



Agenda Report

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FROM: Robert Thompson, General Manager
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SUBJECT:

PURCHASE ORDER FOR CALIFORNIA RECREATION COMPANY MARINA SLIP RENTAL AGREEMENT

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Purchase Order to California Recreation Company (CRC) Marinas for the rental of an end tie boat slip in Newport Beach Harbor, not to exceed \$147,490 for the period July 1, 2024, through June 30, 2025; and
- B. Approve a contingency of \$29,498 (20%).

BACKGROUND

For almost two decades, Orange County Sanitation District (OC San) has rented a 60-foot by 19-foot boat slip from CRC Marinas for docking its 58-foot monohull ocean monitoring vessel *Nerissa* in Newport Beach Harbor. OC San's *Nerissa* is now nearing the end of service life. Her frame and structure have experienced significant wear and tear, which pose potential safety hazards to the crew and vessel if failure occurs to deck systems under load. Additionally, new engine emission regulations issued by CARB will require that all commercial harbor craft be equipped with the cleanest fuel emission system possible by January 2026.

After extensive research and consultation with other public agencies with similar needs and a thorough cost-benefit analysis, OC San's Ocean Monitoring staff have determined that the *Nerissa* should be replaced with a new vessel equipped with a hybrid propulsion system. This will enable OC San to meet CARB regulations, minimize workflow interruption due to breakage on an aging vessel, and ensure the safety of field crew.

An end tie boat slip is needed to ensure efficient and safe boat operation with the planned new vessel. However, end tie boat slips are in high demand in all harbors ranging from Los Angeles to Dana Point, where there is usually a 10-year waiting list. After a prolonged and extensive search, staff was able to secure an 82-foot end tie boat slip in Newport Beach Harbor with CRC Marinas in January 2024 and has been docking the *Nerissa* there ever since. The end tie boat slip is in an area where tidal extremes would not impede navigating a vessel to and from the marina.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Protect OC San assets
- Commitment to safety & reducing risk in all operations
- Sustain 1, 5, 20-year planning horizons
- Comply with environmental permit requirements

PROBLEM

The cost of a boat slip continues to increase across Southern California and end tie boat slips are in short supply with a 10-year waiting list. If OC San does not renew the current rental, it will be extremely difficult to find another end tie boat slip rental for the *Nerissa* and the planned new vessel.

PROPOSED SOLUTION

By maintaining the current end tie boat slip rental with CRC Marinas, OC San will have a suitable place to dock the *Nerissa*, as well as the planned new vessel. The end tie boat slip includes amenities such as a dedicated charging station to support hybrid propulsion engines.

OC San currently pays \$11,366 per month (at a rate of \$138.61 per linear foot) for the end tie boat slip. Staff have observed a 5% fee increase every six months on the boat slip rental in the past two years.

Thus, staff is proposing issuance of a purchase order to CRC Marinas to renew the rental of the end tie boat slip in Newport Beach Harbor, not to exceed \$147,490 for the period July 1, 2024, through June 30, 2025; with a contingency of \$29,498 (20%).

TIMING CONCERNS

The current purchase order with CRC Marinas is set to expire on June 30, 2024.

RAMIFICATIONS OF NOT TAKING ACTION

If a new purchase order is not issued, OC San will no longer have a suitable place to dock our current vessel *Nerissa* after July 1st, or the planned replacement vessel in 2026. Docking the replacement vessel at a mooring ball is not feasible because the replacement vessel will require shore power to meet the minimum 30% power supplied by a source other than a diesel generator as required by CARB beginning in 2026. In addition, getting to and from the moored vessel via a motorized dinghy will cut into the sampling time of each monitoring survey, which may impact OC San's ability to meet NPDES permit compliance monitoring of the receiving water.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

It is common practice for marinas to rent boat slips on a month-to-month basis. As staff have observed a 5% rate increase every six months on the boat slip rental in the past two years, the new purchase order is estimated to be \$147,490 for the next twelve months (FY 2024-25) based on:

- A 5% increase on the current rate of \$11,366 per month (\$11,934 per month) for the first six months, totaling \$71,604;
- Another 5% increase on \$11,934 per month (\$12,531 per month) for the next six months, totaling \$75,186; and
- A total of \$700 per annum for the utility fee.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (FY 2023-24 Budget Update, Environmental Services, Page 35) and the budget is sufficient for the recommended action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
05/08/2024	\$147,490	\$29,498

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