



**Board of Directors
January 16, 2019**

SUBJECT:

Approve and Authorize an Award of Contract with Kiewit Infrastructure West, Incorporated, (\$49,994,000) Under Specification No. 1338W, Perris II Desalter, and Additional Appropriation of \$57,979,500

BACKGROUND:

The proposed Perris II Desalination Facility (Perris II Desalter) will enhance salinity management in the Perris South and Lakeview groundwater sub-basins and expand the use of local water supplies to meet the increasing demands within Eastern Municipal Water District's (EMWD) service area. The Perris II Desalter will also provide additional drought resiliency and reduce reliance on imported water supply. The Perris II Desalter will utilize reverse osmosis technology to treat brackish groundwater to potable water standards with a Phase 1 production of 5.4 million gallons per day (MGD). The District's Desalination Program facilities are depicted on Exhibit A.

On February 18, 2015, PAR 2015/017 authorized \$422,700 for the preliminary design efforts to update the Preliminary Design Report and associated documents related to the re-siting of the Perris II Desalter to the District's desalination complex. On March 15, 2017, PAR 2015/017A authorized \$2,572,400 as additional appropriation for completion of final design and bid phase activities. On July 18, 2018, PAR 2015/017B authorized \$2,453,000 as additional appropriation for procuring construction management services, inclusive of a constructability review of the final design documents, as well as other related engineering services through the bid/award phase.

On December 20, 2018, the District received bids from pre-qualified contractors under Specification No. 1338W. As shown on the attached summary of bids (Exhibit B), Kiewit Infrastructure West, Incorporated, (Kiewit) of Santa Fe Springs, California, submitted the lowest of three bids received, with a bid of \$49,994,000. This bid was reviewed and found to be responsible and responsive with the contract documents. The engineer's estimate for this project was \$49,795,316.

Kiewit has previously performed similar work for the District in a satisfactory manner. The specifications state that the contract duration is 786 calendar days from the notice to proceed.

To provide continuing support for the project through construction completion and closeout, staff solicited and negotiated a proposal from the engineer-of-record, Black and Veatch, of San Marcos, California, in an amount not-to-exceed \$1,604,500 (Exhibit C) for engineering services during construction (ESDC). The ESDC services include the following:

- Project meetings, site visits, and administration
- Review of submittals, design clarifications, and potential change orders
- Preparation of conformed construction contract documents and record drawings
- Preparation of potential design and drawing modifications
- Testing, start-up, and commissioning services
- Preparation of an electronic Operations and Maintenance manual

The total project cost through project closeout is estimated at \$63,427,600, per the attached project cost estimate (Exhibit D). At this time, staff recommends additional appropriation in the amount of \$57,979,500 to fund project expenses and associated engineering labor costs through construction completion. Project construction is scheduled to be completed within 26-months of Notice to Proceed.

FINANCIAL IMPACT:

This project will be financed from the General District Restricted Water System Expansion Fund, with partial reimbursement from the Proposition 1 Groundwater Grant Program in an amount up to \$22.5 million. Upon completion, this project will receive contributions through Metropolitan Water District's Local Resources Program in an amount up to \$215 per acre foot, considering a maximum annual production yield of 5,500 acre feet.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Water Supply Diversity and Reliability: Develop and implement a portfolio of projects and management techniques to achieve a reliable and cost-effective balance of water supplies utilizing imported, local and recycled water sources.

ENVIRONMENTAL IMPACT:

This project is subject to the California Environmental Quality Act (CEQA) and in conformance of the California Code of Regulations Title 14, Chapter 3, Article 6, Section 15070, *et seq.*, a Notice of Intent to adopt a Mitigated Negative Declaration (IS/MND) was filed with the County of Riverside on February 17, 2015. Pursuant to State Guideline §15073, the IS/MND was made available for public review for a period of 30-days beginning February 20, 2015, and concluded on March 23, 2015. The Mitigated Negative Declaration was adopted by the EMWD Board of Directors on April 15, 2015.

RECOMMENDATION:

Approve and authorize the following:

1. Execution by the General Manager, or his designee, of the District's standard form of contract with the lowest responsive bidder, Kiewit Infrastructure West, Incorporated, in

the amount of \$49,994,000;

2. Execution by the General Manager, or his designee, of the District's standard form of contract with the engineer-of-record, Black & Veatch in an amount not-to-exceed \$1,604,500;
3. Administrative award and execution by the General Manager of the District's standard form of contracts with all other necessary consultants and suppliers for engineering support services during construction and implementation of the Perris II Desalter project; and
4. Additional appropriation of \$57,979,500, which brings the total estimated project cost to \$63,427,600.

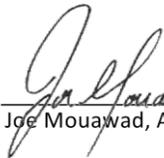
SUBMITTED BY:


Paul D. Jones II, P.E., General Manager

1/10/2019


Paul D. Jones II, P.E., General Manager

1/13/2019


Joe Mouawad, AS

Attachment(s):

Exhibit A - Desalination Program Facilities

Exhibit B - Bid Summary

Exhibit C - B&V ESDC Scope of Work

Exhibit D - Cost Estimate

Presentation

01/16/19 Board Meeting

Staff Contact: Kowalski/Wallace