



OPERATIONS COMMITTEE

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Agenda Report

File #: 2023-2780

Agenda Date: 12/6/2023

Agenda Item No: 15.

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

SUBJECT:

SEAL BEACH PUMP STATION REPLACEMENT, PROJECT NO. 3-67

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a project budget increase of \$19,400,000 for Seal Beach Pump Station Replacement, Project No. 3-67, for a new total project budget of \$134,000,000;
- B. Receive and file Bid Tabulation and Recommendation for Seal Beach Pump Station Replacement, Project No. 3-67;
- C. Award a Construction Contract to Walsh Construction Company II, LLC for Seal Beach Pump Station Replacement, Project No. 3-67, for a total amount not to exceed \$97,032,743, pending clearance from the United States Navy; and
- D. Approve a contingency of \$9,703,274 (10%).

BACKGROUND

This project will replace the existing pump station on the same site at the corner of Seal Beach Blvd. and Westminster Blvd. The pump station was originally built in 1970 and expanded in 1973 and 1980.

Project No. 3-67 will be replacing the existing Seal Beach Pump Station with a deeper pump station. By doing so, Orange County Sanitation District (OC San) will be able to eliminate the upstream Westside Pump Station, located in the middle of a residential neighborhood, after the construction of a deeper gravity sewer line to Seal Beach Pump Station.

The new pump station will include a more efficient pumping system, upstream and downstream odor treatment systems, and a standby generator.

RELEVANT STANDARDS

- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder

- Ensure the public's money is wisely spent
- Protect OC San assets

PROBLEM

The pump station is near the end of its useful life and needs to be replaced; and the project budget is insufficient to award a construction contract.

PROPOSED SOLUTION

Increase the project budget and award a construction contract for Seal Beach Pump Station Replacement, Project No. 3-67, and award the contract to Walsh Construction Company II, LLC, pending clearance from the United States Navy.

TIMING CONCERNS

The pump station is at the end of its useful life and may require emergency or urgent repairs if construction is delayed. Until the pump station is replaced, there is also an increased risk of a spill during a large storm.

RAMIFICATIONS OF NOT TAKING ACTION

Not increasing the project budget will prevent OC San from awarding the construction contract and the pump station could fail before it is replaced.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

OC San advertised Project No. 3-67 for bids on June 20, 2023, and six sealed bids were received on October 11, 2023. A summary of the bid opening follows:

Engineer's Estimate <u>Bidder</u>	<u>Amount of Bid</u>
Walsh Construction Company II, LLC	\$97,032,743
Flatiron West, Inc.	\$102,950,000
Kiewit Infrastructure West Co.	\$103,795,974
Guy F. Atkinson Construction, LLC	\$117,402,468
Balfour Beatty Infrastructure, Inc.	\$119,300,000
Skanska USA Civil West California District Inc.	\$129,750,000

The bids were evaluated in accordance with the OC San's policies and procedures. A notice was sent to all bidders on November 22, 2023 informing them of the intent of OC San staff to recommend award of the Construction Contract to Walsh Construction Company II, LLC.

OC San staff met with the Contractor since the bids exceeded the Engineer's Estimate. After meeting with Walsh Construction Company II, LLC to review the cost estimate, staff determined that the Engineer's Estimate underestimated several items such as: material and labor costs for complex concrete placements; structural steel quantities; labor and materials for mechanical, electrical, and instrumentation equipment; continued escalation on material costs; and continued material supply chain issues.

Staff recommends awarding a Construction Contract to the lowest responsive and responsible bidder, Walsh Construction Company II, LLC, for a total amount not to exceed \$97,032,743, pending clearance from the United States Navy.

Staff requests a 10% contingency for this project due to the challenging nature of the work with deep excavations, contaminated ground water, a congested work site, potential Navy security restrictions, and the need to keep the existing pump station operating and accessible during the work among other risks.

CEQA

The project is included in the Facilities Master Plan 2020 Program Environmental Impact Report, State Clearinghouse No. 2019070998.

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 7, Seal Beach Pump Station Replacement, Project No. 3-67). This item will increase the project budget and will be funded from the CIP budget.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Draft Construction Contract
- Presentation

JD: jw