



# OPERATIONS COMMITTEE

Administration Building  
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## Agenda Report

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**File #:** 2024-3474

**Agenda Date:** 2/28/2024

**Agenda Item No:** 12.

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

**SUBJECT:**

**HEADQUARTERS COMPLEX AT PLANT NO. 1, PROJECT NO. P1-128A**

### GENERAL MANAGER'S RECOMMENDATION

#### RECOMMENDATION:

Approve a contingency increase of \$147,000 (3%) to the Professional Construction Services Agreement with HDR Engineering, Inc. for Headquarters Complex at Plant No. 1, Project No. P1-128A, for a total contingency of \$735,000 (15%) and a total contract amount not to exceed \$5,635,000.

### BACKGROUND

Orange County Sanitation District (OC San) is constructing a new Headquarters Building under Project No. P1-128A. The new Headquarters Building will house administrative, technical, and engineering staff. Construction started in July 2021 and is scheduled for completion in early 2024. HDR Engineering, Inc. is currently under contract to provide professional construction services for the new Headquarters Building.

### RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Provide a safe and collegial workspace

### PROBLEM

The construction schedule has been extended by several months due to weather impacts and construction delays. There have been more submittals, questions, project management hours, and construction support efforts than anticipated. The extended level of effort needed to provide adequate construction support services is expected to exceed the assumptions the Professional Construction Services Agreement was based upon, as well as the previously approved contingency increase.

## **PROPOSED SOLUTION**

Approve a contingency increase to the Professional Construction Services Agreement. The existing project budget is sufficient to cover the requested increase in contingency; therefore, no increase to the project budget is required.

## **TIMING CONCERNS**

The construction schedule must be maintained, or staff occupation of the new building will be delayed.

## **RAMIFICATIONS OF NOT TAKING ACTION**

The Professional Construction Services Agreement “not to exceed” fee will not be sufficient to appropriately provide the remaining needed professional construction services.

## **PRIOR COMMITTEE/BOARD ACTIONS**

July 2023 - Approved a contingency increase of \$98,000 (2%) to the Professional Construction Services Agreement with HDR Engineering, Inc. for Headquarters Complex at Plant No. 1, Project No. P1-128A, for a total contingency of \$588,000 (12%) and a total amount not to exceed \$5,488,000.

May 2021 - Approved a Professional Construction Services Agreement with HDR Engineering, Inc. to provide construction support services for Headquarters Complex at Plant No. 1, Contract No. P1-128A, for an amount not to exceed \$4,900,000; and approved a contingency of \$490,000 (10%).

## **ADDITIONAL INFORMATION**

The level of effort assumed in the Professional Construction Services Agreement included assumptions such as the number of resubmittals, requests for information, and design changes due to unexpected field conditions. These assumptions were based on the best available information and experience with past projects. The level of effort to complete the job is projected to exceed what was originally planned due to more submittals and questions than anticipated; rework of the fixture, furniture, and equipment procurement with a second vendor; review of more “or equal” equipment due to supply chain challenges; changes to the stormwater system to save future operations and maintenance costs; distributed antenna system (DAS) design review and meetings; and additional project management efforts due to an extended construction duration.

The DAS is required to provide sufficient in-building communication coverage for police and fire personnel. This system is typically required for a high-rise building, not a building this size. A radio signal strength test was performed in the field, after the building was constructed, confirming the need for the system. The design of the system is being performed by the contractor. Additional consultant effort is required to review the design and attend meetings.

**CEQA**

The Headquarters Complex project is included in the Addendum to the City of Fountain Valley "Fountain Valley Crossings Specific Plan" Program Environmental Impact Report, State Clearinghouse No. 2015101042.

**FINANCIAL CONSIDERATIONS**

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget Update, Fiscal Year 2023-2024, Appendix A, Page 8, Headquarters Complex, Project No. P1-128) 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

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