



OPERATIONS COMMITTEE

Agenda Report

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File #: 2025-4547

Agenda Date: 10/22/2025

Agenda Item No: 10.

FROM: Robert Thompson, General Manager
Originator: Mike Dorman, Director of Engineering

SUBJECT:

PROGRESSIVE DESIGN BUILD PROJECT AWARD AUTHORIZATION

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Provide direction to develop a Resolution of the Board of Directors for future consideration that will delegate to the General Manager the ability to amend contracts of selected design-builders, after the total Progressive Design-Build contract amount and initial Phase 1 Design contract are approved by the Board.

BACKGROUND

Orange County Sanitation District (OC San) is beginning to utilize the Progressive Design-Build (PDB) contracting model to execute a maximum of ten PDB projects, each greater than \$5 million in construction value, in accordance with Senate Bill 278. PDB projects have a minimum of two contract phases. Phase 1 includes preliminary design, budget development, and negotiation of a guaranteed maximum price (GMP). Phase 2 includes final design, construction, and project delivery under the agreed-upon GMP. Some projects may have early procurement and/or early start contracts.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Sound engineering and accounting practices, complying with local, state, and federal laws
- Comply with Government Code Section 22185 of the Public Contracting Code (PCC, Division 2, Part 3, Chapter 4.7)

PROBLEM

Under the current procedure, the Board will approve the award of the Phase 1 Design contract for the Design-Builder (DB). At the end of Phase 1 (typically 60% design), the DB will develop a GMP. This price will then be negotiated, and a contract will be awarded to execute Phase 2. It takes approximately three months to go to the Board for contract approval. The time required to award additional contracts to the DB will result in a pause in the DB's work.

PROPOSED SOLUTION

Create a process where the Board approves the overall PDB contract amount, award the Phase 1 DB contract, and authorize the General Manager, through a resolution, to amend the contract to the DB within the overall contract amount awarded by the Board of Directors to timely execute the work and maintain an efficient project schedule.

TIMING CONCERNS

OC San is scheduled to award the first PDB contract for Ocean Outfalls Rehabilitation, Project No. J-137, in November 2025.

RAMIFICATIONS OF NOT TAKING ACTION

Without a process and resolution in place, OC San would need to bring each DB contract to the Board separately, resulting in a longer project schedule and potential delays to the critical path.

PRIOR COMMITTEE/BOARD ACTIONS

November 2024 - Approve a Professional Services Agreement with Hazen and Sawyer to provide engineering services for Progressive Design-Build Owner Advisor, Program Management, and Professional Engineering Support Services, Project No. PDB24-00, for an amount not to exceed \$19,340,000; and approve a contingency of \$1,934,000 (10%); and find approval of the Professional Services Agreement with Hazen and Sawyer is not a project subject to the California Environmental Quality Act.

ATTACHMENT

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

- Presentation

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