

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: January 23, 2014
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: **Corps of Engineers' Dredging Contract**

RECOMMENDATION:

That Harbor Commission receive and review a status report on the U.S. Army Corps of Engineers' three-year dredging contract for the harbor's main Federal Navigational Channel.

DISCUSSION:

The Army Corps of Engineers (Corps) conducts maintenance dredging of the Santa Barbara Harbor under the Rivers and Harbors Act at the Corps' sole expense. Ever since the breakwater was completed in 1930 forming the Santa Barbara Harbor, longshore sediment transport processes have regularly delivered approximately 300,000 cubic yards (c.y.) of sand to the harbor entrance restricting navigation. Routine dredging began several years after the harbor was completed by the City and federal government with the Corps taking over dredging of the Federal Channel, including funding and construction in 1972. The City is financially responsible for all dredging outside the Federal Channel.

An Environmental Assessment (EA) is prepared every six years to consider changes in the environment and corresponding regulatory agency concerns as well as providing necessary information to obtain permits. The EA was updated in 2010 and permits were renewed with no changes to the dredging program.

The Corps awards a construction contract with a private contractor every three years for dredging. The previous three-year contract was completed in April, 2013 and a new three-year contract went out to bid this summer. Despite considerable interest in the project, only one bid was received with AIS Construction Company submitting the low (and only) bid for the second time in a row. AIS's low bid of \$6,300,000 was slightly less than their 2010 bid but unacceptable to the Corps due to an imbalance in annual dredging costs for the three-year contract.

The President's budget includes \$2,665,000 for dredging Santa Barbara Harbor. AIS's bid included approximately \$3,650,000 for the first year of dredging and \$1,325,000 for each of the remaining two years. Since the first year of AIS's bid exceeds the Corps' funding for FY2014, the bid was rejected with the expectation that AIS could resubmit a balanced bid over the three-year contract. A revised bid was submitted by AIS and the

Corps went through a lengthy review process resulting in a “balanced” and acceptable bid. In order to achieve the balanced bid, the Corps made two significant changes to their dredging program for this year. Those changes include combining the fall and spring dredge cycles into a single cycle and reducing the volume of contractually obliged dredge material to offset the mobilization costs.

Fall dredging typically occurs November through December, removing sediment that gradually accumulates in the Federal Channel over the summer. This creates an open channel with an over-dredge area that functions as a sediment trap during winter storms. Spring cycle dredging typically occurs late February through March to remove sediment that accumulates rapidly in the Federal Channel during winter storms. As part of renegotiating a balanced bid with AIS, the Corps has decided to move forward with a single cycle of dredging, the beginning of which has yet to be determined. Fortunately this has been an abnormally mild fall/winter with virtually no coastal storms which typically erode material off the sandspit and deposit it into the Federal Channel.

The Corps' dredging contracts normally include 150,000 c.y. of material for each of the fall and spring cycle dredging for a total of approximately 300,000 c.y. per year. The actual amount of dredged sediment has varied significantly over the years with a recent low of 161,805 c.y. in FY 2009 and a high of 394,507 c.y. in FY 2008. Since 2010, dredge volumes have been below average as a result of very few coastal storms. The Corps has taken this recent average and decided to move forward with a contract that includes 180,000 c.y. for this fiscal year. The remaining two years in the three-year contract includes 240,000 c.y. for each year. This is a disturbing trend that doesn't necessarily reflect the potential for sedimentation in Santa Barbara Harbor. Nevertheless, there is adequate funding to dredge additional material should our local climate return to a more normal pattern of coastal storms and corresponding sedimentation in the Federal Channel.

Since this is the beginning of a new three-year dredging contract, AIS must remobilize for the entire operation. Mobilization includes fencing a new maintenance yard on West Beach, setting up the floating and submerged discharge pipe across the Federal Channel, as well as burying over 8,000' of pipe from West Beach to the discharge location opposite the Cabrillo baseball fields. The Corps has accepted AIS's revised “balanced” bid but has yet to issue a Notice to Proceed (NTP). Once an NTP is issued, dredging should commence approximately 2 – 3 weeks later and continue into March or until AIS meets its contractual obligation to remove 180,000 c.y.

This year's Corps dredging project has identified several issues associated with contracting for dredging in Santa Barbara Harbor. Of primary concern is the lack of qualified bidders. In 1997, the California Air Resources Board and local Air Pollution Control District (APCD) adopted Rules and Regulations related to the use of portable diesel engines. Although these Rules allow the use of diesel engines that meet certain emissions thresholds, the APCD adopted regulations that do not allow a diesel dredge to operate in Santa Barbara with the understanding that use of an electric dredge was

an available and viable option. AIS operates the only electric dredge in this region capable of dredging Santa Barbara Harbor. Other dredge contractors are reluctant to purchase and/or modify an electric powered dredge to meet the APCD's regulations. The Corps has expressed interest in reviewing APCD's regulations especially in consideration of technological advances in diesel engines and their greatly reduced emissions. If diesel powered dredges are no longer prohibited from operating in Santa Barbara Harbor, competition for the Corps' dredging contract would likely increase.

Attachment: Map of the Santa Barbara Federal Channel

Prepared by: Karl Treiberg, Waterfront Facilities Manager

FEDERAL CHANNEL DREDGING

NOT FOR NAVIGATION

