

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: October 21, 2010
To: Harbor Commission
From: John N. Bridley, 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 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 350,000 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. Dredging is completed in two separate cycles each year. Fall cycle dredging usually takes place from mid-November through December and spring cycle dredging takes place in March to capture the sediment deposited at the harbor entrance during the winter storms. 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 this summer 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 2010 and a new three-year contract went out to bid this summer. Despite considerable interest in the project, only two bids were received with AIS Construction Company submitting the low bid for the second time in a row. AIS's low bid of \$6,325,000 was slightly lower than the Corps' estimate, but roughly twice as much as their bid submitted in 2007. The other bid was considerably more \$11,091,580 from Ross Island Sand and Gravel. Dredging costs have gone up significantly since the American Recovery and Reinvestment Act (ARRA) was approved last year funding a wide variety of dredging projects throughout the U.S.

As a result, the demand for dredging has increased dramatically with relatively few contractors capable of conducting the work.

The President's FY 2011 budget includes a \$2,040,000 appropriation for dredging Santa Barbara Harbor. Since congress has not approved the budget, a Continuing Resolution has been approved providing funding at 95% of the President's proposed budget appropriation. Along with a \$700,000 roll over from last year's budget, there is approximately \$2,640,000 currently available to the Corps to commence this year's dredging. AIS's bid includes approximately \$3,035,000 for the first year of dredging and \$1,645,000 for the remaining two years of dredging. With only \$2,640,000 currently available for this year, the Corps may need to re-program money within the Los Angeles District or reduce the scope of work to match available funds. This scenario has occurred several times in the past with the Corps making necessary adjustments in funding or dredging while still providing a deep harbor entrance for all vessel traffic.

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. Mobilization has commenced and AIS will be ready to begin dredging in November. Once mobilization is complete, there will be very little disruption to beach users. First cycle dredging is expected to be completed by the middle of December.

Prepared by: Karl Treiberg, Waterfront Facilities Manager