



# OPERATIONS COMMITTEE

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## Agenda Report

**File #:** 2025-4111

**Agenda Date:** 3/5/2025

**Agenda Item No:** 7.

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

**SUBJECT:**

**REDHILL RELIEF SEWER RELOCATION AT STATE ROUTE 55, PROJECT NO. FE18-13**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

Approve a construction contingency increase of \$531,120 (24%) to the existing Construction Contract with SRK Engineering, Inc. for Redhill Relief Sewer Relocation at State Route 55, Project No. FE18-13, for a total contract amount not to exceed \$2,213,000 and a new total construction contingency of \$1,327,800 (60%), with all costs to be reimbursed by the Orange County Transportation Authority.

**BACKGROUND**

The Orange County Transportation Authority (OCTA) is implementing the State Route 55 (SR-55) Improvement Project to widen SR-55 between Interstate 5 and Interstate 405. The Orange County Sanitation District (OC San) owns a sewer running under SR-55 immediately south of Warner Avenue in the City of Santa Ana that is affected by this widening project. To protect the sewer, OC San must encase the sewer in the newly widened right-of-way and move an interfering manhole outside the freeway limits.

**RELEVANT STANDARDS**

- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Protect OC San assets

**PROBLEM**

OC San's contractor, SRK Engineering, Inc. (SRK), was originally scheduled to mobilize in November 2022 but was subsequently directed by OCTA to pause mobilization due to Southern California Edison's design and construction procurement delays. Southern California Edison completed their construction of the interfering utilities and OCTA cleared SRK to mobilize after July 2024 while agreeing to reimburse OC San for associated delay costs.

A few days after mobilizing in October 2024, SRK discovered two utilities that were in direct conflict with the new sewer alignment. One was a Caltrans electrical line that was relocated quickly upon

discovery and the second consisted of a Verizon fiber communication cable that has recently been relocated. Both were not anticipated to be in conflict.

The 20-month initial delay costs used \$444,670 (56%) of the contingency. The second five-month delay will need additional contingency. The initial project contingency at the time of contract award was 15%; and a contingency increase of 21% was approved in July of 2024 for a total contingency of 36%. Changes to date total \$655,588 (82%) of the contingency. All work is anticipated to be completed in approximately three months, so staff is requesting an additional 24% contingency for anticipated remobilization/delay costs and unanticipated changes to provide sufficient funds and prevent further delay.

## **PROPOSED SOLUTION**

Approve a contingency increase to the construction contract to cover the delay costs and use the remaining contingency for contract work.

## **TIMING CONCERNS**

Additional construction delays would further increase construction costs due to escalation and would delay OCTA's freeway widening schedule inflicting delay charges against OCTA and Caltrans.

## **RAMIFICATIONS OF NOT TAKING ACTION**

Not increasing the construction contingency will prevent OC San from authorizing SRK to execute additional unforeseen work to complete the sewer relocation.

In addition, OCTA is in the process of extending an existing temporary construction easement, which expires at the end of March 2025, for OC San's relocation. Failing to complete the sewer relocation will obligate OCTA and Caltrans to pay additional charges to a private property owner until OC San's site restoration is complete.

## **PRIOR COMMITTEE/BOARD ACTIONS**

July 2024 - Approved a construction contingency increase of \$464,730 (21%) to the existing construction contract with SRK Engineering, Inc. for Redhill Relief Sewer Relocation at State Route 55, Project FE18-13, for a total contract amount not to exceed \$2,213,000 and a total construction contingency of \$796,680 (36%), with all costs to be reimbursed by the Orange County Transportation Authority.

June 2022 - Received and filed Bid Tabulation and Recommendation for Redhill Relief Sewer Relocation at State Route 55, Project No. FE18-13; awarded a Construction Contract to SRK Engineering, Inc. for Redhill Relief Sewer Relocation at State Route 55, Project No. FE18-13 for an amount not to exceed \$2,213,000; and approved a contingency of \$331,950 (15%).

September 2021 - Approved the First Amendment to Utility Agreement No. OCSD-1005, between the Orange County Sanitation District and the Orange County Transportation Authority agreeing to a funding increase for the relocation and protection of the Redhill Relief Sewer at State Route 55 in the City of Santa Ana.

March 2020 - Approved Utility Agreement No. OCSD-1005 between the Orange County Sanitation District and the Orange County Transportation Authority agreeing to specific terms, conditions, and funding obligations regarding the relocation and protection of the Redhill Relief Sewer at State Route 55 in the City of Santa Ana.

### **ADDITIONAL INFORMATION**

Both utilities in conflict were not anticipated since the utility owners did not identify their locations in the field following OC San requests during the utility research (design phase), and again at SRK's construction mobilization back in November 2022.

Utility Agreement No. OCSD-1005 cites Section 703 of the Streets and Highways Code declaring OC San's Redhill Relief Sewer relocation qualifies for full reimbursement at OCTA's expense. The agreement obligates OC San to submit a final bill to OCTA within 360 days of the completion of the relocation for the remaining balance of OC San's relocation costs. The final bill amount will remain unrealized until completion of the relocation. A final bill exceeding 125% of the agreement amount will require an amendment which is to be presented to OC San's Board at a future Board meeting.

### **CEQA**

The Caltrans/OCTA SR-55 Improvement Project includes the relocation and protection of the Redhill Relief Sewer in their Initial Study/Mitigated Negative Declaration/ Environmental Assessment. Unrelated to the Caltrans/OCTA Improvement Project is an OC San repair project, which is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations section 15301. A Notice of Exemption was filed in June 2022 with the OC Clerk-Recorder after the OC San's Board of Directors approval of the Construction Contract.

### **FINANCIAL CONSIDERATIONS**

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2024-25 and 2025-26, Section 8, Page 49, Small Construction Projects Program, Project No. M-FE) 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:*

N/A

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