



OPERATIONS COMMITTEE

Agenda Report

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

File #: 2023-3069

Agenda Date: 7/5/2023

Agenda Item No: 4.

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: Recommend to the Board of Directors to:

Approve 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.

BACKGROUND

Orange County Sanitation District (OC San) is constructing a new Headquarters Complex under Project No. P1-128A. The new Headquarters Complex 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 Complex.

RELEVANT STANDARDS

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

PROBLEM

The level of effort needed to provide adequate construction support services is expected to exceed the assumptions the Professional Construction Services Agreement was based on.

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 professional construction service.

PRIOR COMMITTEE/BOARD ACTIONS

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, however, is projected to exceed what was anticipated due to more submittals than anticipated and the rework of the fixture, furniture, and equipment procurement with another dealer.

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) with the complete agenda package:

N/A

AB:tk