



OPERATIONS COMMITTEE

Agenda Report

Headquarters
18480 Bandilier Circle
Fountain Valley, CA 92708
(714) 593-7433

File #: 2025-4596

Agenda Date: 11/19/2025

Agenda Item No: 9.

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

SUBJECT:

PROGRESSIVE DESIGN BUILD PROJECT AWARD RESOLUTION

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Adopt Resolution No. OC SAN 25-19 titled: "A Resolution of the Board of Directors of the Orange County Sanitation District delegating authority to the General Manager to execute amendments to Progressive Design-Build Contracts."

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 purchasing authority, the Board of Directors may 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 need to 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

Adopt a resolution that authorizes the General Manager to amend contracts to DB's for Phase 2 execution of projects based on the design information developed during Phase 1 of the contract within the overall contract amount awarded by the Board of Directors. This authorization will facilitate timely execution of the work while remaining within the bounds of the Board approved overall contract funding.

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 Phase 2 adjustment to the Board separately, resulting in a longer project schedule and potential delays to the critical path.

PRIOR COMMITTEE/BOARD ACTIONS

November 2024 - Approved 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 approved a contingency of \$1,934,000 (10%); and found approval of the Professional Services Agreement with Hazen and Sawyer is not a project subject to the California Environmental Quality Act.

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

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

- Proposed Resolution No. OC SAN 25-19

VR:lb