



## Agenda Report

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

**SUBJECT:**

**GISLER-RED HILL INTERCEPTOR AND BAKER FORCE MAIN REHABILITATION, PROJECT NO. 7-65**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65;
- B. Approve a project budget increase of \$11,100,000 for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a new total project budget of \$55,500,000;
- C. Award a Construction Contract to Steve P. Rados, Inc. for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65, for a total amount not to exceed \$44,706,000; and
- D. Approve a contingency of \$4,470,600 (10%).

**BACKGROUND**

The Orange County Sanitation District (OC San) owns and maintains regional conveyance facilities in the City of Costa Mesa, including the 30 and 33-inch diameter Gisler-Red Hill Interceptor, dual parallel 42-inch diameter Baker Force Mains, and the Main Street Pump Station, which is located in the City of Irvine. The Baker Force Main and Main Street Pump Station carry flows from large watersheds of Irvine, Tustin, and Costa Mesa as well as required interagency flows from Irvine Ranch Water District. The facilities range in age from 30 to 55 years. The facilities are not capacity deficient.

**RELEVANT STANDARDS**

- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder
- Achieve less than 2.1 sewer spills per 100 miles
- Protect OC San assets

**PROBLEM**

Condition assessments of the Gisler-Red Hill Interceptor indicated corrosion in many of the manholes, as well as multiple cracks in the vitrified clay piping. Condition assessments of the east Baker Force Main indicated corrosion and liner failures. The Main Street Pump Station has excessive valve vault settlement, inoperable valves, and corrosion on piping inside the dry well. These facilities are at risk of failure if not rehabilitated.

**PROPOSED SOLUTION**

Award a Construction Contract for Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65. The project will reline approximately 8,600 linear feet of the Gisler-Red Hill Interceptor and rehabilitate the associated manholes; reline approximately 6,000 linear feet of the dual Baker Force Mains; and replace corroded and damaged piping, valves, and valve vaults at the Main Street Pump Station.

**TIMING CONCERNS**

The facilities being rehabilitated are at the end of their useful life. Main Street Pump Station had a spill in the past due to a valve vault issue. This project will resolve the reliability risks associated with deteriorated facilities and reduce the risks of potential spills.

**RAMIFICATIONS OF NOT TAKING ACTION**

Increased risk of failure of the pipes and manholes due to continued corrosion causing a sewage spill and potential property damage.

**PRIOR COMMITTEE/BOARD ACTIONS**

N/A

**ADDITIONAL INFORMATION**

OC San advertised for bids on October 11, 2022, and one sealed bid was received on December 14, 2022. A summary of the bid opening follows:

Engineer’s Estimate \$ 32,895,000

Bidder	Amount of Bid
Steve P. Rados, Inc.	\$ 44,706,000

The Planholders list contained the names of 12 potential Bidders. Prior to receipt of the Bid, on November 29, 2022, a Pre-bid Survey was conducted of those companies on the Planholders list. Four companies responded to the survey and of those four, three stated that they planned to bid, so adequate competition was expected. After the single bid was received, a post-bid survey was conducted with the companies who previously responded to the bid survey. One of the companies who performs cured-in-place pipe (CIPP) decided to bid as a subcontractor instead of a prime. The

second company heard the CIPP subcontractor was going to bid as a prime contractor so declined to bid.

The bid was evaluated in accordance with OC San's policies and procedures. Since the single bid amount was 36% higher than the engineer's estimate, the bid validity period was extended to allow staff time to validate the current project needs and potential alternatives. Staff re-reviewed the alternative repair options, and their associated costs and public impacts. It was determined that CIPP lining was still the most cost-effective method for pipeline rehabilitation.

With a single bid, OC San was able to conduct several meetings with Steve P. Rados, Inc. to perform a cost analysis of their bid. During the evaluation of the bid amount, it was determined the difference between the engineer's estimate and the construction bid was due to the cost of the CIPP lining operations. OC San performed an updated cost estimate and verified that there has been a significant increase in CIPP costs over the past year. The bid amount is 15% higher than the revised engineer's estimate.

Moving forward with the project as bid provides the best approach to meet the operational and reliability needs of OC San. Staff recommends awarding a Construction Contract to the lowest responsive and responsible bidder, Steve P. Rados, Inc., for a total amount not to exceed \$44,706,000. A notice was sent to all bidders on April 24, 2023 informing them of the intent of OC San staff to recommend award of the Construction Contract to Steve P. Rados, Inc.

## **CEQA**

The project is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations Section 15301. A Notice of Exemption has been filed with the OC Clerk-Recorder.

## **FINANCIAL CONSIDERATIONS**

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Adopted Budget, Fiscal Years 2022-2023 and 2023-24, Section 8, Page 32, Gisler-Red Hill Interceptor and Baker Force Main Rehabilitation, Project No. 7-65). This item will increase the project budget and will be funded from the Capital Improvement Program budget.

## **ATTACHMENT**

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

- Construction Contract
- Presentation

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