



OPERATIONS COMMITTEE

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Agenda Report

File #: 2022-2252

Agenda Date: 4/27/2022

Agenda Item No: 7.

FROM: James D. Herberg, General Manager
Originator: Kathy Millea, Director of Engineering

SUBJECT:

SANTA ANA TRUNK REHABILITATION AT PLANT NO. 1, PROJECT NO. FE20-07

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Receive and file Bid Tabulation and Recommendation for Santa Ana Trunk Rehabilitation at Plant No. 1, Project No. FE20-07;
- B. Award a Construction Contract to Sancon Technologies, Inc. for Santa Ana Trunk Rehabilitation at Plant No. 1, Project No. FE20-07, for an amount not to exceed \$395,082; and
- C. Approve a contingency of \$79,016 (20%).

BACKGROUND

The Santa Ana Trunk, which carries sewage from the southern portion of Santa Ana and the northern portion of Costa Mesa to Orange County Sanitation District (OC San) Plant No. 1, was originally constructed in the early 1950s. The final 300-foot section of this sewer just west of the Santa Ana River is constructed of unlined 48-inch diameter concrete pipe.

RELEVANT STANDARDS

- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder
- Maintain a proactive asset management program

PROBLEM

A condition assessment of this sewer and associated maintenance structures revealed severe defects, including exposed aggregate and reinforcement steel in the pipeline, as well as exposed aggregate and liner detachment in the maintenance structures.

PROPOSED SOLUTION

Award a construction contract for Santa Ana Trunk Rehabilitation at Plant No. 1, Project No. FE20-07. The project will install a cured-in-place liner in approximately 300 feet of trunk sewer and perform rehabilitation of two maintenance structures at Plant No. 1. To accommodate installation of the liner, staff has determined that flows in the sewer can be completely diverted to a parallel sewer, so bypass pumping will not be required.

The flow diversion must be coordinated with major shutdowns for Headworks Rehabilitation at Plant No. 1, Project No. P1-105. To avoid impacting this much larger construction project, the lining and associated diversion must be conducted during the wet season. This coordination might require staff to authorize changes on short notice. For that reason, staff is requesting a higher-than-usual contingency of 20% of the contract value.

TIMING CONCERNS

The schedule driver for this project is to resolve the current deficiencies to reduce the risk of pipeline failure.

RAMIFICATIONS OF NOT TAKING ACTION

Without this project, the pipeline is at risk of failure, which would cause a major sewage spill.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

OC San advertised Project No. FE20-07 for bids on January 11, 2022 and one sealed bid was received on March 1, 2022. A summary of the bid opening follows:

Engineer's Estimate	\$ 345,000
<u>Bidder</u>	<u>Amount of Bid</u>
Sancon Technologies, Inc.	\$ 395,082

The bid was evaluated in accordance with the OC San's policies and procedures. A notice was sent to all bidders on March 14, 2022, informing them of the intent of OC San staff to recommend award of the Construction Contract to Sancon Technologies, Inc.

The work includes installing large diameter pipe and manhole liners performed by specialty contractors. Since there are limited contractors qualified to perform this work, OC San staff surveyed prospective bidders prior to receiving bids, and four firms were expected to bid. After receipt of a single bid, a post-bid survey was conducted. In the post-bid survey, potential bidders stated that due to the unique nature of the work and overall market volatility, they were not able to secure pricing from potential subcontractors. The one bid was from a contractor that will self-perform the specialized work.

The bid was 15% higher than the engineer's estimate, which is within the accuracy of the engineer's estimate. For that reason, staff has concluded that the price is fair and reasonable. Resoliciting bids would likely not significantly reduce the price and would require additional staff time and substantially delay the repairs.

Staff recommends awarding a Construction Contract to the responsive and responsible bidder, Sancon Technologies, Inc., for a total amount not to exceed \$395,082.

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 will be filed with the OC Clerk-Recorder after OC San 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 Update, Fiscal Year 2021-2022, Appendix A, Page A 8, 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:

- Construction Contract

CF:jw