



OPERATIONS COMMITTEE

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Agenda Report

File #: 2021-1583

Agenda Date: 5/5/2021

Agenda Item No: 11.

FROM: James D. Herberg, General Manager
Originator: Kathy Millea, Director of Engineering

SUBJECT:

NEWHOPE-PLACENTIA TRUNK REPLACEMENT, SEGMENT B AND SEGMENT C, CONTRACT NOS. 2-72B AND 2-72C

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the First Amendment to Agreement between the Orange County Sanitation District and the City of Anaheim for Construction of Water Facilities in Conjunction with the State College Boulevard Sewer Project, which increases by \$513,439 the maximum reimbursement by the City of Anaheim to a new total of \$1,813,439.

BACKGROUND

The upper reaches of the Newhope-Placentia Trunk Sewer carry flows from the cities of Brea, Fullerton, and Anaheim to Plant No. 1 for reclamation. The Newhope-Placentia Trunk Replacement, Project No. 2-72, will increase the capacity of the trunk sewer by replacing six miles of pipe, mostly along State College Blvd. in the cities of Fullerton and Anaheim. The first segment, mostly in Fullerton, was completed in 2017. Construction of the segment in Anaheim is nearing completion.

The alignment of the new sewer required the City of Anaheim (City) water lines be relocated at various locations. Since the City had planned to replace some of these and nearby water lines, the City and the Orange County Sanitation District (OC San) concluded that doing the work in the same timeframe and under one construction contract benefits both parties and the public.

In March 2017, the OC San Board approved a cooperative agreement with the City where OC San would design the water line work and include it in the construction contract for Newhope-Placentia Trunk Replacement, Segment B and Segment C, Contract Nos. 2-72B and 2-72C. In return, the City would reimburse OC San for actual costs incurred, up to a maximum of \$1,300,000.

RELEVANT STANDARDS

- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities

PROBLEM

Construction of the current contract is approximately 90% complete, and the portion of the work related to the City's water lines is complete. OC San staff and City staff have reviewed actual costs and agreed that the total cost incurred is \$1,813,439, \$513,439 more than the maximum limit. The City cannot pay for these additional costs without an amendment.

PROPOSED SOLUTION

Approve an amendment to the Agreement with the City increasing the maximum limit of compensation by the City to OC San by \$513,439 for a new total of \$1,813.439.

TIMING CONCERNS

OC San cannot collect reimbursement until the amendment is approved. The City expects City Council approval of the amendment on May 18, 2021.

RAMIFICATIONS OF NOT TAKING ACTION

If the amendment is not approved, OC San will not be reimbursed for additional costs incurred during construction.

PRIOR COMMITTEE/BOARD ACTIONS

March 2017 - Approved a Cooperative Agreement between OC San and the City for water supply pipe replacement on State College Boulevard along portions of the Newhope-Placentia Trunk Replacement, Segment B, Contract No. 2-72B, for an estimated amount of \$1,300,000 to be reimbursed by the City.

ADDITIONAL INFORMATION

The Cooperative Agreement amount of \$1,300,000 was based on estimated costs for the design and construction of the City waterline facilities. At time of the construction contract award to Group OHL USA, Inc., OC San and the City determined that the bid prices for the waterline work exceeded the estimated costs for construction by approximately \$300,000. The City and OC San agreed to defer issuing an amendment until the work was complete and all costs were finalized.

CEQA

The project is included in the Addendum to the "1999 OCSD Strategic Plan" Program Environmental Impact Report, State Clearinghouse No. 2006101018.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2020-2021 and 2021-22, Section 8, Page 19, Newhope-Placentia Trunk Replacement, Project No. 2-72) and the budget is sufficient for the recommended action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Amendment to City of Anaheim Cooperative Agreement
- City of Anaheim Cooperative Agreement