



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
May 21, 2024

TOPIC: Approve Additional Funds for the Warner Avenue Street Improvements Project

AGENDA TITLE

Approve Additional Funds in the Amount of \$1,700,000 for an Existing Construction Contract with Lonerock, Inc. for the Warner Avenue Street Improvements Project with an Estimated Project Delivery Cost of \$14,755,867 (Project Nos. 14-6802, 18-6424, 20-6618) (General Fund and Non-General Fund)

RECOMMENDED ACTION

1. Approve an amendment to the Project Cost Analysis in the amount of \$1,700,000 in additional contingency funds for a new estimated total construction delivery cost of \$14,755,867, which includes \$9,486,525 for the construction contract; \$1,614,197 for contract administration, inspection, and testing; and a \$3,655,145 project contingency for unanticipated or unforeseen work.
2. Approve an amendment to the Fiscal Year 2023-24 Capital Improvement Program to include \$1,700,000 in construction funds for Warner Avenue Street Improvements Project (Project Nos. 14-6802, 18-6424, 20-6618).
3. Authorize budget reallocation of \$500,000 in over-allocated, unspent Water Fund from the Saint Gertrude and Grand Water Main Project (No. 15-6446) to construction funds for the Warner Avenue Water Main Project (No. 18-6424).
4. Authorize budget reallocation of \$1,200,000 in over-allocated, unspent General Fund from the Westminster Avenue Rehabilitation Project (No. 22-6989) to construction funds for the Warner Avenue Phase 1 from Main Street to Oak Street Improvements Project (No. 14-6802).

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

On March 16, 2021, City Council authorized the award of a construction contract to Lonerock, Inc. for the improvement of a one-mile segment of Warner Avenue from Main Street to Wright Street (Exhibit 1). This is a long-term priority project that is being constructed in several phases. Warner Avenue Phase 1 is from Main Street to Oak Street (Exhibit 2). Improvements include widening the street from a four-lane roadway to a six-lane arterial to address safety issues and provide adequate vehicular capacity; and

installing parkways, raised median landscaping, storm drains, protected bike lanes, sound walls, street lights, and traffic signals.

Lonerock, Inc. has completed underground utilities installation and the southern portion of the Warner Avenue segment. However, due to a combination of cost escalation, labor and market pricing steadily rising, and executed and anticipated change orders, costs for Warner Avenue Improvements will surpass the \$1,155,145 contingency identified for this portion of the work (Exhibit 3). Additional contingency will also be needed for future potential unforeseen work as the project progresses to completion.

The recommended action will increase the project contingency by an additional \$1,700,000 thereby increasing the total estimated construction delivery cost to \$14,755,867 as indicated in the Revised Cost Analysis (Exhibit 4) and as summarized in the table below:

EXPENDITURE CATEGORY	ORIGINAL AMOUNT	ADDED CIP 23/24	ADDITIONAL FUNDING	NEW TOTAL
Construction Contract Bid Amount	\$9,486,525			\$9,486,525
Construction Administration, Inspection, Testing	\$1,614,197			\$1,614,197
Contingencies	\$1,155,145	\$800,000	\$1,700,000	\$3,655,145
Total Estimated Construction Delivery Cost	\$12,255,867	\$800,000	\$2,500,000	\$14,755,867

Staff recommends the approval of the recommended action in order to continue the construction of the Warner Avenue Street Improvements Project .

ENVIRONMENTAL IMPACT

In accordance with the California Environmental Quality Act, the recommended actions are exempt from further review. On September 1, 2015, City Council approved the Warner Avenue Final Environmental Impact Statement (SCH No. 2012101004)

FISCAL IMPACT

As indicated in the Cost Analysis, the estimated total construction delivery cost of the project (14-6802) is \$14,755,867, which includes construction, contract administration,

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inspection, testing, and an authorized contingency. Project Nos. 14-6802, 18-6424, 20-6618 are assigned to the Project Plans and Specifications, and the Notice Inviting Bids.

The following table summarizes the funds budgeted and available in current FY 2023-24 for expenditure to deliver construction of this project. Any remaining balances not expended at the end of the fiscal year will be presented to the City Council for approval of carryovers to FY 2024-25 (Exhibit 5).

Fiscal Year	Accounting Unit- Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
Existing Project Budget				
2023-24	99217950-66220 (14-6802)	Transportation System Improvement Area B	Transportation System, Improvement Area B Tustin, Improvements Other Than Buildings	\$2,603,988
2023-24	06617647-66301 (18-6424)	Water Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$2,225,000
2023-24	03217663-66220 (14-6802)	Measure M Street Construction	Measure M2 Competitive Street, Improvements Other Than Buildings	\$4,629,750
2023-24	03417660-66220 (20-6618)	New Transportation System Improvement Area E	New Transportation System Improvement Area E, Improvements Other Than Buildings	\$109,798
2023-24	22417660-66220 (14-6802)	Local Drainage Area IV	Public Works- Storm Drain Construction, Improvements Other Than Buildings	\$141,320
2023-24	03217662-66220 (14-6802)	Measure M Street Construction	Measure M2 Competitive Street, Improvements Other Than Building	\$255,000

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Fiscal Year	Accounting Unit- Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
2023-24	05917668-66220 (14-6802)	Select Street Construction	Warner Ave-Tustin CFD, Improvements Other Than Buildings	\$1,488,879
2023-24	03417660-66220 (14-6802)	New Transportation System Improvement Area E	Transportation System Improvement Area E, Improvements Other Than Buildings	\$101,930
2023-24	05717640-66220 (20-6618)	Federal Clean Water Protection Enterprise	Federal Clean Water Protection Enterprise, Improvements Other Than Buildings	\$600,000
2023-24	03217662-66220 (20-6618)	Measure M Street Construction	Measure M2 Local Fairshare, Improvements Other Than Buildings	\$800,000
2023-24	22417660-66220 (20-6618)	Local Drainage Area IV	Public Works-Storm Drain Construction, Improvements Other Than Buildings	\$100,202
Total				\$13,055,867

Additional Funding				
Budget Reallocation				
2023-24	01117660-66220 (From Proj. 22-6989 to 14-6802)	General Fund	Public Works-Road Maintenance, Improvements Other Than Buildings	\$1,200,000
2023-24	06617647-66301 (From Proj. 15-6446 to 18-6424)	Water Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$500,000
Grand Total				\$14,755,867

EXHIBIT(S)

1. March 16, 2021 Staff Report
2. Location Map
3. Pending Change Order

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4. Revised Cost Analysis
5. Amended FY 2023-24 Capital Improvement Program Sheet

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Alvaro Nuñez, Acting City Manager