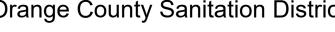
Orange County Sanitation District



Administration Building 10844 Ellis Avenue Fountain Valley, CA 92708 (714) 593-7433

Agenda Report Details (With Text)

File #: 2022-2663 Version: 1 Name:

Type: Non-Consent Status: Passed

File created: 11/30/2022 In control: **BOARD OF DIRECTORS**

On agenda: Final action: 12/15/2022 12/15/2022

Title: NEWHOPE-PLACENTIA TRUNK SEWER REPLACEMENT, PROJECT NO. 2-72B & 2-72c

Sponsors: Kathy Millea

Indexes:

Code sections:

OCOSAN

Attachments: 1. Agenda Report, 2. 11-22-2022 OHL USA, Inc. Claim

Date Ver. Result **Action By** Action

BOARD OF DIRECTORS 12/15/2022

FROM: James D. Herberg, General Manager

Originator: Kathy Millea, Director of Engineering

SUBJECT:

NEWHOPE-PLACENTIA TRUNK SEWER REPLACEMENT, PROJECT NO. 2-72B & 2-72C

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Receive, file, and deny the claim submitted by OHL USA, Inc. (OHL) dated November 22, 2022 for Newhope-Placentia Trunk Sewer Replacement, Project Nos. 2-72B and 2-72C.

BACKGROUND

Orange County Sanitation District (OC San) awarded a Construction Contract to OHL for Newhope-Placentia Trunk Sewer Replacement, Project Nos. 2-72B and 2-72C, in May 2018. construction, OHL submitted several change orders. While OC San accepted most of these, some were rejected. OHL has now submitted a claim based on the rejected change orders.

RELEVANT STANDARDS

Ensure the public's money is wisely spent

PROBLEM

OHL has submitted a claim under the Government Code. The claim is without merit.

PROPOSED SOLUTION

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Deny the claim submitted by OHL.

TIMING CONCERNS

Denial of a Government Code claim, and notice thereof, triggers the running of the statute of limitations.

RAMIFICATIONS OF NOT TAKING ACTION

The statute of limitations will be longer.

PRIOR COMMITTEE/BOARD ACTIONS

October 2021 - Approved a contingency increase \$1,164,840 (2%) to the construction contract with OHL for Newhope-Placentia Trunk Sewer Replacement, Project Nos. 2 72B and 2-72C, for a total construction contingency of \$6,989,040 (12%).

April 2021 - Approved a contingency increase of \$2,038,470 (3.5%) to the construction contract with OHL for Newhope-Placentia Trunk Sewer Replacement, Project Nos. 2-72B and 2-72C, for a total construction contingency of \$5,824,200 (10%).

May 2018 - Awarded a construction contract with OHL for Newhope-Placentia Trunk Sewer Replacement, Contract Nos. 2-72B & 2-72C, for a total amount not to exceed \$58,242,000, and approved a contingency of \$3,785,730 (6.50%).

ADDITIONAL INFORMATION

All construction work is complete. Staff participated in a formal dispute resolution process provided in the Public Contract Code to resolve the Contractor's claims.

CEQA

The project is included in the Addendum to the "1999 OCSD Strategic Plan" Program Environmental Impact Report, State Clearinghouse No. 2006101018.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2020-2021 and 2021-22, Section 8, Page 19,) and the budget is sufficient for the recommended action.

Date of Approval	Contract Amount	<u>Contingency</u>
04/21/2018	\$58,242,000	\$3,785,730 (6.5%)
04/28/2021 10/27/2021		\$2,038,470 (3.5%) \$1,164,840 (2%)

ATTACHMENT

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

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package:

Claim