



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**March 16, 2021**

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**TOPIC:** Warner Avenue Street Improvements (Main Street to Oak Street)

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**AGENDA TITLE**

Approve Appropriation Adjustments, Approve Amendments to the FY 2020-21 Capital Improvement Program, and Award a Construction Contract to Lonerock, Inc. in the Amount of \$9,486,525 for the Warner Avenue Street Improvements Project With an Estimated Total Delivery Cost of \$12,255,867 (Project Nos. 14-6802, 18-6424, 20-6618) (General Fund and Non-General Fund)

**RECOMMENDED ACTION**

1. Approve an appropriation adjustment recognizing \$1,992,867 of prior year fund balance in the Transportation System Improvement Authority Area B Fund, Prior Year Carry Forward revenue account and appropriate the same amount to the Transportation System Improvement Authority Area B Fund, Improvements Other Than Building expenditure account.
2. Approve an appropriation adjustment recognizing \$1,225,000 of prior year fund balance in the Water Fund, Public Works Water Revenue, Prior Year Carry Forward revenue account and appropriate the same amount to the Acquisition & Construction, Water Utility Capital Projects, Water Capital Project expenditure account.
3. Approve an appropriation adjustment recognizing \$141,320 of prior year fund balance in the Local Drainage Area IV Fund, Prior Year Carry Forward revenue account and appropriate the same amount to the Public Works-Storm Drain Construction, Improvements Other Than Building expenditure account.
4. Approve an appropriation adjustment recognizing \$109,798 of prior year fund balance in the New Transportation System Improvement Area E Fund, Prior Year Carry Forward revenue account and appropriate the same amount to the New Transportation System Improvement Area E, Improvements Other Than Building expenditure account.
5. Approve an appropriation adjustment recognizing the Fiscal Year 2018-19 appropriation of \$4,629,750 in Measure M2 Competitive grant funding in the Measure M Street Construction, Measure M2 Competitive revenue account and

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reappropriating the same amount to the Measure M Street Construction, Improvements Other Than Building expenditure account.

6. Authorize reallocation of \$255,000 in unspent Measure M2 Local Fairshare funds from the Local Street Preventative Maintenance FY 2018-19 (19-6942) Project to the Warner Avenue Improvements Project, to complete the project's funding requirement.
7. Approve an amendment to the Fiscal Year 2020-21 Capital Improvement Program to include \$1,992,867 in construction funds for the Warner Avenue Improvements Project (Project No. 14-6802).
8. Approve an amendment to the Fiscal Year 2020-21 Capital Improvement Program to include \$1,225,000 in construction funds for Warner Avenue Water Improvements Project (Project No. 18-6424).
9. Approve an amendment to the Fiscal Year 2020-21 Capital Improvement Program to include \$109,798 in construction funds for the Warner Avenue Storm Drain Improvements Project (Project No. 20-6618).
10. Award a construction contract to Lonerock, Inc., the lowest responsible bidder, in accordance with the base bid in the amount of \$9,486,525, for construction of the Warner Avenue Improvements Project, for the term beginning March 16, 2021 and ending upon project completion, and authorize the City Manager to execute the contract subject to non-substantive changes approved by the City Manager and the City Attorney.
11. Approve the Project Cost Analysis for a total estimated construction delivery cost of \$12,255,867, which includes \$9,486,525 for the construction contract, \$1,614,197 for contract administration, inspection and testing; and a \$1,155,145 project contingency for unanticipated or unforeseen work.

**DISCUSSION**

Warner Avenue is classified as an East-West Major Arterial in the City's General Plan Circulation Element and the County of Orange Master Plan of Arterial Highways. Improving the one-mile segment of Warner Avenue from Main Street to Wright Street has been a long-term priority project that is being constructed in several phases. Warner Avenue Phase 1 is from Main Street to Oak Street (Exhibit 1). 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 (Exhibit 2).

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The Measure M2 Competitive grant award in construction funding in the amount of \$4,629,750 was recognized by the City Council on October 2, 2018. However, the construction was not scheduled to start until Spring 2021. Staff is requesting City Council approval to recognize and re-appropriate this grant allocation for expenditure in Fiscal Year 2020-21 to complete the funding for the construction delivery cost of the project. Additionally, staff is requesting City Council approval for the reallocation of \$255,000 in unspent Measure M2 Local Fairshare funds needed to complete the total project's funding requirement.

### Public Outreach and Contractor Participation

To provide an opportunity for local vendors to submit bids, the City notified a total of 974 regional vendors via PlanetBids, many of which are Santa Ana based. One hundred and one vendors requested bidding documents, and a total of four bids were received. Bids were not received from any Santa Ana contractors.

As legally required, a Notice Inviting Bids was advertised in the Orange County Register newspaper on January 4, and 11, of 2021. The project was also advertised in PlanetBids from January 4, 2021 through February 2, 2021. Bids were received electronically via PlanetBids on February 2, 2021. No bid protest was submitted by any of the bidders during the bid protest period.

### Bid Results Summary

Rank	Bidder's Name	Location	Base Bid
1	Lonerock, Inc.	Irvine	\$ 9,486,525.00
2	KEC Engineering	Corona	\$11,708,063.50
3	Christensen Brothers General Engineering, Inc.	Apple Valley	\$14,968,635.50
4	Excel Paving Co.	Long Beach	\$15,872,583.00

A total of four bids were received and all were deemed responsive. Lonerock, Inc. submitted the lowest responsive base bid in the amount of \$9,486,525 (Exhibit 3). As specified in the bid documents, the lowest bid shall be determined on the basis of the Base Bid. Based on the bid analysis and a contractor's reference check, staff recommends awarding the construction contract to Lonerock, Inc., in the amount of the base bid totaling \$9,486,525 (Exhibit 4).

### Project Delivery

To deliver a complete project, in addition to the construction contract, the estimated total project delivery cost includes construction administration, inspection, and testing, along with an allowance for contingencies to account for unexpected or unforeseen conditions.

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Construction administration and inspection includes construction management, implementation of the City's Community Workforce Agreement requirements, inspection of the Contractor's work to ensure contract compliance, workmanship, and quality, and materials testing.

As indicated in the Cost Analysis (Exhibit 5) and as summarized in the table below, the estimated total construction delivery cost of the project is \$12,255,867. In accordance with the Public Works Agency's "Dig-Once" philosophy, water main improvements are part of this project.

Project Item	Total
Construction Contract	\$9,486,525
Construction Administration, Inspection, Testing	\$1,614,197
Project Contingencies	\$1,155,145
<b>TOTAL CONSTRUCTION DELIVERY COST</b>	<b>\$12,255,867</b>

**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 is \$12,255,867, which includes construction, contract administration, inspection, testing, and authorized contingencies of \$1,155,145. Approval of the requested appropriation adjustments will recognize \$1,992,867 of prior year fund balance in the Transportation System Improvement Authority Area B Fund, Prior Year Carry Forward revenue account (No. 99217002-50001) and appropriate the same amount to the Transportation System Improvement Authority Area B Fund, Improvements Other Than Building expenditure account (No. 99217950-66220), \$1,225,000 of prior year fund balance in the Water Fund, Public Works Water Revenue, Prior Year Carry Forward revenue account (No. 06017002-50001) and appropriate the same amount to the Acquisition & Construction, Water Utility Capital Projects, Water Capital Project expenditure account.(No. 06617647-66301), \$141,320 of prior year fund balance in the Local Drainage Area IV Fund, Prior Year Carry Forward revenue account (No. 22417002-50001) and appropriate the same amount to the Public Works-Storm Drain Construction, Improvements Other Than Building expenditure account (No. 22417660-66220), \$109,798 of prior year fund balance in the New Transportation System Improvement Area E Fund, Prior Year Carry Forward revenue account (No. 03417002-50001) and appropriate the same amount to the New Transportation System Improvement Area E, Improvements Other Than Building expenditure account (03417660-66220), and \$4,629,750 in Measure M2 Competitive grant funding in the Measure M Street Construction, Measure M2 Competitive revenue account (No. 03217002-52332 and

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reappropriating the same amount to the Measure M Street Construction, Improvements Other Than Building expenditure account (No. 03217663-66220). All funds are available for expenditure in Fiscal Year 2020-21, however any remaining balances not expended at the end of the fiscal year will be carried forward into FY 2021-22.

The following table summarizes the funds budgeted for expenditure to deliver construction of this project:

<b>Fiscal Year</b>	<b>Accounting Unit - Account No. (Project No.)</b>	<b>Fund Description</b>	<b>Accounting Unit - Account No. Description</b>	<b>Amount</b>
<b>APPROPRIATION ADJUSTMENTS</b>				
2020-21	99217950-66220 (14-6802)	Transportation System Improvement Area B	Transportation System Improvement Area B Tustin, Improvements Other Than Building	\$1,992,867
2020-21	06617647-66301 (18-6424)	Water Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$1,225,000
2020-21	03217663-66220 (14-6802)	Measure M Street Construction	Measure M2 Competitive Street, Improvements Other Than Building	\$4,629,750
2020-21	03417660-66220 (20-6618)	New Transportation System Improvement Area E	New Transportation System Improvement Area E, Improvements Other Than Building	\$109,798
2020-21	22417660-66220 (14-6802)	Local Drainage Area IV	Public Works-Storm Drain Construction, Improvements Other Than Building	\$141,320
<b>BUDGET REALLOCATION</b>				
2020-21	03217662-66220 (From Proj. 19-6942 To 14-6802)	Measure M Street Construction	Measure M2 Competitive Street, Improvements Other Than Building	\$255,000
<b>EXISTING BUDGET</b>				
2020-21	05917668-66220* (14-6802)	Select Street Construction	Warner Ave-Tustin CFD, Improvements Other Than Building	\$688,879
2020-21	99217950-66220 (14-6802)	Transportation System Improvement Area B	Transportation System Improvement Area B Tustin, Improvements Other Than Building	\$611,121

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<b>Fiscal Year</b>	<b>Accounting Unit - Account No. (Project No.)</b>	<b>Fund Description</b>	<b>Accounting Unit - Account No. Description</b>	<b>Amount</b>
2020-21	03417660-66220 (14-6802)	New Transportation System Improvement Area E	Transportation System Improvement Area E, Improvements Other Than Building	\$101,930
2020-21	05717640-66220 (20-6618)	Federal Clean Water Protection Enterprise	Federal Clean Water Protection Enterprise, Improvements Other Than Building	\$600,000
2020-21	03217662-66220 (20-6618)	Measure M Street Construction	Measure M2 Local Fairshare, Improvements Other Than Building	\$800,000
2020-21	22417660-66220 (20-6618)	Local Drainage Area IV	Public Works-Storm Drain Construction, Improvements Other Than Building	\$100,202
2020-21	06617647-66301 (18-6424)	Water Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$1,000,000
<b>Total</b>				<b>\$12,255,867</b>

\*Warner Avenue-Tustin Community Facilities Districts (CFD) funding was originally appropriated in accounting unit 05917660 in Project 14-6802. Accounting unit 05917668 is new for Warner Avenue-Tustin CFD funding.

**EXHIBIT(S)**

1. Location Map
2. Amended 20/21 CIP Sheets
3. Bid Proposal
4. Construction Contract
5. Cost Analysis

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

Approved By: Kristine Ridge, City Manager