



OPERATIONS COMMITTEE

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Agenda Report

File #: 2026-4833

Agenda Date: 3/25/2026

Agenda Item No: 10.

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

SUBJECT:

SECONDARY TREATMENT VFD REPLACEMENTS AT PLANT NO. 2 AND VFD REPLACEMENTS AT PLANT NO. 1, PROJECT NOS. FE19-08 AND FR1-0011

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Receive and file Bid Tabulation and Recommendation for Secondary Treatment VFD Replacements at Plant No. 2 and VFD Replacements at Plant No. 1, Project Nos. FE19-08 and FR1-0011;
- B. Award a Construction Contract Agreement to Big Sky Electric, Inc. for Secondary Treatment VFD Replacements at Plant No. 2 and VFD Replacements at Plant No. 1, Project Nos. FE19-08 and FR1-0011, for an amount not to exceed \$3,085,300; and
- C. Approve a contingency of \$308,530 (10%).

BACKGROUND

Orange County Sanitation District (OC San) operates multiple pump stations and treatment facilities at Plant No. 1 and Plant No. 2 that are critical to wastewater treatment operations and regulatory compliance. These facilities use pumps equipped with variable frequency drives (VFDs) to control pump speed in response to changing flow and process conditions and to support reliable and efficient operations.

At Plant No. 1, the City Water Pump Station, Trickling Filter Pump Station, and Return Activated Sludge (RAS) Pump Station support key treatment and utility functions. The City Water Pump Station provides potable water to the Plant, the Trickling Filter Pump Station conveys primary effluent to the trickling filters for treatment, and the RAS Pump Station returns process flow to the front of the Activated Sludge Facility No. 1. These pump stations include a total of six VFDs: two at the City Water Pump Station, three at the Trickling Filter Pump Station, and one at the RAS Pump Station.

At Plant No. 2, the Activated Sludge Facility includes fourteen pumps ranging from 50 to 300 horsepower, equipped with VFDs to control pump speed. These VFDs were installed between 2004 and 2007 and are now at the end of their useful life. Replacement parts and manufacturer support

services are no longer available. The pumps driven by these VFDs are critical to operations and permit compliance.

RELEVANT STANDARDS

- Maintain a proactive asset management program
- 24/7/365 treatment plant reliability

PROBLEM

Construction contracts were awarded by the OC San Board to ACS Engineering, Inc., (ASCE) in March 2022 (Project No. FE19-08) and December 2022 (Project No. FR1-0011). Notices to Proceed were issued on June 7, 2022, and February 28, 2023, respectively. During construction, ACSE incurred performance issues, including vendor stop payment notices, which resulted in OC San issuing non-compliance letters and notices of pending damages. In addition, ACSE's contractor's license was suspended during this time, which prevented them from performing the work. Despite notification to the surety and multiple opportunities to correct the deficiencies, ACSE failed to resolve the issues and was subsequently terminated for cause. The remaining construction services were turned over to the assigned surety. OC San staff concluded that it would be most expeditious to complete the projects through a direct contract with a completion contractor. OC San will finalize an agreement with surety to recover incurred costs for this change.

PROPOSED SOLUTION

Award a construction contract agreement to Big Sky Electric, Inc. to replace VFDs at the end of their useful life.

TIMING CONCERNS

Delaying replacement of these VFDs increases the risk for reduced secondary capacity if the VFDs cannot be repaired because parts or vendor support are not available.

RAMIFICATIONS OF NOT TAKING ACTION

Not replacing these VFDs increases the risk that critical pumps would not be available for service, reducing treatment capacity, and potentially impacting regulatory compliance.

PRIOR COMMITTEE/BOARD ACTIONS

December 2022 - Received and filed Bid Tabulation and Recommendation for VFD Replacements at Plant No. 1, Project No. FR1-0011; awarded a Construction Contract to ACS Engineering, Inc. for VFD Replacements at Plant No. 1, Project No. FR1-0011, for a total amount not to exceed \$1,214,888; approved a contingency of \$121,488 (10%); found that VFD Replacements at Plant No. 1, Project No. FR1-0011 is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301; and authorized staff to file a Notice of Exemption with the OC Clerk-Recorder.

March 2022 - Received and filed Bid Tabulation and Recommendation for Secondary Treatment VFD Replacements at Plant No. 2, Project No. FE19-08; received and filed Orange County Sanitation District's Notice of Intent to Award dated January 27, 2022; received and filed Award Protest from LEED Electric, Inc. dated February 2, 2022, concerning the award to ACS Engineering; received and filed Orange County Sanitation District's determination letter dated February 10, 2022 to LEED Electric, Inc. responding to award protest; awarded a Construction Contract to ACS Engineering for Secondary Treatment VFD Replacements at Plant No. 2, Project No. FE19-08, for an amount not to exceed \$1,433,000; and approved a contingency of \$143,300 (10%).

ADDITIONAL INFORMATION

Upon a contractor's default, a public agency may complete a project with another contractor without further competitive bidding. (*Shore v. Central Contra Costa Sanitary District* (1962) 208 Cal.App.2d 465). Under this authority, OC San elected to enter into a direct contract with Big Sky Electric, Inc. to complete the remaining work. This procurement approach provides OC San with greater control over contractor engagement, project scope, and construction management, and is intended to mitigate any further schedule delays and potential cost impacts.

CEQA

The project is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations section 15301 and a Notice of Exemption has been filed with the OC Clerk-Recorder and State Clearinghouse.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget Update FY 2025-25, Appendix A, Page A 8, Small Construction Projects Program (Project No. M-FE) and under the Repairs & Maintenance budget for the Operations and Maintenance Department, Page 33) 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) with the complete agenda package:

- Construction Contract Agreement

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