



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
February 20, 2024

TOPIC: SR-55/Ritchey Street Water Improvements

AGENDA TITLE

Approve Appropriation Adjustment in the Amount of \$1,150,000 and Additional Contingency Funds in the Amount of \$1,100,000 for an Existing Construction Contract with James W. Fowler Co., and Additional Contract Administration, Inspection, and Testing in the Amount of \$50,000 with an Estimated Project Delivery Cost of \$8,400,000 for the SR-55/Ritchey Street Water Improvements Projects (Project Nos. 19-6438, 19-6439, 19-6440) (Non-General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment to recognize \$1,150,000 in reimbursement obligation funds from Orange County Transportation Authority (OCTA), as stipulated in the three Utility Reimbursement Agreements for the State Route 55 Improvement Project, into the Acquisition & Construction, Water Utility Capital Projects, Expense Reimbursement-OCTA revenue account and appropriate the same amount into the Acquisition & Construction, Water Utility Capital Projects, Water Capital Project expenditure account. *(Requires five affirmative votes)*
2. Approve an amendment to the Project Cost Analysis in the amount of \$1,150,000 for \$1,100,000 in additional contingency funds and \$50,000 in additional contract administration, inspection, and testing for a new estimated total construction delivery cost of \$8,400,000.

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

The Orange County Transportation Authority (OCTA) is the lead agency for the State Route 55 (SR-55) freeway widening project from Interstate 405 (I-405) to Interstate 5 (I-5). As a result of the freeway widening, various utility relocations will be needed along the corridor, including existing City water infrastructure consisting of a water main on Ritchey Street, two water mains crossing the SR-55 freeway, and a pressure regulating station adjacent to the SR-55 freeway near Warner Avenue (Exhibit 1).

On December 21, 2021, the City Council authorized the award of a construction contract to James W. Fowler Co. for various utility relocations as a result of the SR-55 freeway widening. The project is currently under construction and additional improvements have been identified that surpass the existing contingency of \$997,975. To capitalize on the favorable pricing of the existing contract with James W. Fowler Co., staff recommends increasing the project contingency by \$1,100,000 and the contract administration, inspection, and testing funds by \$50,000 to complete the utility relocation project.

The recommended action will increase the project contingency and contract administration, inspection, and testing by \$1,150,000, thereby increasing the total estimated construction delivery cost to \$8,400,000, as indicated in the Cost Analysis (Exhibit 2) and as summarized in the table below:

Project Item	Current Total	Additional Funding	New Total
Construction Contract Bid Amount	\$5,922,025		\$5,922,025
Construction Administration, Inspection, Testing	\$180,000	\$50,000	\$230,000
Contingencies	\$997,975	\$1,100,000	\$2,097,975
Water Engineering	\$150,000		\$150,000
TOTAL ESTIMATED CONSTRUCTION DELIVERY COST	\$7,250,000	\$1,150,000	\$8,400,000

FISCAL IMPACT

Approval of the requested Appropriation Adjustments will recognize \$1,150,000 in reimbursement obligation funds from OCTA, as outlined in the Cooperative Agreement No. C-0-2201 and three Utility Reimbursement Agreements for the State Route 55 Improvement Project, into the Acquisition & Construction, Water Utility Capital Projects, Expense Reimbursement-OCTA revenue account (No. 06617647-57004) and appropriate the same amount into the Acquisition & Construction, Water Utility Capital Projects, Water Capital Project expenditure account (No. 06617647-66301).

All funds expended for the water relocation project costs will be reimbursed by the Orange County Transportation Authority (OCTA). As discussed at various project/funding coordination meetings between City and OCTA staff, the three Utility Reimbursement Agreements will be revised at the end of the project to account for all expenses incurred by the City, after all final costs have been identified. Funds will be budgeted and available for expenditure in Account No. 06617647-66301 in the following water relocation projects: \$543,220 for Project No. 19-6439, and \$606,780 for Project No. 19-6440.

The following table summarizes the funds budgeted and available in current FY 2023-24 for expenditure to deliver construction of this project. Any remaining balances not expended at the end of the fiscal year will be presented to the City Council for approval of carryovers to FY 2024-25.

Fiscal Year	Accounting Unit – Account No.	Fund Description	Accounting Unit – Account No. Description	Amount
Existing Project Budget				
2023-24	06617647-66301 (19-6438)	Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$2,520,000
2023-24	06617647-66301 (19-6439)	Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$2,530,000
2023-24	06617647-66301 (19-6440)	Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$2,200,000
Additional Funding				
2023-24	06617647-66301	Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$1,150,000
TOTAL:				\$8,400,000

EXHIBIT(S)

1. Location Map
2. Revised Cost Analysis

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Tom Hatch, Interim City Manager