

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 8/26/2014	(3) CONTACT/PHONE Scott Duffield, Project Manager (805) 788-2316	
(4) SUBJECT Submittal of a resolution to continue emergency contracting for Nacimiento Water Pipeline repairs increase the authorization of the Director of Public Works to execute contracts up to \$425,000. District 1.			
(5) RECOMMENDED ACTION It is recommended that the Board, acting as the San Luis Obispo County Flood Control and Water Conservation District, adopt the attached resolution, by 4/5 vote, which will waive the requirement of a competitive bidding process to continue emergency repair contract work on the Nacimiento water pipeline, and increase the authorization of the Director of Public Works to execute contracts up to \$425,000.			
(6) FUNDING SOURCE(S) Nacimiento Operating Fund (2200002000)	(7) CURRENT YEAR FINANCIAL IMPACT \$425,000.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 8/12/14, #24	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 1			

Reference: 14AUG26-C-5

County of San Luis Obispo



TO: Board of Supervisors
FROM: Public Works
Scott Duffield, Project Manager
VIA: Dave Flynn, Interim Director of Public Works
DATE: 8/26/2014

SUBJECT: Submittal of a resolution to continue emergency contracting for Nacimiento Water Pipeline repairs increase the authorization of the Director of Public Works to execute contracts up to \$425,000. District 1.

RECOMMENDATION

It is recommended that the Board, acting as the San Luis Obispo County Flood Control and Water Conservation District, adopt the attached resolution, by 4/5 vote, which will waive the requirement of a competitive bidding process to continue emergency repair contract work on the Nacimiento water pipeline, and increase the authorization of the Director of Public Works to execute contracts up to \$425,000.

DISCUSSION

On June 2, 2014, the Nacimiento water pipeline had to be shut down due to a significant leak that was discovered in a remote section of Camp Roberts near the Nacimiento River. Tiechert Construction, the original contractor for this segment, has had a representative on site to assess the leak condition but has taken no formal action. On July 8, 2014, your Board adopted a resolution which waived the requirement of a competitive bidding process to allow emergency repair contract work on the Nacimiento water pipeline, and authorized the Director of Public Works to execute contracts up to \$100,000. On August 12, 2014, your Board approved a similar resolution which waived the requirement of a competitive bidding process to allow emergency repair work on the Nacimiento water pipeline and authorized the Director of Public Works to execute contracts in a collective amount of \$275,000. An increase in the collective amount to \$425,000 is now requested to provide for removal of pipe weld "coupons" for metallurgical testing of the leak locations and for welded patches by divers accessing the pipeline to perform this work. Completion of this work is anticipated to allow the system to be put back into service and resume water delivery by mid-September.

Investigations into the cause and extent of the leaks continue. Based on available information, the prudent and expeditious actions are to perform metallurgical testing, repair the leaks, and put the pipeline back in service. This will allow for water delivery of the system to the project participants.

The District has been advised by the manufacturer of the pipe, and confirmed by the project's designer, that it is acceptable to put the pipe back in service.

Although Nacimiento water provides a supplemental water source to numerous participating agencies throughout the region, the drought conditions in San Luis Obispo County have stressed the primary sources of water and further exacerbated the importance of having Nacimiento water available. The timely repair of the Nacimiento water pipeline and restoration of water deliveries to the participating agencies for distribution to their customers continues to be extremely urgent.

The initial leak was identified on July 9, 2014, in a segment of pipeline installed via horizontal directional drill methods under the Nacimiento River. This leak was temporarily repaired by contractors retained by the San Luis Obispo County Flood Control and Water Conservation District (District) under the emergency contracting resolution. The following is a summary of the field work efforts thus far:

- Week of July 14th: Tiechert did not respond to County's request to fix. The District mobilized contractors under the emergency contracting resolution.
- Week of July 21st: District contractors repaired the identified leak. Subsequent pressure testing of the now isolated river crossing failed. Additional work efforts discovered additional leaks and spot deterioration of the pipe's lining on the west half of the crossing, additional leaks discovered.
- Week of July 28th: District contractors initiated further investigation of the easterly half of the crossing.
- Week of August 4th: An initial representative sample of the Nacimiento River crossing pipe was retrieved and will be tested for compliance in coordination with Tiechert. Additional samples at the leak location(s) may be taken later.
- Week of August 11th: District contractors and staff continued investigation of the river crossing pipes, including dewatering and video inspection efforts. District staff initiated expanded investigation work to the Salinas River north crossing.

The work anticipated to occur over the next couple of weeks may include but not be limited to removal of a pipe coupon at each leak location, welding of steel patches, other interim repair of leaks, temporary repair of access points into the pipeline, pipeline restoration for system startup, and site restoration. County Counsel has retained the service of an expert pipeline engineering consultant to assist in pipeline forensics, condition assessment and remediation efforts.

In order to continue to conduct investigative work in a timely manner, we request Board approval of the attached resolution, by a 4/5 vote, which will continue to waive requirements for conducting a competitive bid process, under emergency contracting procedures provided by Public Contract Code Section 22050 and allow the Director of Public Works to continue to engage sole source contractors to complete this work. As part of the resolution, the Director of Public Works would be granted authority for this specific action with collective contracting authority not to exceed \$425,000.

Pursuing these additional repairs is expected to provide a reduced but significant opportunity to operate the pipeline and deliver water. Staff continues to communicate with Tiechert Construction to provide a permanent fix or replacement, but is pursuing the determination of a permanent repair in parallel with these field investigations in order to realize full system capacity beginning in spring of 2015.

Public Works is returning to your Board at intervals of no less than fourteen days or at the next regularly scheduled meeting, whichever is later, in accordance with Public Contract Code Section 22050 to assure that the actions are necessary.

OTHER AGENCY INVOLVEMENT/IMPACT

The Nacimiento participating agencies that receive Nacimiento water for distribution to their customers include the City of Paso Robles, Templeton Community Services District, Atascadero Mutual Water Company, the City of San Luis Obispo, and County Service Area 10A. At a meeting of the technical advisory group (TSG) held August 14, 2014 to review the pipe condition and potential options to pursue, the TSG supported taking coupon samples, repairing the leaking locations, and restoring the pipeline to delivery service.

The County Purchasing Agent has reviewed and concurs with the recommendation.

The Office of County Counsel has reviewed and approved the attached resolution as to legal form and effect.

FINANCIAL CONSIDERATIONS

The work is being funded from the Nacimiento Operating Fund. Sufficient budget exists, at this time, to cover the anticipated cost of the repair. Pursuant to the emergency contracting resolution, as of August 12, 2014, costs are at approximately \$190,000.

Final financial responsibilities will be determined upon further review with Tiechert Construction.

RESULTS

Approval of the recommended action will authorize the Department of Public Works to engage contractors on an emergency basis, allow the Director of Public Works to execute contracts with outside parties for this work and restore the pipeline to delivery service. This will lead to a safer and well-governed community.

File CF 622.100.01

Reference: 14AUG26-C-5

L:\UTILITIES\AUG14\BOS\Emerg Contracting_NWP CONTINUE 8-26-14 brd ltr.docx

ATTACHMENTS

1. Vicinity Map
2. Resolution to Continue Emergency Contracting for Leak Identification and Repair of the Nacimiento Water Pipeline Unit A1