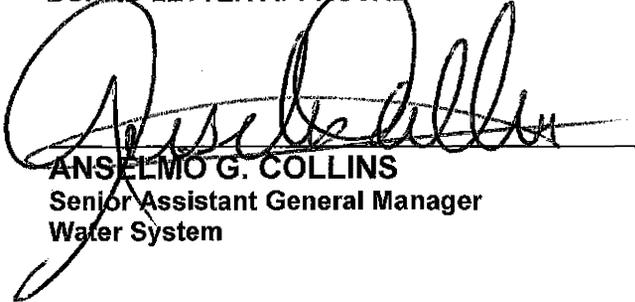




RESOLUTION NO. _____

BOARD LETTER APPROVAL



ANSELMO G. COLLINS
Senior Assistant General Manager
Water System



MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: October 5, 2021

SUBJECT: Amendment No. 5 to Agreement No. 47071-2 for the Silver Lake Reservoir Complex Storage Replacement Project/Headworks Reservoir Project With Webcor|Obayashi|Lyles, a Joint Venture

SUMMARY

The proposed Amendment No. 5 (Amendment) is needed to complete the Flow Control Station Project (Phase 3) and Headworks Reservoir Restoration Project (Phase 4). The Amendment will extend Agreement No. 47071-2 (Agreement) by four years for a total of 14 years, ending on December 31, 2025. This Amendment will also increase the General Conditions (GC) cost by two percent, from 15 percent to 17 percent.

LADWP has adopted a revised backfill plan for the Headworks West Reservoir garden that has extended the completion date of Phase 2 and the entire project. The additional time for Phase 2 is required for design and subsequent approval by Division of Safety of Dams for the revised backfill plan. The recently adopted garden backfill plans will also increase the amount of time originally estimated for Phase 4 resulting in the overall request for an extension of time. LADWP also requests the release of \$1,000,000 for preconstruction services for Phase 4.

Preconstruction services are required in preparation of Phase 4 construction work for design and constructability reviews, development of schedules, and trade packages.

City Council approval is required under Charter Section 373.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of Amendment No. 5 with Contractor as required in Charter Section 373.

ALTERNATIVES CONSIDERED

One alternative considered was combining LADWP and Webcor|Obayashi|Lyles, a Joint Venture (Contractor) crews to complete the work. However, it was not feasible due to overlapping jurisdictions, coordination, scheduling, and supervision issues. The Contractor, at LADWP's direction, started work on Phase 3, but unfortunately, the Agreement will expire prior to the completion of Phase 3 on February 28, 2023, if this Amendment is not approved. Alternatives to the current course of action at this time would significantly delay the project delivery schedule by 12 to 18 months.

FINANCIAL INFORMATION

The Board authorized LADWP to spend up to \$388,000,000 (budgeted) on a task assignment basis, contingent upon availability of funds, for construction of all four project phases. This amount is sufficient to complete all four phases of the project.

The increase in scope of work for the new backfill plan resulted in the need to extend the termination date of the Agreement by four years. The additional time required to complete the project extends beyond the Contractor's previous scope of planning and projected costs for the project. GC costs include supervision and administration costs, salaries, trailers, materials, and other direct project overhead costs required to perform their work. The Contractor costs for direct project overhead costs have increased with time. LADWP validated the increase of WOL's GC rate to 17 percent is reflective of current market conditions based on market research and industry surveys. The GC rate is fair and reasonable and is consistent with other LADWP projects.

The following table is a breakdown of each of the project phases:

Project Phase	Cost
Phase 1 Headworks Reservoir East and RSC Unit 1A East Project	\$142,000,000
Phase 2 Headworks Reservoir West Project and RSC Unit 1A West Project Part 1	\$141,000,000
Phase 3 Headworks Flow Control Station Project and RSC Unit 1A West Project Part 2	\$75,000,000
Phase 4 Headworks Reservoir Restoration	\$30,000,000
Total	\$388,000,000

BACKGROUND

The original construction schedule as approved by the Board shows a completion date of November 2018 for the construction of the fourth and final phase of the project; however, Amendment No. 3, authorized an extension of the Agreement to December 31, 2021, for Phases 2, 3, and 4.

Several scope changes and design modifications have impacted the completion date of December 31, 2021. The revised soil backfill plan for Headworks Reservoir West has extended the completion date of Phase 2 by adding time for redesign and review and approval by the State Division of Safety of Dams. Additionally, the recently adopted work plan for the Headworks Reservoir Restoration increased the amount of time originally estimated for the design and construction of Phase 4.

Previously, under Amendment No. 4, the Board authorized LADWP to spend up to \$388,000,000 (budgeted) on a task assignment basis for construction of all four project phases. \$75,000,000 was allocated for Phase 3, and \$30,000,000 was allocated for Phase 4.

WOL has performed satisfactorily by being proactive and working cooperatively with LADWP staff since the execution of the Agreement.

Due to time-sensitive operational needs, an Executive Directive No. 4 waiver was granted by the Mayor's Office on October 4, 2021. A City Administrative Officer's Report will be provided for City Council review prior to final consideration of this item.

ENVIRONMENTAL DETERMINATION

Determine item is in compliance with California Environmental Quality Act (CEQA) Guidelines sections 15080-15097 and 15164 (EIR adopted on May 16, 2006 and Addendum Prepared 2017.) In accordance with CEQA, an Environmental Impact Report (EIR) was prepared to analyze the impacts associated with the construction and operation of the Headworks/Silverlake Storage Complex Amendment. On May 16, 2006, the Board of Water and Power Commissioners certified the EIR; adopted the Mitigation Monitoring and Reporting Program, Findings of Fact and Statement of Overriding Considerations; and approved the project. Due to State Revolving Funding requirements, LADWP updated the Final EIR in April 2017 with an addendum.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and Amendment as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment