METROLINK

SENT VIA EMAIL

TO:	Orange County Public Works
ATTENTION TO:	Justin Golliher, P.E. Jeff Ernst, P.E., G.E.
DATE:	August 27, 2026
REVISED:	September 3, 2026
SUBJECT:	Project Cost Escalation Based on New Information – Cooperative Agreement No. MA-080-25011369 (San Juan Creek Project, SCRRA Project No. 861068)

1. Executive Summary

This memorandum explains the reasons for the recent project cost escalation and includes a revised Exhibit D-2 for Orange County Public Works' (OCPW) consideration of the Orange County Flood Control District (OCFCD) sheet pile wall work associated with the San Juan Creek Project under Cooperative Agreement No. MA-080-25011369.

Under the Cooperative Agreement, the current project authorization is $2,800,000. The OCFCD sheet pile design was issued for construction on August 3, 2026, after which the Contractor presented a proposed construction sequence and schedule for the work. The changes resulted in increased project costs as explained herein. The updated project cost forecast is $4,724,000.

SCRRA requests that OCPW consider the attached revised Exhibit D-2 and supporting information in evaluating the need for additional funding to complete the remaining OCFCD sheet pile work and maintain the project schedule.

2. Project Cost Increases

The April 2026 project cost estimate assumed that the OCFCD work would occur concurrently with OCTA work, allowing for cost efficiencies in shared costs. It also relied on unit prices, available at that time, based on OCTA cost negotiations of similar work because a Contractor proposal for the OCFCD work was not yet available. Following issuance of construction drawings in August 2026, the Contractor provided current pricing for the work and clarified the OCFCD work would not occur entirely concurrently with OCTA work. As a result, the April 2026 estimate no longer reflected the most current project information and assumptions. The updated forecast reflects completed design, executed and authorized work, cost proposals, revised construction sequencing, newly identified obstructions, potential Time-Related Overhead, and updated construction duration assumptions.

3. Bifurcation of Work (Northeast and Northwest Quadrants)

The cost proposal received on August 6, 2026, for the OCFCD work includes a cost breakdown by Northeast and Northwest quadrants of the sheet pile. The proposed cost, combined with expenditures incurred to date, exceeds the current project authorization. As a result, authorization was granted only for the Northeast quadrant so that critical in-creek work. could proceed before the September 14 deadline established by watershed-specific SAMP LOP procedures and the 404 permit. This approach allowed the northeast quadrant work to proceed under a $600,000 not-to-exceed work authorization, while the Northwest quadrant work may be performed later under future project authorization.

4. Scheduling Sequence and Impacts

In addition to accommodating the current funding authorization, bifurcation of the work was also intended to avoid extending work beyond the February 2027 contractual completion date. To avoid extending the contractual project completion date, the project team elected to perform the Northwest quadrant work from the top of the levee during the 2026 winter season rather than from within the channel. While this approach avoids extending the contractual completion date, it introduces additional construction constraints, weather-related impacts, specialized means and methods, increased railroad protection requirements, and additional project support and coordination activities.

5. Unforeseen Field Condition Changes

Upon commencing Northeast quadrant work on August 18, 2026, the Contractor encountered unforeseen buried obstructions. The previous week, a sheet pile wall realignment had been directed to avoid obstructions encountered within OCTA's wall segment. To maintain continuity of the wall, the realignment was extended through the adjacent OCFCD wall segment. Despite these avoidance efforts, obstructions were encountered in OCFCD right-of-way, requiring contingency construction measures. The resulting design review, coordination, project administration, record documentation, and construction support efforts have been considered into the forecasted cost.

6. Potential Time-Related Overhead Costs

The unforeseen field conditions and resulting sheet pile modifications described above have the potential to affect the Contractor's planned construction schedule and may lead to Time-Related Overhead (TRO) cost impacts. The forecast includes an allowance for potential Contractor TRO claims associated with the OCFCD sheet pile work and related impacts to OCTA work. The claims are premature but are included project budget as allowances for prudent forecasting and do not constitute acceptance of final Contractor entitlement or pricing.

SCRRA is assessing the validity of claims for additional contractor overhead and related costs associated with work extending beyond the construction completion date. Under the contract, the project completion date is February 17, 2027. The contractor asserts that project changes associated with the OCFCD-directed sheet pile addition and OCTA sheet pile realignment extended its planned construction completion from October 8, 2026, to the contractual completion date, resulting in additional field overhead and related costs. The contractor provided notice on August 03, 2026, with the intent to pursue associated claims. Any entitlement and associated costs remain subject to review and negotiation.

7. Increased Support Services and Railroad Protection

As a result of the Northwest quadrant work being nonconcurrent with OCTA work additional support services are needed. The additional support costs include increased level of effort for design services, design support during construction, SCRRA project management, construction management, bike path flagging, railroad flagging, and agency administration. The Northwest quadrant work will require additional bike-trail closure, traffic and access considerations which require City, and Orange County Sheriff, and railroad coordination. Railroad on-track protection will no longer be shared with OCTA and is required for a longer duration, additional shifts, and weekend work.

8. Reasonableness of the Updated Forecast

The current forecast reflects updated project information, including completed design, contractor pricing, changed conditions, revised work sequencing, potential TRO exposure, and extended support services. Accordingly, it provides a more reliable basis for funding authorization than the April 2026 estimate. and gives OCPW a prudent budget for completing the OCFCD sheet pile scope while Contractor pricing, entitlement, and negotiation continue.

9. Requested Action

SCRRA requests that OCPW consider the attached updated Exhibit D-2 to evaluate additional funding for the remaining OCFCD sheet pile work. The updated forecast identifies a total project cost of $4,724,000. requiring an amendment of $1,924,000. Timely determination of next steps is needed to maintain the contractual project schedule and funding authority.

Regards,
Julina Corona, P.E.
Project Manager, SCRRA

Cc: Silvio Molina, Principal Engineer, SCRRA
Aaron Azevedo, Director of State of Good Repair, SCRRA
Justin Fornelli, Chief Program Delivery
Attachment(s): 2026.09.03_Exhibit D-2 OCPW SJCB Cost Estimate Live

SCRRA COST ESTIMATE OF PROJECT & WORK

SCRRA Project Name: SJCB COUNTY SHEET PILE WALL

SCRRA Project No.: 861068

Last Updated: 9/3/2026

HIGH LEVEL CONSTRUCTION BREAKDOWN						
ITEM	**DESCRIPTION**		**UNIT**	**QTY**	**UNIT COST**	**TOTAL COST**
WACNs	Detailed Construction Cost		LS	1	$3,024,200.00	$ 3,024,200.00
SUB-TOTAL: CONSTRUCTION COST						**$ 3,024,200.00**
PROJECT SUPPORT SERVICES & OVERHEAD COST BREAKDOWN						
S.1	CONSTRUCTION CONTINGENCY					$ -
S.2	CIVIL DESIGN					
S.3	DSDC REDESIGN FOR SHEET PILE WALL ALIGNMENT					$ 186,000.00
S.4	DESIGN SUPPORT DURING CONSTRUCTION					$ 50,000.00
S.5	PROJECT MANAGEMENT					$ 166,000.00
S.6	CONSTRUCTION MANAGEMENT					$ 480,000.00
S.7	FLAGGING					$ 305,600.00
S.8	AGENCY COSTS					$ 160,000.00
SUB-TOTAL: PROJECT RELATED OVERHEAD COSTS						**$ 1,347,600.00**
SUB-TOTAL: PROJECT COSTS						**$ 4,371,800.00**
S.16	PROJECT CONTINGENCY	N/A			8.056%	$ 352,200.00
S.17	INFLATION FOR CONSTRUCTION ONLY		Rate:	0%	# Years: 1	
TOTAL PROJECT COST:						**$ 4,724,000.00**

DETAILED CONSTRUCTION COST					
ITEM	**DESCRIPTION**	**UNIT**	**QTY**	**UNIT COST**	**COST**
WACN 11	OCFCD Sheet Pile Wall - Material Purchase, Delivery, Storage	LS	1	$ 460,400.00	$ 460,400.00
WACN 12	OCFCD Sheet Pile Wall - Survey for Sheet Pile Wall Design	LS	1	$ 3,600.00	$ 3,600.00
WACN 16	OCFCD Northeast Sheet Pile Wall 2026	LS	1	$ 600,000.00	$ 600,000.00
WACN TBD	OCFCD Northwest Sheet Pile Wall 2026	LS	1	$1,390,000.00	$ 1,390,000.00
WACN TBD	OCFCD Buried Obstructions Allowance	LS	1	$ 50,000.00	$ 50,000.00
WACN TBD	Half of OCTA Potential TRO Due to OCFCD Sheet Pile Requirements	LS	0.5	$ 415,000.00	$ 207,500.00
WACN TBD	Potential OCFCD TRO (NE Quadrant)	LS	1	$ 68,400.00	$ 68,400.00
WACN TBD	Potential OCFCD TRO (NW Quadrant)	LS	1	$ 244,300.00	$ 244,300.00
	SUB-TOTAL: DETAILED CONSTRUCTION COSTS				**$ 3,024,200.00**

ASSUMPTIONS:

1. Metrolink assumes that the work will not cause any changes for environmental clearance and permitting, any changes to environmental clearance and/or permitting will be led by the Orange County Flood Control District (OCFCD), also referred to as OCPW or the COUNTY.
2. Metrolink assumes that this effort will not affect the current project schedule.
3. Where there are utilities interacting with the sheet pile wall, OCPW will accept that Metrolink will leave gaps around those utilities so the connection between the sheet pile wall and the utility lines will be addressed at a later time by OCPW.
4. Metrolink will be indemnified of any unknown soil conditions, unknown buried conditions, and unknown utilities.
5. Metrolink assumes that if this construction is completed concurrently with the Sheet Pile Wall construction within the OCTA R.O.W then the mobilization/demobilization cost will be of lesser value. Unused cost will be returned to OCPW.
6. All work is anticipated to remain within OCTA and OCPW R.O.W. and coordination with external agencies is not included in this estimate.
7. Metrolink assumes inefficiencies due to the inability to perform the OCPW and Metrolink designs concurrently. Work cannot be done simultaneously because the cooperative agreement has not been finalized.
8. The sheet pile material cost is subject to increase substantially if the order is not placed at a time perscribed by the fabricator which is roughly 7 months and or if the tie back installation work plan is not approved 2 weeks prior to the start of the dry season.
9. The tie back installation is assuming no deadmen is necessary and that all work remains in the COUNTY R.O.W. Cost associated with tie backs is subject to increase if the tie back length is constricted by the ROW limit lines.
10. Cost is subject to changes due to market trends outside of the control of SCRRA and OCPW.