



OPERATIONS COMMITTEE

Agenda Report

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File #: 2025-4521

Agenda Date: 12/3/2025

Agenda Item No: 7.

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

SUBJECT:

A-SIDE PRIMARY CLARIFIERS REPLACEMENT AT PLANT NO. 2, CONTRACT NO. P2-98A

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve a contingency increase of \$4,456,235 (4%) to the existing Construction Contract with PCL Construction, Inc., for A-Side Primary Clarifiers Replacement at Plant No. 2, Contract No. P2-98A as part of Primary Treatment Rehabilitation at Plant No. 2, Project No. P2-98, for a new total contingency amount of \$11,140,588 (10%).

BACKGROUND

Orange County Sanitation District's (OC San) primary treatment process removes most of the solids from screened wastewater and is an essential part of the wastewater treatment process. This treatment is performed in large concrete structures called primary clarifiers.

The primary treatment facilities at OC San's Plant No. 2 consist of fourteen 140-foot-diameter circular clarifiers built between 1960 and 1985, along with associated piping, distribution structures, sludge pumping, odor control, and power distribution systems. The clarifiers are divided into three groups: the A-Side, consisting of four clarifiers; and the B-Side and C-Side, consisting of five clarifiers each. The A-Side primary clarifiers were constructed between 1960 and 1963 and require complete replacement. The new A-Side primary clarifiers are being constructed in an area adjacent to the existing units in an older area of the Plant with poorly documented structures dating back to the 1950s.

OC San executed the A-Side Primary Clarifiers Replacement Project, Contract No. P2-98A to construct four new primary clarifiers, a new odor control and chemical facility, a new electrical distribution center, and ancillary utilities and facilities. Once the new facilities are completed, the project will also demolish the four existing A-Side primary clarifiers, a power building, and an odor control facility.

Construction began in July 2021, and is expected to be completed by late 2027. Construction is approximately 70% complete.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- 24/7/365 treatment plant reliability

PROBLEM

The cost of changes to the construction contract is nearing the Board-approved contingency amount. The changes to date have largely been related to unknown conditions and unanticipated changes. Examples of some of the larger changes include:

- (1) Additional demolition, disposal and removal of unforeseen and abandoned underground obstructions such as old pipelines, concrete structures and slabs, and electrical duct banks that interfered with construction.
- (2) Changes in soil improvement methods due to unknown buried structures and debris not shown in the original plans.
- (3) Added direct costs for construction delays caused by unforeseen conditions.
- (4) Added installation of a large stainless steel bulkhead to properly separate non-reclaimable wastewater flows as required by the GWRS system.
- (5) Added protective liner installation around the outside walls of each clarifier to prevent gas intrusion, concrete corrosion, and other clarifier liner failures.

The current authorized contingency is insufficient to cover future changes for the remaining work. Additionally, there are several unresolved disputed items totaling approximately \$11M. While OC San disputes the merit of these items, the problem-solving process with the contractor is still ongoing. As such, the final determination of merit and the potential for additional costs remains uncertain.

PROPOSED SOLUTION

Approve a contingency increase to cover future changes required to complete the remaining construction work.

TIMING CONCERNS

Additional contingency funds are required to approve any future construction changes without causing project delays. If problems arise, the construction work might have to be stopped until additional contract funds are authorized to resolve the issue. These delays could result in extended overhead and direct cost claims from the contractor.

RAMIFICATIONS OF NOT TAKING ACTION

Not increasing the construction contingency will prevent OC San from authorizing PCL Construction, Inc., to perform additional unanticipated work.

PRIOR COMMITTEE/BOARD ACTIONS

May 2021 - Received and filed Bid Tabulation and Recommendation for A-Side Primary Clarifiers

Replacement at Plant No. 2, Project No. P2-98A; awarded a Construction Contract to PCL Construction, Inc., for A-Side Primary Clarifiers Replacement at Plant No. 2, Contract No. P2-98A, for an amount not to exceed \$111,405,880; and approved a contingency of \$6,684,353 (6%).

ADDITIONAL INFORMATION

N/A

CEQA

This project is exempt from CEQA under the Class 2 categorical exemptions set forth in California Code of Regulations sections 15302. A Notice of Exemption was filed with the Orange County Clerk -Recorder on April 26, 2018.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2025-26, Page A-6, Primary Treatment Rehabilitation at Plant No. 2, Project No. P2-98), 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:

- Presentation

SA:lb