

Agenda Report

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SUBJECT:

SEAL BEACH PUMP STATION REPLACEMENT, PROJECT NO. 3-67

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a project budget increase of \$13,000,000 for Seal Beach Pump Station Replacement, Project No. 3-67, for a new total project budget of \$100,000,000; and
- B. Approve a contingency increase of \$155,183 (2.6%) to the existing Professional Design Services Agreement with Lee & Ro, Inc. for Seal Beach Pump Station Replacement, Project No. 3-67, for a new total contingency amount of \$749,968 (12.6%).

BACKGROUND

The Seal Beach Pump Station Replacement, Project No. 3-67, will replace the existing pump station on the same site at the corner of Seal Beach Blvd. and Westminster Avenue in the City of Seal Beach. The pump station was originally built in 1970, expanded in 1973, and expanded again in 1980.

Project No. 3-67 will be replacing the existing Seal Beach Pump Station with a deeper pump station. By doing so, Orange County Sanitation District (OC San) will be able to eliminate the need to rehabilitate the Westside Pump Station, an upstream pump station that is located in the middle of a residential neighborhood. In fact, by building a deeper pump station, OC San will be able to abandon the Westside Pump Station in the future, eliminating the long-term need to operate and maintain that pump station; and also eliminating on-going odor, noise, and traffic impacts to the residential neighbors.

The new pump station will include a more efficient pumping system, upstream and downstream odor treatment systems, a standby generator, and a deeper wet well. The project is in the final stages of design.

RELEVANT STANDARDS

- Sound engineering and accounting practices, complying with local, state, and federal laws
- Protect OC San assets

- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise, and lighting

PROBLEM

The pump station is near the end of its useful life and needs to be replaced. The most recent cost estimate received from the design consultant was significantly higher than the current budget, even though the design consultant and staff had already implemented cost saving ideas into the design. The current project budget is insufficient to award a construction contract. The Professional Design Services Agreement (PDSA) consultant has incurred costs beyond the contingency for the agreement.

PROPOSED SOLUTION

Increase the project budget and approve a PDSA contingency increase for Seal Beach Pump Station Replacement, Project No. 3-67.

TIMING CONCERNS

Delaying the advertisement of the project could further increase construction costs due to escalation. The pump station is at the end of its useful life and may require emergency or urgent repairs if construction is delayed. Until the pump station is replaced, there is also an increased risk of a spill during a large storm.

RAMIFICATIONS OF NOT TAKING ACTION

Not increasing the project budget will prevent OC San from awarding the construction contract and the pump station could fail before it is replaced.

PRIOR COMMITTEE/BOARD ACTIONS

May 2022 - Approved a Monitoring Wells Relocation Agreement between the Orange County Sanitation District and Orange County Water District for Seal Beach Pump Station Replacement, Project No. 3-67, in a form approved by General Counsel.

December 2019 - Approved a Professional Design Services Agreement with Lee & Ro, Inc. to provide engineering services for Seal Beach Pump Station Replacement, Project No. 3-67, for an amount not to exceed \$5,947,850; and approved a contingency of \$594,785 (10%).

ADDITIONAL INFORMATION

The current project budget was established using the construction cost estimate of \$56,967,810 submitted with the 60% complete design submittal. The design is now 100% complete and is scheduled to be advertised for construction in December. The design consultant submitted their final Engineer's Estimate with a cost of \$73,089,791, which is \$16 million higher than the budget. The reasons for the increase in the construction estimate include increase in material costs for concrete,

metals, electrical, and instrumentation and controls equipment due to supply-chain issues and market volatility; and underestimated items during previous estimates.

The design consultant submitted a request for change in the contract budget amount due to additional level of effort for design changes to reduce construction costs. This effort resulted in a construction cost savings of \$1,100,000. Staff reviewed this request for merit and determined that an increase of \$155,183 above the current contingency limit is justified.

The total cost increase for design and construction is \$16,277,164. Some of the cost increase will be covered by the project contingency, so the overall requested project budget increase is \$13,000,000.

CEQA

The project is included in the Facilities Master Plan 2020 Program Environmental Impact Report, State Clearinghouse No. 2019070998.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This project was budgeted (Adopted Budget, Fiscal Years 2022-2023 and 2023-24, Section 8, Page 24, Seal Beach Pump Station Replacement, Project No. 3-67). 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) with the complete agenda package:

- Presentation

EY:JD:tk