



OPERATIONS COMMITTEE

Administration Building
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Agenda Report

File #: 2023-3171

Agenda Date: 10/4/2023

Agenda Item No: 5.

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

SUBJECT:

SUNFLOWER AND RED HILL INTERCEPTOR REPAIRS, PROJECT NO. 7-66

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a project budget increase of \$150,000 for Sunflower and Red Hill Interceptor Repairs, Project No. 7-66, for a new total project budget of \$6,750,000; and
- B. Approve a contingency increase of \$50,000 (1%) to the existing Construction Contract to Charles King Company for Sunflower and Red Hill Interceptor Repairs, Project No. 7-66, for a new total contingency amount of \$527,700 (11%).

BACKGROUND

Orange County Sanitation District's (OC San) Sunflower Interceptor Reach 3 and Red Hill Interceptor Reaches 4 and 5 consist of a gravity trunk sewer approximately 6,000 feet long located in the cities of Irvine and Costa Mesa and bordering the city of Santa Ana. The trunk sewer was constructed in 1971, consists of reinforced concrete pipes varying in sizes from 27 inches to 84 inches, and runs along Red Hill Avenue, Main Street, and Sunflower Avenue. To protect the concrete from corrosive sewer gas, the pipe was constructed with a polyvinyl chloride (PVC) liner installed in the upper 270 degrees of the pipe. The bottom 90 degrees of the pipe was expected to be fully submerged and thus not subject to corrosion. This project installed corrosion-inhibiting epoxy on the bottom uncoated portion of the concrete pipe between the existing PVC liner and the low water line. Construction began in July 2021 and physical work is complete.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Sound engineering and accounting practices, complying with local, state, and federal laws

PROBLEM

This project was planned to be completed in September 2022; however, the construction end date was extended 380 days due to a change in a bypass pumping suction connection from a manhole to a downstream siphon, a change to bypass pumping traffic control due to conflicts with business driveways, changes to trench paving restoration work to meet city standards, additional asphalt slurry seal to meet city of Irvine standards, and unknown conditions that required additional cleaning of sewer pipelines and siphons.

This extended construction schedule led to additional OC San staff time and inspection fees from the cities overseeing the work. Each city's permitting and inspection fees are paid for by the Contractor and reimbursed at cost by OC San. The construction contract contingency is insufficient for the Contractor to reimburse the cities for their inspection fees.

PROPOSED SOLUTION

Approve a project budget increase and a construction contract contingency increase for Sunflower and Red Hill Interceptor Repairs, Project No. 7-66.

TIMING CONCERNS

Additional contingency funds are required to authorize reimbursement to cities for their permitting and inspection fees that were not anticipated and additional staff time to complete the remaining construction activities and close the project.

RAMIFICATIONS OF NOT TAKING ACTION

The project will not have sufficient funds to reimburse the cities for their permitting and inspection fees and for staff to proceed with project closeout.

PRIOR COMMITTEE/BOARD ACTIONS

July 2021 - Board approved a Construction Contract to Charles King Company for Sunflower and Red Hill Interceptor Repairs, Project No. 7-66, for an amount not to exceed \$4,777,000; and approved a contingency of \$477,700 (10%).

ADDITIONAL INFORMATION

N/A

CEQA

The project 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 with the OC Clerk-Recorder after OC San's Board of Directors approved the Professional Services Design Agreement.

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 A-7, Sunflower & Red Hill Interceptor Repairs, Project No.7-66) and the budget is insufficient for the recommended action, and a budget increase is being recommended.

ATTACHMENT

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

N/A

RL:jw