

March 18, 2025

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 36289 with Reyes Construction, Inc., of Pomona, CA, for providing construction work on the Colorado Lagoon Open Channel Phase 2A Project, to increase the contract amount by \$2,000,000, for a revised total contract amount not to exceed \$26,564,768; and,

Decrease appropriations in the Tidelands Operating Fund Group in the Public Works Department by \$1,500,000, to align the Port of Long Beach's funding commitment as outlined in the terms of its Memorandum of Understanding in result of the City receiving an equivalent, previously appropriated RMC Grant for the project. (District 3)

DISCUSSION

City Council approval is requested to amend Contract No. 36289 with Reyes Construction, Inc. (Reyes Construction), to continue providing construction work on the Colorado Lagoon Open Channel Phase 2A (Project) and complete the Project.

At its meeting on May 24, 2022, the City Council awarded a contract to Reyes Construction as part of its adoption of Plans and Specifications No. 3002120001 for the Colorado Lagoon Open Channel (Rebid) in the amount of \$20,817,600, with an 18 percent contingency in the amount of \$3,747,168, for a total contract amount not to exceed \$24,564,768. An additional \$2,000,000 is necessary to address unforeseen conditions encountered with utility relocations, hazardous materials abatement, field conditions, weather impacts, cost escalation, and requirements from third party agencies.

Background

Prior and current improvements to the Colorado Lagoon were undertaken through a phased approach and through numerous partnerships. The initial efforts to restore the Lagoon included the installation of trash traps and low flow diversion systems to reduce point sources of contamination, which were completed in 2009. After the point sources were strategically eliminated, the City embarked on a subsequent construction effort to remove decades of accumulated contamination sediments within the lagoon to improve water quality and clarity. Both efforts were completed with grant funds from Federal, State Water Quality Control Board (SWRCB), and regional partners, such as the Rivers and Mountains Conservancy (RMC).

In 2017, work concluded on a major restoration phase, which saw the creation of new mitigation areas within the Lagoon footprint. Those efforts included the development of new subtidal habitat, expansion of intertidal habitat, and the planting of new marsh and upland species as well as eelgrass. In addition, the work helped address residual sediment contamination to support the City's regulatory requirements, while improving pedestrian access through the creation of brand-new pedestrian trails for passive recreation. These previous restoration efforts have significantly contributed to improving the park access, usability, and habitat and aquatic resources.

While the previous work continues to exceed expectations, the tidal exchange at the Lagoon remains muted due to the presence of an underground concrete culvert, which has become the single means of tidal exchange between the Lagoon and Alamitos Bay for over 50 years since the north end of Marine Stadium was filled to support a crosstown freeway. This concrete culvert is neither deep nor wide enough to allow for a full tidal exchange between the Lagoon and Alamitos Bay, limiting tidal flushing and exchange and stunting habitat growth. The current and final phase of restoration work will remedy this deficiency by replacing the existing culvert with a natural waterway connection (open channel) supported by two vehicular bridges. The vehicular bridges would allow for increased tidal flows and connections, while maintaining traffic circulation that existed prior to construction.

In addition, the Project will reconfigure and improve Marina Vista Park and will extend the pedestrian trail network from the Lagoon proper to the new Open Channel areas and Marina Vista Park and create approximately three acres of new habitat and improve over 18 acres of existing habitat within the Lagoon. The City began construction on this final phase of restoration in November 2022. Work is underway and is expected to be completed between fall 2025 and early 2026. To date, as required by the regulatory agencies, the current work has beneficially completed the fill of the central basin of the Lagoon to lift bottom elevations and add areas for continued habitat growth. The work requires major utilities relocation and construction of temporary and permanent utility systems along both Eliot and Colorado Streets to maintain services to the community. The Eliot Street bridge, roadways, sidewalks, and bike paths have been completed, but Colorado Street remains under construction. Due to age and functionality, the irrigation and utilities within Marina Vista Park were removed and will be replaced in their entirety with new service, electrical controllers, and pumps. Site grading at the new Marina Vista Park has been completed and has seen the installation of concrete pads for ballfield elements, dug outs, fence posts, and pathways. Currently, the open channel itself has been excavated, and the surrounding walking trails have been completed. Large segments of the culvert remain active and connect to tidal flows under the new Eliot Street bridge, and the project team expects to fully connect the tidal flows through the Colorado Street bridge once it is fully operational. The Contractor will turn its attention to installing a permanent siphon 25 feet below the current ground surface as the next major activity in the construction sequence. Final remaining work includes Colorado Street bridge construction, habitat planting and landscaping.

Partnerships and Funding

Memorandum of Understanding with the Harbor Department

From Project inception, the Harbor Department has been an active partner supporting the original Colorado Lagoon Restoration feasibility study, environmental review efforts, design of the earlier restoration phases and the approval of the mitigation bank. In exchange for their participation in the Colorado Lagoon Restoration, the Harbor Department was provided with first right of refusal for the purchase of mitigation credits created by the Bank Enabling Instrument (BEI) or mitigation bank, as outlined in the June 30, 2016, Memorandum of Understanding (MOU) with the Harbor Department. On July 8, 2019, the Board of Harbor Commissioners approved a revised MOU between the Public Works and Harbor Departments to exercise their right to purchase 19.7 acres of mitigation credits, for a not to exceed amount of \$26,300,000. On May 23, 2022, the Board of Harbor Commissioners approved an amendment to the revised MOU to increase the purchase price by \$5,700,000 for a total purchase price of \$32,000,000. The additional funding is intended to cover increased project costs related to escalation, market factors, additional permitting, construction management and inspections. As part of the MOU terms, any grant funding received by the Department would offset an equivalent amount of Harbor Department funding. In 2022, the City received \$1,500,000 in RMC grant funding to support the work, and therefore this action requests a corresponding decrease.

Rivers and Mountains Conservancy

The RMC has been a long-time funding partner in the restoration of the Colorado Lagoon, helping fund earlier phases of work including dredging the Lagoon's West Arm to remove contaminated sediments and funding the Friends of Colorado Lagoon's (FOCL) habitat and re-vegetation efforts in the West Arm after major dredging and grading occurred. In 2022, the City applied for an open call under the RMC's Climate Resilience Grant Program in the amount of \$1,500,000 and was awarded grant funding to support and promote climate resilience, wildfire prevention, community, and natural resource protection. These grant funds are supporting the final phase of restoration and will cover public access improvements such as landscaping, irrigation, vegetation enhancements and offset contributions from the Port of Long Beach's MOU.

Long Beach Utilities

To facilitate the construction of the open channel project and maintain existing traffic circulation with the presence of a new open channel waterway, the Project required the construction of two new vehicular culvert bridges. This feature prompted utility relocations and realignments of all major and minor utilities in the vicinities of Eliot and Colorado Streets. The work originally anticipated that Long Beach Utilities (LBUD) would fund and self-perform their temporary and permanent utility relocations. However, in the interest of the project efficiencies, and to minimize on-site conflict and liabilities, the Public Works Department, through its general contractor, will perform the installation of all temporary and permanent LBUD assets that service the community. The approved temporary systems and creation of new infrastructure will continue to be performed by Public Works' general contractor, with inspections by LBUD. The anticipated total costs of work that will be performed by Public Works on behalf of LBUD is approximately \$1,200,000 for the installation of temporary water and recycled water systems and permanent

recycled and potable water main lines. The LBUD will reimburse and cost-share the construction costs associated with the demolition, relocation, and installation of the temporary and permanent potable water lines, while the Public Works Department is obligated to cover the costs of work associated with temporary and permanent recycled water lines.

Since the Project began, several unmapped, underground utility lines were encountered, requiring extensive abatement management, review, and unexpected demolition costs. As noted above, the Project anticipates relocating additional utilities that were planned for relocation by others to reduce liabilities and minimize schedule impacts. In addition, further changes by reviewing agencies have necessitated changes to designs and plans. Finally, groundwater, soil conditions, and inclement weather required dewatering, excavation, and stabilization beyond assumptions afforded in the bid documents.

The Project team has acted to address these issues and is working to further reduce schedule and budget impacts, which are known at this time.

This matter was reviewed by Principal Deputy City Attorney Erin Weesner-McKinley on February 28, 2025, Administrative Analyst Tommy Ryan on February 20, 2025, and Budget Management Officer Nader Kaamoush on February 27, 2025.

TIMING CONSIDERATIONS

City Council action to amend Contract No. 36289 is requested on March 18, 2025, to ensure there is no interruption to services.

FISCAL IMPACT

The requested action increases the authority with Reyes Construction, Inc. by \$2,000,000. The total amount of the contract will not exceed \$26,564,768. The current total project cost estimates are \$37,800,000 inclusive of construction, permitting, oversight, monitoring, and other project delivery costs. Additional funds are expected to be required to complete the project.

The project is currently supported by \$30,500,000 from a Memorandum of Understanding (MOU) with the Harbor Department inclusive of the \$1,500,000 reduction requested in this action; \$1,500,000 in grant funding from the RMC; \$2,694,000 in Tidelands Operating Funds; \$150,000 in Measure A; and an expected \$775,000 cost share reimbursement from the LBUD. The remaining \$2,181,000 will be funded with FY 24 ending budgetary funds available in the Tidelands Operating Fund Group approved by the City Council on March 4, 2025, as part of the FY 24 Year-end Performance Report. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Eric Lopez
Director
Public Works

APPROVED:



THOMAS B. MODICA
CITY MANAGER