



OPERATIONS COMMITTEE

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Agenda Report

File #: 2021-1533

Agenda Date: 7/7/2021

Agenda Item No: 7.

FROM: James D. Herberg, General Manager
Originator: Kathy Millea, 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. Receive and file Bid Tabulation and Recommendation for Sunflower and Red Hill Interceptor Repairs, Project No. 7-66;
- B. Award 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
- C. Approve a contingency of \$477,700 (10%).

BACKGROUND

Sunflower Interceptor Reach 3 and Red Hill Interceptor Reaches 4 and 5 consists of one gravity trunk sewer over approximately 6,000 linear feet located in city streets and easements within the Cities of Irvine and Costa Mesa and bordering the City of Santa Ana. The sewers were constructed in 1971, consist of reinforced concrete pipes varying in sizes from 27 inches to 84 inches, and run along Red Hill Avenue, Main Street, and Sunflower Avenue. To protect the concrete from corrosive sewer gas, a polyvinyl chloride (PVC) liner was installed in the upper 270 degrees of the pipe. The bottom 90 degrees was expected to be fully submerged and thus not subject to corrosion.

RELEVANT STANDARDS

- Comply with California Public Contract Code Section 20103.8 by awarding a construction contract to lowest responsive, responsible bidder
- Protect OC San assets
- Achieve less than 2.1 sewer spills per 100 miles

PROBLEM

In 2015, inspections related to the Orange County Sanitation District (OC San) Asset Management Program showed that PVC lining had failed at multiple locations. Lower than expected flows were also shown to have resulted in corrosion of the unlined concrete in the bottom 90 degrees of the pipe.

PROPOSED SOLUTION

Award a Construction Contract for the Sunflower and Red Hill Interceptor Repairs, Project No. 7-66. The work will repair PVC liner failures and grout the bottom of the pipe to reduce the section exposed to corrosive sewer gases.

TIMING CONCERNS

Delaying the project award will allow more concrete corrosion to take place and the trunk sewer will continue to deteriorate.

RAMIFICATIONS OF NOT TAKING ACTION

Not rehabilitating the trunk line will eventually result in the failure of these assets. A pipeline failure would result in a major sewage spill and require an extensive emergency bypass system to perform repairs.

ADDITIONAL INFORMATION

OC San advertised Sunflower and Red Hill Interceptor Repairs, Contract No. 7-66, for bids on March 9, 2021, and three sealed bids were received on April 15, 2021.

Summary information on the bid opening is as follows:

Engineer's Estimate	\$3,250,000
<u>Bidder</u>	<u>Amount of Bid</u>
Charles King Company	\$4,777,000
Spiniello Infrastructure, Inc.	\$6,968,000
Steve P. Rados, Inc.	\$10,292,000

The fact that only three bids were received is likely due to two general factors. The first is that much of the work is bypass pumping which is typically performed by specialty subcontractors. With a large fraction of subcontracted work, the general contractors take on risk with less opportunity to gain a competitive advantage with a more effective approach. The other is that work hours were restricted to nighttime only in order to mitigate traffic impacts on heavily traveled streets. This constrains how a contractor can manage the work and risks. These factors, and also differing assumptions on the daily productivity levels of this atypical work, may explain why the low bid was \$1.5 million more than the Engineer's estimate, and why the spread was so large.

The bids were evaluated in accordance with OC San's policies and procedures. After evaluation, Charles King Company, the apparent low bidder, was determined to be both responsive and responsible. A notice was sent to all bidders on May 4, 2021, informing them of the intent of OC San staff to recommend award of the Construction Contract to Charles King Company.

Staff recommends awarding a Construction Contract to the lowest responsive and responsible bidder, Charles King Company, for a total amount not to exceed \$4,777,000.

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 2021-2022, Appendix A, Page A-7, Sunflower & Red Hill Interceptor Repairs, Project No. 7-66) 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:

- Construction Contract
- Presentation

RL:dm:gc