



OPERATIONS COMMITTEE

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Agenda Report

File #: 2024-3516

Agenda Date: 3/27/2024

Agenda Item No: 5.

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

SUBJECT:

NEWPORT BEACH PUMP STATION PRESSURIZATION IMPROVEMENTS, PROJECT NO. 5-68

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve a contingency increase of \$65,625 (7%) to the existing construction contract with Innovative Construction Solutions for Newport Beach Pump Station Pressurization Improvements, Project No. 5-68, for a total contract amount not to exceed \$937,500; and a total construction contingency of \$159,375 (17%).

BACKGROUND

The Orange County Sanitation District (OC San) owns and operates eight pump stations in the city of Newport Beach. Six of these pump stations (Bitter Point, Crystal Cove, A Street, 15th Street, Lido, and Rocky Point) have inadequate venting for the wet wells, which can lead to the escape of odorous and corrosive gasses. This project will install passive air scrubbers to treat the foul air to below nuisance levels before releasing the air into the atmosphere. The project will also add a concrete slab and electrical conduits to accommodate a future chemical addition at the 15th Street Pump Station to reduce generation of hydrogen sulfide in downstream force mains. A construction contract was awarded to Innovative Construction Solutions in February 2023 to incorporate these modifications. The project is approximately 70% complete.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Commitment to safety & reducing risk in all operations
- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise, and lighting

PROBLEM

During the course of construction, an unforeseen change was required to revise the odor scrubber design for the Bitter Point Pump Station, resulting in additional scrubber units and materials. This change order consumed approximately \$60,000 of the total construction contract contingency of \$93,750. Additional change orders have resulted in a current remaining contingency of less than

\$13,000. The remaining contingency is anticipated to be insufficient to cover potential unknown construction change orders for the remainder of the construction duration.

PROPOSED SOLUTION

Approve a contingency increase of \$65,625 (7%) to the construction contract for a total contingency of \$159,375 (17%). This increase will provide additional funds in the event of additional necessary changes for unknown conditions.

TIMING CONCERNS

The project is currently in construction and is close to exhausting the original contingency amount. Additional contingency funds are requested to authorize future change orders if required to complete the remaining construction activities without incurring contractor delay costs.

RAMIFICATIONS OF NOT TAKING ACTION

If the contract contingency is not increased, it is anticipated that the project may not have sufficient funds for future unknown change orders, which would bring the project to a halt until additional funding is approved.

PRIOR COMMITTEE/BOARD ACTIONS

February 2023 - Approved a Construction Contract to Innovative Construction Solutions for Newport Beach Pump Station Pressurization Improvements, Project No. 5-68, for an amount not to exceed \$937,500; and approved a contingency of \$93,750 (10%).

ADDITIONAL INFORMATION

N/A

CEQA

The Project is included in the Facilities Master Plan 2020 Program Environmental Impact Report, State Clearinghouse Number 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-7, Capital Improvement Program, Project No. 5-68) 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