATE: October 8, 2007

4. SUBJECT:
Advertisement, and Award of Otay II Pipeline Improvements – North Encanto Replacement

5. PRIMARY CONTACT (NAME, PHONE & MAIL STA.)
Darren Greenhalgh, (619) 573-5019 MS 907

6. SECONDARY CONTACT (NAME, PHONE & MAIL STA.)
Hossein Azar, (619) 533-4102 MS 907

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	41500	41500
DEPT.	760	760
ORGANIZATION	391040	391040
OBJECT ACCOUNT	4220	4909
JOB ORDER	186994	186990
C.I.P. NUMBER	73-286.0 / 73-286.8	73-331.0/73-286.8
AMOUNT	\$8,862,364.00	\$393,500.00

9. ADDITIONAL INFORMATION / ESTIMATED COST:

Previously Authorized	\$ 717,512.00
Phase 1 (FY08):	\$ 4,035,782.00
Phase 2 (FY09):	\$ 5,220,082.00
Total:	\$ 9,973,376.00
Previously Authorized:	\$ 717,512.00
This Request:	\$ 9,255,864.00

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ENGINEERING & CAPITAL PROJECTS	[Signature]	10/16/07	9	DEPUTY CHIEF	[Signature]	11-2-07
2	WATER DEPARTMENT	[Signature]	10/17/07	10	COO	[Signature]	11.2.07
3	EAS	[Signature]	10/17/07	11	CITY ATTORNEY	[Signature]	11-7-7
4	EOC	[Signature]	10-18-07	12	ORIGINATING DEPARTMENT	[Signature]	11/19/07
5	LIAISON OFFICE	[Signature]	10/24/07				
6	CIPIFM	[Signature]	10/30/07		DOCKET COORD:	COUNCIL LIAISON: EP 11/6	
7	AUDITORS	[Signature]	10/31/07		COUNCIL PRESIDENT	<input type="checkbox"/> SPOB <input checked="" type="checkbox"/> CONSENT <input type="checkbox"/> ADOPTION	
8	DEBT MGMT	[Signature]	10/31/07		COUNCIL REFER TO:	COUNCIL DATE: 12/4/07	

11. PREPARATION OF: RESOLUTION(S) ORDINANCE(S) AGREEMENT(S) DEED(S)

1. Approving the plans & specifications for the construction of Otay II Pipeline Improvements – North Encanto Replacement as advertised by Purchasing and Contracts Department.

CITY ATTORNEY
07 NOV -5 PM 2:30
CIVIL DIVISION

11A. STAFF RECOMMENDATIONS:
Adopt the Resolutions

12. SPECIAL CONDITIONS:
COUNCIL DISTRICT(S): 4 (YOUNG)
COMMUNITY AREA(S): NORTH ENCANTO
CITY CLERK INSTRUCTIONS: Please return one copy of the 1472, Advertisement, and Award of Otay II Pipeline Improvements -North Encanto Replacement to Joanne Dinjotian, (619) 533-6672, MS 908.

ENVIRONMENTAL IMPACT: This activity is covered under the Otay II Pipeline Improvements Project (PTS No. 5503) Environmental Impact Report. The activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the prior environmental documents adequately covered this activity as part of the previously approved project, the activity is not a separate project for purposes of CEQA review per CEQA Guidelines Sections §15060(c)(3) and 15378(c)

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 \$9,255,864.00 from Water Fund 41500, CIP No.73-286.0, Otay II Pipeline Improvements of which \$8,862,364.00 is from Water Fund 41500, CIP No. 73-286.0 for the purpose of providing for the construction and related costs associated with Otay 2nd Pipeline Replacement Project – North Encanto Segment, and \$ 393,500.00 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 City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves; and

PROJECT WATER COST ESTIMATE

Otay II Pipeline Improvements -
North Encanto Replacement
(Project Title)

Agreement
Advertise
Award/Amend

Prepared by: John Stohr
Date: 8-Oct-07
W.O. No. 186991

001501

ACTIVITY	% OF E	CIP NO. OR OTHER SOURCE OF FUNDS			TOTALS	% OF E
		Previous	This Request			
			FY08 Phase 1	FY09 Phase 2		
A. Planning/Design/Administration						
4114 Preliminary Engineering	2.5%	196,577.00	50,000.00		246,577.00	
4115 Outside Engineering - Tasks	1.3%		125,000.00		125,000.00	
4116 Construction Engineering	6.6%		331,182.00	331,182.00	662,364.00	
4118 Engineering Design	5.2%	520,935.00			520,935.00	
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	0.8%		75,000.00		75,000.00	
4240 Reimbursement Agreements	0.0%				0.00	
Total Planning/Design/Administration		717,512.00	581,182.00	331,182.00	1,629,876.00	16.34%
B. Construction						
4150 Safety	0.0%				0.00	
4220 Prime Construction Contract	78.9%		3,252,000.00	4,618,000.00	7,870,000.00	
42201 Construction Contract #2	0.0%				0.00	
42220 JOC	0.0%				0.00	
4226 City Forces Work	0.8%		40,000.00	40,000.00	80,000.00	
4810 OCIP / Prof Liability / Bldrs Risk	0.0%				0.00	
4981 SDDPC Support	0.0%				0.00	
Total Construction		0.00	3,292,000.00	4,658,000.00	7,950,000.00	79.71%
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%
D. Contingencies						
4905 Contingencies	0.0%				0.00	
4909 Pooled Contingencies	3.9%		162,600.00	230,900.00	393,500.00	
Total Contingencies		0.00	162,600.00	230,900.00	393,500.00	3.95%
SUBTOTAL		717,512.00	4,035,782.00	5,220,082.00	9,973,376.00	100.00%
E. Equipment & Furnishings						
4922 Equipment & Furnishings					0.00	0.00
F. Land Aquisition						
4639 Land Acquisition					0.00	0.00
TOTAL PROJEC1		717,512.00	4,035,782.00	5,220,082.00	0.00	9,973,376.00

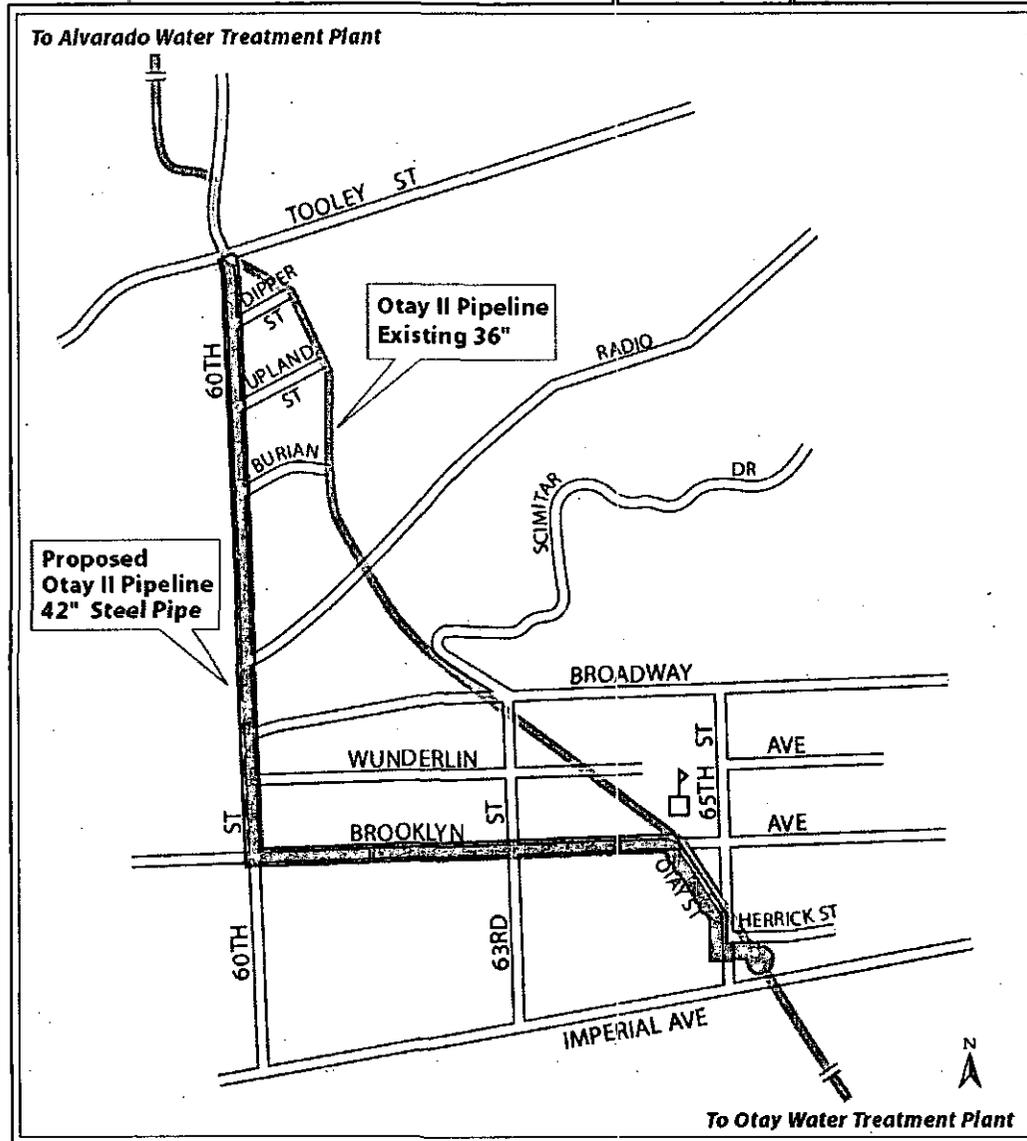
(When Applicable)		
SAVINGS BY USE OF CITY FORCES		
	City Forces	Contract
Labor		
Material		
Equip.		
Profit		
TOTAL	0	0

Prev. Auth. Res. #	R-298463	717,512.00
Prev. Auth. Res. #		
Total Previous Authorized		717,512.00
ADDITIONAL AUTH. REQUIRED		9,255,864.00

FUNDING: 41500

COMMENTS:

North Encanto Replacement Map



EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED:	REPORT NO:
ATTENTION:	Council President and City Council
ORIGINATING DEPARTMENT:	Engineering and Capital Projects Department
SUBJECT:	Advertisement, and Award of the Otay II Pipeline Improvements – North Encanto Replacement
COUNCIL DISTRICT(S):	4 (Young)
CONTACT/PHONE NUMBER:	Darren Greenhalgh - (619) 573-5019 Hossein Azar– (619) 533-4102 John Stohr – (619) 533-6626

REQUESTED ACTION:

Authorization to advertise, bid, award, and approve expenditures for the construction of the Otay II Pipeline Improvements - North Encanto Replacement as advertised by Contract Services; And stating for the record that the final EIR has been reviewed and considered prior to approving the project. Adopt the Mitigation, Monitoring and Reporting Program.

STAFF RECOMMENDATION:

Adopt the resolutions.

EXECUTIVE SUMMARY:

The Otay II Pipeline was constructed in 1929 and conveys water 19 miles from Otay Water Treatment Plant to the University Heights Reservoir in North Park. The City Council approved the Otay II Pipeline Improvements Project, LDR 42-0955 EIR on June 28, 2004 by Resolution R-299380. The EIR was completed for the entire 19 mile long, 36-inch diameter water transmission pipeline. The EIR contemplated 8 projects or phases to complete the required replacements, realignments and cathodic protection improvements necessary to address a variety of deficiencies found in the 78 year old pipeline. The North Encanto Replacement realigns and replaces one mile of the existing 36-inch pipe with new, 42-inch welded steel pipe. The 100% designed plans have been on hold for 3 years for lack of funding. City Environmental staff has confirmed: This activity is covered under the Otay II Pipeline Improvements Project (PTS No. 5503) Environmental Impact Report. The activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the prior environmental documents adequately covered this activity as part of the previously approved project, the activity is not a separate project for purposes of CEQA review per CEQA Guidelines Sections §15060(c)(3) and 15378(c).

This pipeline is a critical backbone water transmission and distribution system. It is used to convey up to 20 million gallons of water per day north and south between the Alvarado and Otay water treatment plants' service areas. The primary objective of the Otay 2nd Pipeline Improvement Project is to maintain a reliable source of potable water through maintenance, realignment, or replacement of the existing pipeline. The new pipeline will be constructed within the public street rights-of-way. Failure to replace the aging pipeline will negatively impact

the department's flexibility to convey water between service areas. Any further delay to these projects risks pipe breaks that have potential to disrupt water service and increase Water Department costs associated with water pipe breaks. This project includes the installation of approximately 7,600 feet of new 42-inch welded steel pipe, installation of curb ramps, and asphalt pavement overlay or slurry seal of Brooklyn, Otay and 60th Streets. The one year construction duration is anticipated to begin in February of 2008.

FISCAL CONSIDERATIONS:

The total estimated cost of this project is \$ 9,973,376.00 of which \$ 717,512.00 was previously authorized. The remaining cost of this project is \$ 9,255,864.00 and will be phase funded in FY 2008 in the amount of \$ 4,035,782.00, and FY 2009 in the amount of \$ 5,220,082.00. Water Department revenue is dedicated for this project; 80% of the CIP funding will be coming from an anticipated debt issuance in 2008. Funding is available in Water Fund 41500, CIP 73-286.0 Otay II Pipeline Improvements.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

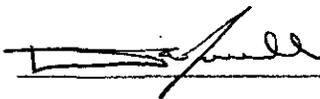
The Project was approved by the Natural Resources and Culture Committee on September 26, 2007. The design agreement with Boyle Engineering was approved by City Council Resolution (R-298463) dated September 29, 2003.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community outreach occurred during the design phase in 2004. Further community outreach efforts are planned for the North Encanto community prior to and during construction. Moreover, a CIP hotline is regularly maintained to answer any questions and provide information to the public. Door hangers, fact sheets, and updates to the City of San Diego Web site are also included in the plan for community outreach.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders are rate payers who receive water from the Otay 2nd Pipeline, design consultant Boyle Engineering, and construction contractor to be selected through the bid process.



D. Jarrell
Assistant Deputy Chief of Public Works



R. F. Haas
Deputy Chief of Public Works

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING THE PLANS & SPECIFICATIONS FOR THE CONSTRUCTION OF OTAY II PIPELINE IMPROVEMENTS – NORTH ENCANTO REPLACEMENT AS ADVERTISED BY PURCHASING AND CONTRACTS DEPARTMENT.

WHEREAS, the Otay 2nd Pipeline, which was constructed in 1929, serves as a critical backbone of the water transmission and distribution system for the City of San Diego that stretches 19 miles from Otay Water Treatment Plant to the University Heights Reservoir in North Park and conveys up to 20 million gallons of water a day; and

WHEREAS, the new pipeline will replace the aging pipeline within the right of way in order to avoid any damage from pipe breaks that can disrupt the water service and increase costs for the Water Department; NOW THEREFORE,

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

1. Approve the plans and specifications for the construction of Otay II Pipeline Improvements North Encanto Replacement as advertised by Purchasing and Contracts Department;
2. Authorize the expenditure of \$9,255,864.00 from Water Fund 41500, CIP No. 73-286.0, Otay Pipeline Improvements of which \$8,862,364.00 is from Water Fund 41500, CIP No. 73-286.0 for the purpose of providing for the construction and related costs associated with Otay 2nd Pipeline Replacement Project- North Encanto Segment and \$393,500.00 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 the funds necessary for expenditure under established contract phases are or will be, on deposit with the City Treasurer; and

3. Authorize 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 the funds necessary for expenditure under established contract phases are or will be, on deposit with the City Treasurer;

4. Authorize the City Auditor and Controller, upon advice from the administering department, to transfer excess budget funds, if any, to the appropriate reserves;

5. That this activity is covered under the Otay II Pipeline Improvements Project (PTS No. 5503) Environmental Impact Report. The activity is adequately addressed in the environmental document and there is no change in circumstance, additional information, or project changes to warrant additional environmental review because the prior environmental documents adequately cover this activity as part of the previously approved project. This activity is no a separate project for purposes of CEQA review per CEQA guidelines Sections 15060 (c) (3) and 15378 (c).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



Mark M. Mercer
Deputy City Attorney

MMM:sb
11/06/07
Or.Dept:E&CP
R-

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor