



OPERATIONS COMMITTEE

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

Agenda Report

File #: 2025-4188

Agenda Date: 5/6/2026

Agenda Item No: 4.

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

SUBJECT:

SUPPORT BUILDINGS SEISMIC IMPROVEMENTS AT PLANT NO. 1, PROJECT NO. P1-137

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Support Buildings Seismic Improvements at Plant No. 1, Project No. P1-137;
- B. Approve a project budget increase of \$3,000,000 for Support Buildings Seismic Improvements at Plant No. 1, Project No. P1-137, for a new total project budget of \$33,500,000;
- C. Award a Construction Contract Agreement to Icon West, Inc. for Support Buildings Seismic Improvements at Plant No. 1, Project No. P1-137, for a total amount not to exceed \$21,808,000; and
- D. Approve a contingency of \$2,180,800 (10%).

BACKGROUND

As part of the General Manager's Workplan for FY 2017-2018, Orange County Sanitation District (OC San) committed to enhancing the reliability of its infrastructure. To improve seismic resilience, OC San completed the Seismic Evaluation of Structures at Plant Nos. 1 and 2, Project No. PS15-06. This study evaluated the performance of process facilities and support structures during a significant seismic event.

Project No. PS15-06 initiated a facility-wide seismic upgrade program aligned with the Climate and Catastrophic Event Resilience Policy in OC San's 2021 Strategic Plan. The program prioritizes seismic mitigation projects to be implemented over the next 20 years as part of the Capital Improvement Program.

The study identified multiple staff-occupied buildings and critical structures at Plant No. 1 with deficiencies that would limit safety or immediate occupancy performance following a seismic event. Based on the likelihood and consequences of failure, these structures were assigned a high priority for remediation.

This project includes rehabilitation of the following buildings: Auto Shop; Control Center; Buildings A, B, 3, 5, and 6; Warehouse; and the 12-kV Service Center.

RELEVANT STANDARDS

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

PROBLEM

The seismic evaluation identified structural deficiencies in staff-occupied and critical facilities at Plant No. 1 that could compromise building performance and staff safety during a seismic event. Although these structures are not in immediate danger of failure, they are essential to plant operations and are occupied daily by operations and maintenance staff.

The table below summarizes the affected buildings and their functions.

Building Name	Building Description	Staff
Auto Shop	Vehicle maintenance	9
Control Center	Central hub of operations at Plant No. 1	40
Building A	Space for smaller maintenance activities	4
Building B and 3	Rebuild shop	8
Building 5 and 6	Main hub for the maintenance department (offices and shop space)	49
Warehouse	Storage of parts, materials, and equipment	7
12-kV Service Center	Houses the electrical equipment that feeds the different electrical buildings that power the process equipment	0

PROPOSED SOLUTION

Award a Construction Contract Agreement to implement seismic improvements that achieve immediate occupancy or life-safety performance following a significant seismic event. The project includes temporary relocation of staff from Buildings 5 and 6 to maintain continuity of maintenance operations during construction.

TIMING CONCERNS

This project is a high-priority component of OC San’s seismic resilience strategy. Delaying the project would leave identified vulnerabilities unaddressed, increasing risk to staff and the potential for operational disruptions following a seismic event.

RAMIFICATIONS OF NOT TAKING ACTION

If this item is not approved, seismic risks to staff and critical facilities will remain unmitigated.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

OC San advertised Project No. P1-137 for bids on September 18, 2025, and received four sealed bids on February 3, 2026. A summary of the bid opening follows:

Engineer's Estimate	\$ 18,700,000
<u>Bidder</u>	<u>Amount of Bid</u>
Icon West, Inc.	\$ 21,808,000
2H Construction, Inc.	\$ 24,548,000
S.J. Amoroso Construction Co., LCC.	\$ 25,677,000
PCN3, Inc.	\$ 28,259,000

OC San evaluated the bids in accordance with its policies and procedures.

The planholders list included thirteen potential bidders, including four prime contractors. A pre-bid survey conducted on October 22, 2025, indicated that three contractors intended to bid but had concerns. In response, staff conducted three additional site visits and extended the bid due date. Nineteen potential bidders attended the additional site visits, including two additional prime contractors.

Despite strong participation, four bids were received for this large and complex project involving eight occupied buildings. The lowest bid exceeded the Engineer's Estimate by 17 percent. Staff extended the bid validity period to perform a detailed cost analysis.

OC San worked with Icon West, Inc., to review bid backup documentation and conducted an in-person meeting to validate costs. The analysis determined that cost differences were primarily due to cost estimating scope gaps. The distance between laydown areas and work locations also impacted the cost.

Key variances not included in the Engineer's Estimate include:

- Shoring and earthwork due to limited access at the Control Center
- Painting for walls, floors, and supports
- Electrical conduit relocation, seismic upgrades, equipment protection, and temporary power
- HVAC and plumbing upgrades, system protection, and temporary cooling
- Asphalt paving for temporary facilities
- Tile replacement associated with ADA upgrades

The total variance between the bid and the Engineer's Estimate is approximately \$3,302,500, including markups. When adjusted, the revised Engineer's Estimate is approximately \$22,003,000,

which is within 0.9 percent of the lowest bid. This analysis confirms that the bid reflects current market conditions, project complexity, and construction risks. Staff determined the bid is fair and reasonable.

Staff notified all bidders of the intent to recommend contract award to Icon West, Inc.

Staff recommends awarding a Construction Contract Agreement to the lowest responsive and responsible bidder, Icon West, Inc., for a total amount not to exceed \$21,808,000.

CEQA

This project is exempt from CEQA under the Class 1 categorical exemption (California Code of Regulations Section 15301). A Notice of Exemption was filed with the Orange County Clerk-Recorder following Board approval of the Professional Design Services Agreement.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget Update FY 2025-26, Page A-8, Support Buildings Seismic Improvements at Plant No. 1, Project No. P1-137). This item will increase the project budget and will be funded from the CIP budget.

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
- Presentation

CQ:lb