



Legislation Text

File #: 11-1088, **Version:** 1

Recommendation to adopt Plans and Specifications No. R-6863 for the restoration and improvements of Colorado Lagoon Phase 1, Part 2; award the project to and authorize City Manager to execute a contract with AIS Construction Company for the Base Bid in an estimated amount of \$3,623,650, plus a contingency amount of \$62,365, if necessary and if funds are available, for a total contract amount of \$3,686,015; upon execution of the grant amendment, authorize City Manager to increase the contingency amount by \$300,000 to \$362,365, for a total contract amount of \$3,986,015, and any necessary amendments thereto;

Authorize City Manager to accept a grant enhancement from the State Coastal Conservancy in the amount of \$300,000 to allow the removal of contaminated sediment from Colorado Lagoon, and execute all documents necessary to accept the funds and initiate construction; and

Increase appropriations in the Tidelands Operations Fund (TF 401) in the Department of Public Works (PW) by \$300,000, upon execution of a grant amendment. (District 3)

The Colorado Lagoon (Lagoon) is a 28.3-acre tidal lagoon located in the middle of a suburban neighborhood (location map attached). It serves three main functions: 1. hosts sensitive estuarine habitat, 2. provides public recreation (including swimming), and 3. retains and conveys storm flows. A Master Restoration Plan for Colorado Lagoon (Master Plan) has been developed and is being implemented as funding becomes available.

The anticipated construction work at the Lagoon will consist of dredging, treatment and disposal of contaminated sediment. The contamination at Colorado Lagoon resulted from decades of untreated urban runoff. The U.S. Environmental Protection Agency (EPA) and the State Water Resources Control Board mandate removal of contaminated sediment through issuance of Total Maximum Daily Loads (TMDLs). The Lagoon TMDLs establish targets for water and sediment quality that must be achieved within seven years. EPA adopted the Lagoon TMDLs on June 17, 2011. Failure to meet the water and sediment quality targets outlined in the TMDLs may result in significant financial penalties. In addition, project costs are significantly driven by the requirement to treat the dredged material prior to disposal.

The removal and treatment of contaminated sediment from the Lagoon is primarily being funded through the following grants:

1. State Coastal Conservancy through a partnership with the National Oceanic Atmospheric Administration (NOAA) - \$700,000;
2. San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy - \$1,100,000;

3. State Water Resources Control Board - \$1,800,000; and
4. State Coastal Conservancy (\$300,000 - pending).

In addition, the U.S. Army Corps of Engineers had previously committed \$1,000,000 to this project; however, the availability of this funding was recently called into question after determining that their Estuary Habitat Restoration Program did not allow spending on removing contaminated sediment. Staff from the local Army Corps Office, State Coastal Conservancy, and NOAA strongly disagreed with the determination and supported the City's efforts to convince Army Corps Headquarters staff to reconsider their position, but those efforts were unsuccessful. Staff is now working with the Army Corps to potentially utilize the grant funding for other portions of the project such as transporting the treated material to the disposal site, re-vegetating impact land areas with natives, monitoring, and construction management. While these efforts are continuing and appear promising, this funding will not be in place in time to award the contract before the bid expires.

In the event funding from the Army Corps is not approved, City staff proposes to fill the potential \$1,000,000 budget gap in part with the pending \$300,000 grant enhancement from the State Coastal Conservancy, which is expected to be submitted to the State Coastal Conservancy Board on November 10, 2011. The remaining \$700,000 would come from previously appropriated Measure D funding that was originally approved for Los Cerritos Channel-related storm drain improvements provided State Lands Commission (SLC) approves the budget. SLC staff requested more information about this project before recommending approval, as significant portions of the project are located outside the tidelands area. The State Lands Commission will consider the approval of the \$700,000 on October 27, 2011. Combined, the \$1,000,000 in additional funding will cover the Colorado Lagoon project's Base Bid (western arm dredging) if the Army Corps funds are not available and allow the project to proceed.

The Colorado Lagoon Master Plan consists of two main phases. Phase 1 consists of several components to improve water and sediment quality, recreational resources, and native plant habitat, while Phase 2 involves the construction of an open-channel to reconnect Colorado Lagoon to Marine Stadium. The Phase 1, Part 1 improvements were completed in late 2010 and consisted of a vegetated bioswale, cleaning of the underground culvert, and significant storm drain improvements to capture trash and redirect urban runoff into the sanitary sewer system. The proposed Phase 1, Part 2 project involves dredging the Colorado Lagoon to remove contaminated sediment, and consists of two sub-phases. The first sub-phase addresses the contaminated sediment at the Lagoon's western arm, and is now ready to proceed. The second sub-phase addresses the contaminated sediment at the Lagoon's central basin and northern arm, but is not yet fully funded. The grant funding in the amount of \$3.3 million specifically assigned to this second sub-phase cannot be used to fill the funding gap in the western arm of first sub-phase.

Staff recommends that the City Council authorize a contract with AIS Construction Company to proceed with work on the Base Bid items (first sub-phase only), and direct the City Manager to seek additional funding for the other required dredging areas (central basin and northern arm). Possible funding sources for the additional dredging include

Caltrans and Los Angeles County Public Works, who are identified as responsible parties in the Lagoon TMDLs. Due to the high costs of mobilizing the treatment equipment and the complexity of the treatment process, it is highly recommended that all dredging be completed in a single sequence.

For this bid, 1,061 firms registered on the website and were notified via automatic email notice, including 124 located in Long Beach. Twenty-two sets of bid documents were obtained and two bids were received. Of the bidding firms, none are local business and none are certified MBE and/or WBE. There were no DBE registered firms that submitted bids. AIS Construction Company, of Carpentaria, California, has been determined to be the lowest responsible bidder.

This matter was reviewed by Deputy City Attorney Linda Trang on October 14, 2011 and by Budget Management Officer Victoria Bell on October 18, 2011.

SUSTAINABILITY

The project will benefit the Colorado Lagoon by improving water and sediment quality and replacing non-native plants with natives. The wetland habitat will be significantly improved as a result of this project.

City Council action on this matter is required on November 1, 2011, in order to meet grant deadlines, to protect \$7.0 million in grant funding, and stay on schedule to utilize the Port of Long Beach's available sediment disposal site. The Port's disposal site is only available for Colorado Lagoon between January 1 and June 30, 2012. If this disposal window is not met, the material may have to be trucked to Kettleman City Landfill at considerable increased costs.

The contract award is for an estimated amount of \$3,686,015, which includes a \$62,365 contingency to be used if necessary and if funds are available. The recommendation includes an appropriation increase in the Tidelands Operations Fund (TF 401) in the Department of Public Works (PW) for \$300,000, which anticipates the approval of the State Coastal Conservancy Grant Amendment. The appropriation increase will occur only upon final approval and execution of the Grant Amendment. The project is estimated to help generate approximately 90 direct and indirect construction-related jobs. There is no impact to the General Fund associated with this recommendation.

Approve recommendation.

MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST
CITY MANAGER