



Legislation Text

File #: 2023-0751, Version: 1

Report to Mayor and City Council

Tuesday, November 07, 2023

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT TO PUBLIC WORKS CONTRACT WITH OHL USA, INC. FOR THE COMPLETION OF THE STORMWATER AND RUNOFF CAPTURE PROJECT AT CARRIAGE CREST PARK (CITY COUNCIL)

I. SUMMARY

Project No. 1515: Carriage Crest Park Stormwater Capture Facility is one of the projects in the Capital Improvement Program (CIP) (Exhibit No. 1) and will assist the City of Carson (City) in complying with its Municipal Separate Storm Sewer System (MS4) stormwater permit requirements. This project is largely funded by Caltrans in the amount of \$13,000,000.00, County of Los Angeles (County) in the amount of \$5,720,000.00, and Measure W in the amount of \$925,000.00.

On May 16, 2018, the City entered into a Construction Contract with OHL USA, Inc., for an amount not to exceed \$11,198,500.00 to the lowest responsible bidder, OHL. The City Council also authorized the expenditure of a construction 15% contingency in an amount not to exceed \$1,679,775.00 for change orders such as the removal and remediation of contaminated soil, substructure conflicts, and other unforeseen construction work that may be required to complete this project.

The City and LACSD entered into a Stormwater Project Services Agreement dated July 19, 2016, where LACSD was retained to provide support, planning, design, and construction management services under the agreement to assist City with completion of the Project. Tetra Tech, Inc. is LACSD's subconsultant for the design component.

The project experienced construction delays caused by external factors such as weather and internal factors such as construction planning and design. Various change orders during the construction of the project and design challenges have consumed most of the allotted construction contingency. As of December 2022, the project was substantially complete. However, certain design flaws were identified when commissioning and testing the mechanical systems in 2022, which required the redesign of the grading and drainage plan and the replacement of actuators and sensors.

Staff requests that the City Council approve the Amendment No. 1 (Exhibit No. 2) to account for an additional \$348,803.68 for Change Order 4, for construction work required to complete the project. The work to be done is being requested to be refunded by the Los Angeles County Sanitation District (LACSD) once the project is in operation. Amendment No. 1 will also ratify Change Orders 1-3, approve and ratify expansion of the scope of work, and extend the completion deadline to April 4, 2024. Staff also requests City Council to approve a 10% contingency in the amount of \$34,880.37, for any other additional work the City may request as appropriate that may be necessary to complete this project.

II. RECOMMENDATION

1. APPROVE contract amendment with OHL USA, Inc. (OHL) for Project No. 1515 - Carson Stormwater Capture Facility at Carriage Crest Park to approve Change Order 4 for \$348,803.68.
2. AUTHORIZE the expenditure of a 10% construction contingency in the amount of \$34,880.37 for any other additional work the city may request as appropriate that may be necessary to complete this project.
3. AUTHORIZE the Mayor to execute the Contract Amendment following approval as to form by the City Attorney.

III. ALTERNATIVES

1. DO NOT APPROVE the above recommendations, however, this alternative may not allow for the full completion of the scope of work for the project as planned.
2. Take another action the City Council deems appropriate and consistent with the requirements of the law.

IV. BACKGROUND

The City is subject to extensive requirements to improve stormwater quality through its MS4 Permit, and Project No. 1515 - Carriage Crest Park Stormwater Capture Facility (Project No. 1515) will greatly advance the City's compliance efforts. The City participates in the regional Enhanced Watershed Management Program (EWMP) to address the associated permit requirements, and Project No. 1515 was identified in the EWMP for the Dominguez Channel Watershed Management Area Group as a high priority for improving the water quality that drains to the Dominguez Channel, Machado Lake, and the Los Angeles River.

The project consists of the pretreatment of stormwater from an existing storm drain system, the diversion of the stormwater to a subsurface storage reservoir, and ultimately discharge to the sanitary sewer for treatment at the LACSD Joint Water Pollution Control Plant (JWPCP) for reclamation. This project will address and/or prevent surface water quality

issues, provide reclaimed water for irrigation, and enhance groundwater supplies.

On June 8, 2016, the City entered into a Cooperative Implementation Agreement with Caltrans, and the City was able to secure an amount not to exceed \$13,000,000.00 to fund the project (Exhibit No. 3). The project was expanded to provide a greater benefit and help other jurisdictions upstream of Carson meet their compliance requirements provided they were willing to provide additional funding. The City offered the County an opportunity to collaborate on the development of the project, and on February 5, 2018, City entered into a Memorandum of Understanding with the County for the design and construction of the project, and the County committed and contributed \$5,720,000.00 towards capital costs of the project (Exhibit No. 4).

On November 17, 2017, the City entered into a Procurement Contract with Stormtrap, LLC for the project. The contract was to purchase precast concrete modular units with up to 16.65-acre feet of storage for an amount not to exceed \$5,134,641.00 (Exhibit No. 5).

On May 16, 2018, the City entered into a Construction Contract with OHL USA, Inc., for an amount not to exceed \$11,198,500.00 to the lowest responsible responsive bidder, OHL (Exhibit No. 6). The City Council also authorized the expenditure of a construction 15% contingency in an amount not to exceed \$1,679,775.00 for change orders such as the removal and remediation of contaminated soil, substructure conflicts, and other unforeseen construction work that may be required to complete this project.

The construction has faced several challenges and the project completion has been significantly delayed. The construction challenges included:

- Rain delays occurring primarily in the winter of 2018/2019.
- Delays associated with the contractor's design and implementation of the shoring system associated with the main excavation.
 - Shoring wall deflection due to the movement and significant surface cracks observed at multiple locations.
- Characterization and management of contaminated soil.
 - Contaminated soils at various areas outside of the footprint of the storage units which required additional handling, sampling, testing, and disposal of chemically impacted soil.
- Issues with the installation of the Stormtrap units related to the protection of the impervious liner and grading.
- Various contractor related productivity issues.

Due to these challenges and issues, numerous required construction modifications resulted in various change orders, consuming most of the construction contingency authorized at the time the contract was awarded to OHL. Thus far, three change orders have been negotiated and approved for a total amount of \$1,638,424.87, as follows:

- Change Order 1: \$85,857.62
- Change Order 2: \$352,567.25
- Change Order 3: \$1,200,000.00

Change Order 1:

#	DESCRIPTION	ITEM COST
4	Survey Construction Control Points Adjustment(PCO-04)	\$1,056.00
15	Modification of fiberglass Electrical shelter (PCO-15)	\$4,336.20
15B	Increased size of fiberglass shelter to 23'x10' (PCO-15B)	\$20,891.67
16	LACSD Plan Changes and modification to junction structure(PCO-16)	\$6,986.37
17	Building & Safety Review changes-electrical (PCO-17)	\$15,996.58
18	Building & safety review changes-rebar-concrete (PCO-18)	\$12,724.17
23	Time Lapse Camera Generator (PCO-23)	\$14,025.95
27	Installation of mastic Seal for Stormtrap (PCO-27)	\$3,257.20
30	Shielded Cables (PCO-30)	\$3,618.59
39	Installation of 30" Diameter HDPE pipe stub-out (PCO-39)	\$2,964.89
The Total of this Change Order is not to exceed		\$85,857.62

Change Order 2:

PCO#	DESCRIPTION	ITEM COST
13	TPH Cost Impact	\$41,689.03
13B	TPH Testing Cost Impact	\$30,998.85
43A	Additional Work on Separator	\$7,981.70
62	Hatch Drains	\$3,720.72
68	Sepulveda Catch Basin Relocation	\$19,207.20
71	Remove Damaged Hatch, Replace with Precast Lid	\$100,000
73	SCE Additional Trench	\$36,957.32
76	Irrigation Flowmeter and Master Valve Relocation	\$30,337.56
77	Damaged Breaker at Snack Bar	\$14,002.65
80	Security Cameras – Electrical Building	\$28,737.68
85	Additional Rebar at Pump Stations	\$5,961.32
88	Replace Existing Irrigation Valves	\$28,737.68
89	Replace Irrigation Controller	\$4,235.54
The Total of this Change Order is not to exceed		\$352,567.25

Change Order 3:

The City and OHL, Inc. have come to an agreement for the global settlement claims regarding the shoring wall deflection, storm trap installation, additional environmental work, and additional soil removal.

The total for this work is an agreed Lump sum amount of: \$1,200,000.00

OHL elevated four items to Change Orders as claims in the amount of \$2,237,760.00 but Staff denied much of OHL's potential change order requests. The change orders were evaluated and disputed between the City and the Contractor with the assistance of the

LACSD's staff (serving as the City's construction manager, as noted below). A negotiated change order cost of \$1.2M was agreed upon by the Department of Public Works and the Contractor. The negotiated change order cost of \$1.2M and the previously approved change orders are within the current 15% contingency amount of \$1,679,775.00; leaving a balance of \$41,350.13.

The Project was substantially completed when additional design flaws were identified during the commissioning of the mechanical system in the winter of 2021/2022. The design flaws were isolated as a drainage issue that created water ponding in the vaults that housed the valves, actuators, sensors, and other mechanical and electrical equipment. The design flaws have been evaluated with the designer and a design change has been issued to provide additional drains and to adjust surface grading to divert water away from the vaults. The design changes that need to be made to fully commission the project include grading, replacement of actuators and sensors, new drop inlets for drainage and irrigation, and seeding for the area that is being graded to avoid water intrusion into the vaults. OHL has submitted a request for Change Order 4 in the amount of \$348,803.68 to allow contractor to implement the corrections proposed by designer, Tetra Tech, Inc. It is anticipated that these design changes proposed by the designer will resolve the water issue that is affecting the equipment and valve vaults.

The City and LACSD entered into a Stormwater Project Services Agreement dated July 19, 2016, where LACSD was retained to provide support, planning, design, and construction management services under the agreement to assist City with completion of the Project. Tetra Tech, Inc. is LACSD's subconsultant for the design component.

Since the City has no direct contract with Tetra Tech, and the City's existing contract is with LACSD, City staff with the assistance of the City Attorney, reached out to LACSD to make it clear that LACSD is to be held responsible for the additional cost of the damaged equipment. Given that the water ponding in the vaults that damaged the actuators sensors and other mechanical and electrical equipment was determined to be a design error by Tetra Tech, staff believes that the cost to remediate the issues should be borne by Tetra Tech which is expected to make payment to LACSD. The cost estimate of \$348,803.68 submitted by OHL to complete the necessary work was presented to LACSD for payment consideration. The LACSD's legal team is working with the City Attorney's Office to determine a mutually acceptable path forward, as staff will be seeking reimbursement from LACSD once all the required work to address the issues is completed.

Carriage Crest Park has been operational, and the park's program and other activities have been opened for public use. However, the startup stormwater activities were suspended due to the multiple issues mentioned above. The damaged equipment must be replaced, as well as various improvements to site drainage made to prevent future damage before the startup and testing activities can recommence. With the supply chain issues and the materials long lead time, staff is anticipating that the remaining work will continue a steady pace. The replacement equipment is expected to be delivered to the site in November 2023 and the overall project completion is likely to occur in the first quarter of 2024.

Staff does not typically reach out to City Council for approval of change orders; however,

given that the remaining work to make the facility function as planned have been identified after the project has been substantially completed, staff requests that the City Council approve Amendment No. 1 to approve the final change order at a cost of \$348,803.68, ratify Change Orders 1-3, approve and ratify expansion of the scope of work, and extend the completion deadline to April 4, 2024.

V. FISCAL IMPACT

None. The Measure W Fund 295 has sufficient funding for this contract increase in the amount of \$383,684.05 including a 10% contingency of \$34,880.37 in account 295-80-820-904-8011.

The City will seek reimbursement from the LACSD in the amount of \$348,803.68 to offset the cost of design improvements to address the issues necessary to complete the Stormwater and Runoff Capture Project at Carriage Crest Park.

VI. EXHIBITS

1. Project No. 1515: Carriage Crest Park Stormwater Capture Facility (pg. 6)
2. Amendment 1 to OHL USA, Inc. Contract (pgs. 7-28)
3. Cooperative Implementation Agreement with Caltrans (pgs. 29-44)
4. Memorandum of Understanding (pgs. 45-56)
5. Procurement Contract with Stormtrap, LLC (pgs. 57-103)
6. OHL USA, Inc Bid (pgs. 104-161)

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