



## Agenda Report

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

**SUBJECT:**

**TUSTIN AVENUE MANHOLE AND PIPE REPAIR, PROJECT NO. FE17-06**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Approve a contingency increase of \$70,000 to the construction contract with Nuline Technologies, LLC for Tustin Avenue Manhole and Pipe Repair, Project No. FE17-06, for a total contingency of \$105,000 (30%).

**BACKGROUND**

The Orange County Sanitation District (Sanitation District) owns and operates a regional sewer near Tustin Avenue and Orangethorpe Avenue in the cities of Anaheim and Placentia. The vitrified clay sewer was originally installed in 1960. The Sanitation District identified significant cracks in the pipe as well as a manhole defect. A construction contract was awarded to Nuline Technologies, LLC in October 2019 and construction is approximately 95 percent complete.

**RELEVANT STANDARDS**

- Ensure the public's money is wisely spent
- Maintain a proactive asset management program

**PROBLEM**

Unforeseen conditions encountered during construction have resulted in higher than expected contract changes. At the beginning of construction, a previously unidentified natural gas line, street light and traffic signal conduit and cables, and a concrete encasement were found inside the project excavation limits. The cost of addressing these unknown, below grade conditions has already exceeded the Board authorized contract contingency. Stopping the work would have resulted in much higher costs resulting from the need to leave the work site in a safe condition for the public and to demobilize and remobilize the contractor.

## PROPOSED SOLUTION

Approve a contingency increase of \$70,000 to the construction contract for a total contingency of \$105,000 (30%). This increase will cover additional costs to complete the work and provide funds for additional construction-related risks.

## TIMING CONCERNS

Additional contingency funds are required to authorize any required construction changes without causing project delays. The work involved excavation in public streets and there were safety risks associated with excavation, shoring, and traffic control that required timely mitigation.

## RAMIFICATIONS OF NOT TAKING ACTION

The Sanitation District may already be obligated to reimburse costs in excess of the current Board authorized contract contingency. If the contract contingency is not increased, the Sanitation District may be subject to legal action by the Contractor.

## PRIOR COMMITTEE/BOARD ACTIONS

October 2019 - Awarded a Construction Contract to Nuline Technologies, LLC, for Tustin Avenue Manhole and Pipe Repair, Project No. FE17-06, for a total amount not to exceed \$350,000 and approved a contingency of \$35,000 (10%).

## CEQA

The project is categorically exempt under Class 1 set forth in California Code of Regulations sections 15301 of CEQA, and statutorily exempt from CEQA under Public Resources Code section 21080.21 and no further CEQA review is required.

## FINANCIAL CONSIDERATIONS

This recommendation will be funded under Repairs and Maintenance for the Operations and Maintenance Department (Budget Update, Fiscal Years 2020-21, Section 6 - Page 75). The budget is sufficient for the recommended action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
10/23/2019	\$350,000	\$ 35,000 (10%)
09/23/2020		\$105,000 (30%)

## ATTACHMENT

*The following attachment(s) may be viewed on-line at the OCSD website ([www.ocsd.com](http://www.ocsd.com)) with the complete agenda package:*

N/A

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