



# OPERATIONS COMMITTEE

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## Agenda Report

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**File #:** 2021-1429

**Agenda Date:** 5/5/2021

**Agenda Item No:** 13.

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

**SUBJECT:**

**ORANGE-WESTERN SUB-TRUNK AND LOS ALAMITOS TRUNK SEWER REHABILITATION, CONTRACT NOS. 3-64A AND 3-64B**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Orange-Western Sub-Trunk and Los Alamitos Trunk Sewer Rehabilitation, Contract Nos. 3-64A and 3-64B;
- B. Award a Construction Contract to Steve P. Rados, Inc. for Orange-Western Sub-Trunk and Los Alamitos Trunk Sewer Rehabilitation, Contract Nos. 3-64A and 3-64B, for a total amount not to exceed \$17,775,000; and
- C. Approve a construction contract contingency of \$1,777,500 (10%).

**BACKGROUND**

The Orange-Western Sub-Trunk and the Los Alamitos Trunk Sewer consist of two gravity trunk sewers located in city streets and easements within the Cities of Anaheim, Cypress, Buena Park, Los Alamitos, and Seal Beach. The Orange-Western Sub-Trunk was constructed in 1959 and runs along Orange Avenue between Valley View Street and Western Avenue and along Western Avenue between Orange Avenue and Santa Elena Drive. The Los Alamitos Trunk Sewer was also constructed in 1959 and runs along Katella Avenue, between Lexington Drive and Oak Street, and along Seal Beach Boulevard between Katella Avenue and Old Ranch Parkway, with a segment along Old Ranch Parkway.

**RELEVANT STANDARDS**

- Achieve less than 2.1 sewer spills per 100 miles
- Comply with California Public Contract Code Section 20103.8 by awarding a construction contract to lowest responsive, responsible bidder



<u>Bidder</u>	<u>Amount of Bid</u>
Steve P. Rados, Inc	\$17,775,000
Teichert Energy & Utilities Group, Inc.	\$19,141,725
Spinello Infrastructure West, Inc.	\$22,975,380

The fact that only three bids were received is likely due to two general factors. The first is that much of the work is typically performed by specialty subcontractors, such as cured-in-place pipe lining, and injection grouting where chemicals are injected into the ground to block the flow of groundwater into the pipe. In the case of the chemical injection subcontractors, there are very few firms active locally. In any case, with a large fraction of subcontracted work, the general contractors take on risk with less opportunity to gain a competitive advantage with a more effective approach. The other is that work hour restrictions required to mitigate traffic impacts on heavily traveled streets constrains how a contractor can manage the work and risks. These factors may explain why the low bid was nearly \$2 million more than the engineer's estimate.

The bids were evaluated in accordance with OC San's policies and procedures. After evaluation, Steve P. Rados, Inc., the apparent low bidder, was determined to be both responsive and responsible. A notice was sent to all bidders on March 31, 2021 informing them of the intent of OC San staff to recommend award of the Construction Contract to Steve P. Rados, Inc.

Staff recommends awarding a Construction Contract to the lowest responsive and responsible bidder, Steve P. Rados, Inc., for a total amount not to exceed \$17,775,000.

## **CEQA**

The project is included in the "Rehabilitation of Western Regional Sewers Project No. 3-64" Environmental Impact Report (EIR) State Clearinghouse Number 2015111077. This EIR was certified by the Board of Directors and a Notice of Determination was filed on March 23, 2017.

## **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 23, Rehabilitation of Western Regional Sewers, Project No. 3-64) 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:*

- Construction Contract
- Presentation

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