



# OPERATIONS COMMITTEE

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## Agenda Report

**File #:** 2026-4756

**Agenda Date:** 3/4/2026

**Agenda Item No:** 6.

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

**SUBJECT:**

**NEWHOPE-PLACENTIA SEWER MANHOLE REPLACEMENTS, PROJECT NO. FE21-08**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

Approve a contingency increase of \$456,000 to the existing Construction Contract Agreement with Sancon Technologies, Inc., for Newhope-Placentia Sewer Manhole Replacements, Project No. FE21-08, for a new total contingency of \$1,537,902 (378%).

**BACKGROUND**

Orange County Sanitation District (OC San) operates and maintains the Newhope-Placentia Trunk Sewer system, which includes several manhole structures originally constructed in 1958. As part of a previously approved construction contract for the Newhope-Placentia Sewer Manhole Replacements project, OC San identified three manholes for repair or rehabilitation to extend their service life.

In September 2025, the OC San Board of Directors approved an urgent contingency increase to the existing construction contract to allow partial replacement of Manholes NHP0020 and NHP0135 rather than just rehabilitation. The estimated costs were based only on the scope of work known at the time.

In October 2025, OC San assessed the condition of Manhole NHP0135 and confirmed that it is in similar condition to Manhole NHP0020 and would require partial replacement rather than rehabilitation.

As of January 2026, Manhole NHP0020, located near the Plant No. 1 entrance, has been reconstructed. The condition of the third manhole included in the contract was also assessed and confirmed to be suitable for rehabilitation as originally planned.

A visual assessment of the Manhole NHP0205 concrete determined that it was in good enough condition to be coated under OC San's blanket manhole maintenance repair contract. As a result, Manhole NHP0205 has been removed from this project.

## **RELEVANT STANDARDS**

- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder
- Commitment to safety & reducing risk in all operations

## **PROBLEM**

The actual costs for replacement of Manhole NHP0020 increased due to significantly higher than normal flows in the existing 51" sewer during construction, substantially less usable concrete in the existing base, and unsuitable backfill material around the manhole. The higher sewer flows and severely corroded channel made reconstructing the manhole base far more difficult than anticipated, and the unsuitable soil had to be replaced with slurry to finish backfilling before rain hit the area. These increased costs exceeded the original cost estimate provided by the contractor.

The cost for Manhole NHP0135 was estimated before a detailed design for partial replacement was prepared. The detailed design determined that the partial replacement of Manhole NHP0135 is more complex than originally anticipated. While relocation of one interfering waterline was identified and assumed in the September contingency increase, the effort now requires relocation of two waterlines, additional paving and enhanced traffic control. The majority of the traffic control for Manhole NHP0135 is located in the City of Santa Ana and is affected by their paving moratorium, requiring the slurry sealing, and restriping of all affected lanes. This additional scope was not anticipated in the original contract nor in the prior contingency authorization.

A portion of the requested contingency increase is also needed to restore project contingency to address potential unknown conditions that may still arise during construction.

## **PROPOSED SOLUTION**

Approve a contingency increase to allow OC San to complete the partial replacement of Manhole NHP0135.

## **TIMING CONCERNS**

Delaying approval of this contingency increase would delay completion of the remaining work associated with the replacement of Manhole NHP0135, increasing the risk that the manhole cannot be repaired promptly.

## **RAMIFICATIONS OF NOT TAKING ACTION**

If no action is taken, the deterioration will worsen for Manhole NHP0135, increasing the risk of structural failure and ultimately requiring emergency replacement at a significantly higher cost and with greater impact to OC San and the surrounding community.

## **PRIOR COMMITTEE/BOARD ACTIONS**

September 2025 - Approved a contingency increase of \$1,000,556 to the existing Construction Contract Agreement to Sancon Technologies, Inc., for Newhope-Placentia Sewer Manhole Replacements, Project No. FE21-08, for a new total contingency of \$1,081,902 (266%) due to a time sensitive finding.

December 2024 - Received and filed Bid Tabulation and Recommendation for Newhope-Placentia Sewer Manhole Replacements, Project No. FE21-08; awarded a Construction Contract Agreement to Sancon Technologies, Inc., for Newhope-Placentia Sewer Manhole Replacements, Project No. FE21-08, for a total amount not to exceed \$406,730; and approved a contingency of \$81,346 (20%).

## **ADDITIONAL INFORMATION**

N/A

## **CEQA**

The project is exempt from CEQA under the Class 1 categorical exemption set forth in California Code of Regulations section 15301, and a Notice of Exemption will be filed with the OC Clerk-Recorder and State Clearinghouse after OC San Board of Directors approval of the Construction Contract Agreement.

## **FINANCIAL CONSIDERATIONS**

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2025-26, Page A-8, Small Construction Projects Program, Project No. M-FE) 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](http://www.ocsan.gov)) with the complete agenda package:*

- Presentation

TB:lb