

FILE NUMBER: 2025-081

DATE: Tuesday, May 6, 2025

SUBJECT: Marine Terminal Outfalls at National City Marine Terminal (NCMT) and Tenth Avenue Marine Terminal (TAMT)

DESCRIPTION: Resolution Rejecting All Bids for Contract No. 2024-16 for Drainage Improvements to the Marine Terminal Outfalls at National City Marine Terminal (NCMT) and Tenth Avenue Marine Terminal (TAMT) due to Bids Exceeding the Project Budget

EXECUTIVE SUMMARY:

Contract No. 2024-16, Drainage Improvements to the Marine Terminal Outfalls at National City Marine Terminal and Tenth Avenue Marine Terminal, installs check valves within the storm drain systems at the two terminals, is designed to allow stormwater to discharge into the bay under low tide conditions while automatically closing to prevent tidal backflow during high tide events.

As the project advanced into final design, additional engineering refinements, regulatory coordination, and constructability assessments were incorporated to ensure a technically sound solution. This process identified key enhancements, including optimized check valve configurations, structural modifications for long-term performance and maintenance, and integration with stormwater quality requirements. Additionally, the installation of the valve on the 72-inch underground pipe required significant dewatering operations to comply with California dewatering regulations, ensuring proper management of groundwater discharge during construction.

These refinements, along with site-specific complexities, were reflected in the bid results and contributed to a budget discrepancy from the preliminary \$300K feasibility estimate to \$980K needed to complete the project and meet the Port's goal for comprehensive infrastructure and resilience objectives.

Staff recommends that the San Diego Unified Port District (District) Board of Port Commissioners (Board) reject all bids for Contract No. 2024-16 for the Marine Terminals Outfall project at National City Marine Terminal and Tenth Avenue Marine Terminal due to the bids exceeding the available project budget.

This will allow Staff the ability to assess the more well-defined scope elements and evaluate the justification of continuing this project.

RECOMMENDATION:

Adopt a Resolution rejecting all bids for Contract No. 2024-16 for the Marine Terminal Outfalls Project at National City Marine Terminal and Tenth Avenue Marine Terminal due to the bids exceeding the project budget.

FISCAL IMPACT:

There is no fiscal impact caused by the approval of this action.

The project is included in the FY 2025 Other Capital Projects Appropriation and is budgeted for \$282,372. The total budget required to implement the project is \$980,000 as detailed in the table below. Because of the discrepancy between the available project budget and the total cost needed to implement the project, its rejection is recommended. Rejecting all bids will have no fiscal impact on the District.

Project Components	Cost
Design & Project Management	\$ 105,000
Construction (Low Bid)	\$ 687,000
10% Construction Contingency	\$ 68,700
Construction Administration	\$ 119,300
Total Project Costs	\$ 980,000

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.
- A Port with a healthy and sustainable bay and its environment.

DISCUSSION:

The National City Marine Terminal and Tenth Avenue Marine Terminal, critical facilities for the Port's marine operations, have a few storm drain outfalls that discharge the stormwater runoff from the terminal properties into San Diego Bay. Said outfalls invert elevations are within the tidal zone and the bay water enters the storm drain system during high tides.

The Port completed a report entitled "Feasibility Study for Flap Gates on San Diego Unified Port District Marine Terminal Outfalls" in 2023. This Feasibility Study is part of an overall effort by the Port to mitigate the impacts of tidal fluctuations and sea level rise on existing stormwater infrastructure within the Marine Terminals. This project proposed to implement the recommendations from this report.

Tidal fluctuations and sea level rise have the potential to impact upstream infrastructure and existing terminal operations. Storm drains are critical conveyance during wet weather; however, saltwater intrusion allows for sediment, debris, and the buildup of barnacles within the pipe which, in turn, reduces the flood conveyance capacity of the storm drain system. The project constructs check valves inside the storm drain pipes upstream and in proximity to the outfalls at National City and Tenth Avenue Marine Terminals (See Attachment A).

Check valves prevent storm drains at the marine terminals from becoming overwhelmed during heavy rain, prevent polluted water from flowing back into clean water sources, help maintain water quality and protect sensitive ecosystems, and prevent waste and debris from entering the storm drain system, which reduces maintenance.

As the project advanced into final design, additional engineering refinements, regulatory coordination, and constructability assessments were incorporated to ensure a technically sound solution. This process identified key enhancements, including optimized check valve configurations, structural modifications for long-term performance, and integration with evolving environmental and stormwater quality requirements. Additionally, the installation of the valve in the 72-inch underground pipe required significant dewatering operations to comply with California dewatering regulations, ensuring proper management of groundwater discharge during construction. These factors contributed to the increase in the project cost.

The project is included in the FY 2025 Other Capital Projects Appropriation and is budgeted for \$300,000. The total budget required to implement the project is \$980,000 as summarized in the Fiscal Impact section above. Because of the discrepancy between the available project budget and the total cost needed to implement the project, its rejection is recommended.

Procurement Details:

The Contract Documents, including Plans (No. TL-2024-03) and specifications (2024-16), were issued for advertisement for a total duration of 30 calendar days starting on January 6, 2025, for formal competition.

On February 5, 2025, the District received five (5) bids ranging from \$687,000 to \$948,154. The total bid amounts are shown in the table below. The Bid Tabulation (Attachment B) contains each bidder's amounts for individual bid line items:

Company	Total Bid for Contract	Location
Palm Engineering Construction Co., Inc.	\$687,000	San Diego, CA
Blue Pacific Engineering Construction, Inc.	\$725,000	San Diego, CA
Asad Holdings LLC	\$854,000	Laguna Hills, CA
HPS Mechanical, Inc.	\$895,600	Bakersfield, CA
Bert W. Salas, Inc.	\$948,154	Lakeside, CA

Based on a review of the bids, the lowest responsive and responsible bid was determined to be submitted by Palm Engineering Construction Co., Inc. at \$687,000. The engineer's construction cost estimate was \$550,000.

Staff recommends that the Board reject all bids for Contract No. 2024-16 for the Marine Terminals Outfall project at National City Marine Terminal and Tenth Avenue Marine Terminal due to the bids exceeding the available project budget.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved this agenda and proposed resolution, as presented, as to form and legality.

Environmental Review:

The proposed Board action, including a resolution rejecting all bids for the Marine Terminal Outfalls project, does not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed requiring the District or the Board's discretionary approval resulting in a physical change to the environment would be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a "no project alternative" or adopting a Statement of Overriding Consideration, if required. The exercise of this discretion is in no way limited by this proposed Board action. Therefore, no further CEQA review is required.

The proposed Board action complies with Sections 21 and 35 of the Port Act, which allow for the Board to pass resolutions and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action does not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's Coastal Development Permit (CDP) Regulations because there will not be, without limitation, a physical change, change in use or increase in intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District's CDP Regulations. Future development would remain subject to its own independent review pursuant to the District's certified CDP Regulations, Port Master Plan (PMP), and the relevant Chapter(s) 3 and 8 of the Coastal Act. The exercise of the District's discretion under the District's CDP Regulations is in no way limited by the proposed Board action.

Diversity, Equity and Inclusion Program:

Due to limited Small Business vendor availability, no SBE goal was established for this opportunity.

PREPARED BY:

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Attachment(s):

Attachment A: NCMT and TAMT Marine Terminal Outfalls Location Maps

Attachment B: Bid Tabulation