



OPERATIONS COMMITTEE

Administration Building
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Agenda Report

File #: 2024-3646

Agenda Date: 7/10/2024

Agenda Item No: 8.

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 \$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.

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.

RELEVANT STANDARDS

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

PROBLEM

OCTA's SR-55 Improvement Project will widen the freeway over an existing OC San sewer. 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. Originally, OC San was 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. OCTA recently cleared OC San's contractor to mobilize after July 2024 and agreed to reimburse them for the delay costs. The 20-month delay costs exceed the original Board-approved construction contingency requiring staff to request additional contingency funds.

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

The start of construction has already been delayed 20 months. Additional construction delays would further increase construction costs due to escalation and would delay OCTA's freeway widening schedule.

RAMIFICATIONS OF NOT TAKING ACTION

Not increasing the construction contingency will prevent OC San from authorizing SRK Engineering, Inc. to mobilize and complete the sewer relocation.

PRIOR COMMITTEE/BOARD ACTIONS

June 2022 - Awarded a construction contract to SRK Engineering, Inc. for Redhill Relief Sewer Relocation at State Route 55, Project 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

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) with the complete agenda package:

N/A

RD:lb