



Agenda Report

File #: 2020-1009, Version: 1

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

SUBJECT:

BAY BRIDGE PUMP STATION REPLACEMENT, PROJECT NO. 5-67

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve a contingency increase of \$1,784,250 (25%) to the Professional Design Services Agreement with Arcadis U.S., Inc. for Bay Bridge Pump Station Replacement, Project No. 5-67, for a total contingency of \$2,497,950 (35%).

BACKGROUND

The Bay Bridge Pump Station and associated force mains were constructed in 1966 on Pacific Coast Highway just east of the Newport Back Bay Channel. The two force mains cross the channel and connect to the existing Newport force main network. The capacity is approximately 18 million gallons per day, which handles over half of Newport Beach's wastewater.

The pump station is space limited and bounded on three sides by a proposed three-story, mixed-use development, and bounded on the south side by Pacific Coast Highway. Part of the existing site was lost when Pacific Coast Highway was rerouted in the late 1980s to accommodate a new Bay Bridge. Additional real estate is required to replace the pump station to meet current safety and environmental requirements which includes improved odor treatment systems.

RELEVANT STANDARDS

- Achieve less than 2.1 sewer spills per 100 miles
- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise, and lighting
- Ensure the public's money is wisely spent

PROBLEM

The pump station is over 50 years old and is at the end of its useful life. The Orange County Sanitation District (Sanitation District) began planning efforts for its replacement in 2014 with a long series of discussions, negotiations, and changes in how the adjacent property would be developed.

In 2017 with the cooperation of the adjacent property owner, the Sanitation District completed a Siting Study and draft Environmental Impact Report (EIR) for a project at the northeast corner of the adjacent property, with the Sanitation District transferring the existing site to Back Bay Landing when the new pump station was completed. This arrangement offered some key advantages but required the Sanitation District to proceed with design to support the property acquisition negotiations and CEQA activities. In October 2017, the Sanitation District awarded a Professional Design Services Agreement to Arcadis U.S.

In March 2018, property negotiations with the adjacent property owner reached an impasse and design efforts for the new pump station were put on hold. The impasse was related to the required Pump Station footprint and the easements required to support force main tunneling through the site and across the bay north of the bridge. It was mutually agreed with the neighboring property owner to look at expanding the existing site. Property acquisition negotiations have resumed and are continuing.

Since the project was put on hold, the costs to complete the design have increased significantly. Those costs include CEQA activities, technical support for property negotiations, labor escalation costs, design efforts that need to be redone for the new site, and other design-related changes. As a result, the Board awarded contingency for the design agreement is not sufficient to complete the work.

PROPOSED SOLUTION

Approve a contingency increase to the Professional Design Services Agreement of \$1,784,250 (25%) for a total contingency of \$2,497,950 (35%). This increase will cover the additional costs to complete the work and provide an allowance for additional design-related risks. The existing project budget is sufficient to cover the requested increase in contingency therefore no increase to the project budget is required.

TIMING CONCERNS

Given the long lead time required to complete design, obtain regulatory approval, and the poor condition of the existing pump station, staff believes that risks of delaying design further are greater than the risk of another impasse in real estate negotiations. Additional contingency funds for engineering services are required to resume preliminary and final design, finalize property purchase agreements, and prevent further design delays to the project.

RAMIFICATIONS OF NOT TAKING ACTION

The Professional Design Services Agreement “not to exceed” fee will not be sufficient to complete the design of the project.

PRIOR COMMITTEE/BOARD ACTIONS

October 2017 - Approved a Professional Design Services Agreement with Arcadis US Inc. to provide engineering design services for the Bay Bridge Pump Station and Force Main Replacement, Project No. 5-67, for an amount not to exceed \$7,137,000, and approved a contingency of \$713,700 (10%).

ADDITIONAL INFORMATION

The requested contingency increase is needed for additional efforts to design the new pump station at the new proposed site location, analyze a dredging option across the Back Bay Channel and new force mains alignment to the South of the Pacific Coast Highway bridge, support property negotiation efforts, complete two additional rounds of EIR analysis and recirculation, and account for escalation of labor costs over nearly three years.

CEQA

This project will comply with the CEQA requirement by completing an EIR. The Draft Recirculated EIR was circulated on August 7, 2020 with the public review period ending on September 21, 2020.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This item has been budgeted, (FY 2020-2021 and 2021-2020, Section 8 Page 28), and the project budget is sufficient for the recommended action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
10/25/2017	\$7,137,000	\$ 713,700 (10%)
09/23/2020		\$1,784,250 (25%)

ATTACHMENT

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

N/A

TL:dm:gc