



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
September 17, 2024

TOPIC: Santiago Park Main Street Entrance Project

AGENDA TITLE

Construction Contract with Armstrong Cal Builders Inc. for the Santiago Park Main Street Entrance Project (Project No. 20-2731) (Non-General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing \$2,807,000 in the Parks Capital Grants, State Grant-Direct revenue account and appropriate the same amount into the Parks Capital Grants, Improvements Other Than Buildings expense account. *(Requires five affirmative votes.)*
2. Approve an appropriation adjustment recognizing \$400,000 in the Residential Development District 2, Prior Year Carry Forward revenue account and appropriate the same amount into Residential Development District 2, Improvements Other Than Building expense account. *(Requires five affirmative votes)*
3. Approve the Project Cost analysis for a total estimated construction delivery cost of \$3,207,000, which includes \$2,763,816, for the construction contract; \$166,802 for contract administration, inspection, and testing; and a \$276,382 project contingency for unanticipated or unforeseen work.
4. Approve an amendment to the Fiscal Year 2024-25 Capital Improvement Program to include \$3,207,000 in construction funds for the Santiago Park Main Street Entrance Project.
5. Award a construction contract to Armstrong Cal Builders Inc., the lowest responsible bidder, in accordance with the base bid in the amount of \$2,763,816, subject to change orders, for construction of the Santiago Park Main Street Entrance Project (No. 20-2731) for a term beginning September 17, 2024 and ending upon project completion, and authorize the City Manager to execute the contract.
6. Determine that, pursuant to the California Environmental Quality Act, the recommended actions are exempt from further review. Categorical Exemption Environmental Review No. ER-2023-130 was filed for Project No. 20-2731.

GOVERNMENT CODE §84308 APPLIES: No

DISCUSSION

The Public Works Agency (PWA) is responsible for the administration and oversight of all Capital Improvement Projects in the City. Santiago Park is a 35-acre linear park located at the northern edge of the City along Santiago Creek. PWA submitted a successful grant application and received a total of \$2.8 million from the State of California Coastal Conservancy to revitalize the Santiago Park Main Street Entrance and west end of the park (Exhibit 1). The scope of work includes removal of asphalt concrete pavement, grading, construction of an upgraded bike trail, decomposed granite pedestrian walkways, area lighting, picnic areas, landscaping and irrigation system, site furniture, and signage. Once completed, these improvements will improve the existing Main Street entrance to Santiago Park, provide an upgraded passive area within the park, and support compliance with Americans with Disabilities Act (ADA) standards.

A copy of construction plans, contracts, specifications and all related reference materials (such as The Greenbook) are available for public review at the City's Public Works Agency, Central Files office located in City Hall.

Public Outreach and Contractor Participation

To provide an opportunity for local vendors to submit bids, the City notified a total of 78 regional vendors via PlanetBids, many of which are Santa Ana based. No bids were received from any Santa Ana contractors.

As legally required, a Notice Inviting Bids was advertised in the Orange County Register newspaper on June 19 and June 26, 2024. The project was also advertised in PlanetBids from June 17 through July 10, 2024. Bids were received electronically via PlanetBids on July 10, 2024.

Bid Results Summary

Rank	Bidder's Name	Location	Base Bid
1	Armstrong Cal Builders Inc.	Stanton, CA	\$2,763,816
2	PUB Construction, Inc.	Diamond Bar, CA	\$3,088,357
3	MBC Enterprises Inc.	Huntington Beach, CA	\$3,465,519

A total of three bids were received and all were deemed responsive. Armstrong Cal Builders Inc. submitted the lowest responsive base bid in the amount of \$2,763,816 (Exhibit 2). 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 Armstrong Cal Builders Inc. for the base bid of \$2,763,816 (Exhibit 3), excluding the alternate bid.

Armstrong Cal Builders Inc. has not performed work as a prime contractor in the City of Santa Ana within the last five years. However, a reference check was made with other public agencies and good reviews were received regarding the quality of work performed by the contractor on previous projects.

Project Delivery

To deliver a complete project, in addition to the construction contract, the estimated total project delivery cost includes budget allocation for construction administration, inspection, and testing. Construction administration and inspection may be performed by either Staff or consultants and includes construction management, inspection of the Contractor's work to ensure contract compliance, workmanship and quality, materials testing, and implementation of labor requirements.

Any of the allocated construction administration funds not spent are considered project savings and are returned to the respective fund balance upon close out of the project.

In addition to the Construction Contract Bid Amount, Staff requests that the City Council allocate and authorize a project contingency budget equal to 10% of the Contract Bid Amount. The recommended contingency budget will allow Staff to execute contract change orders in the event unexpected conditions arise or if additional work is required to effectively deliver the project.

As indicated in the Cost Analysis (Exhibit 4) and as summarized in the table below, the estimated total construction delivery cost of the project is \$3,207,000.

Project Item	Total
Construction Contract Bid Amount	\$2,763,816
Construction Administration	\$88,405
Inspection	\$56,713
Testing	\$21,684
Project Contingencies	\$276,382
TOTAL ESTIMATED CONSTRUCTION DELIVERY COST	\$3,207,000

ENVIRONMENTAL IMPACT

Pursuant to the California Environmental Quality Act, the recommended actions are exempt from further review pursuant to Section 15301(a) of the CEQA Guidelines for projects consisting of minor alteration to an existing public facility. The proposed project continues to meet these parameters of the CEQA Guidelines, and Categorical Exemption Environmental Review No. ER-2023-130 was filed for the Santiago Main Street Entrance project 20-2731 on December 20, 2023.

FISCAL IMPACT

As indicated in the Cost Analysis, the estimated total construction delivery cost of the project is \$3,207,000. All funds are available for expenditure in Fiscal Year 2024-25 Capital Improvement Program (Exhibit 6). Any remaining balances not expended at the end of the fiscal year will be carried forward into FY 2025-26.

The proposed contract authorizes staff a maximum of 10% in contingencies for construction contract change orders. Staff will return to the City Council for authorization and appropriation of additional contingency if necessary.

With the approval of the requested appropriation adjustments, \$2,807,000 in grant funds will be recognized in the Parks Capital Grants, State Grant-Direct revenue account (No. 16117002-52025) and appropriated for spending in the Parks Capital Grants, Improvements Other Than Building expenditure account (No. 16117263-66220), and \$400,000 of the accumulated fund balance will be appropriated for spending in the Residential Development District 2, Improvements Other Than Building expenditure account (No. 31213260-66220). The spendable portion of the fund balance is estimated to be \$6,142,246 as of June 30, 2024, of which \$4,739,260 is committed to existing and earmarked projects, leaving a balance of \$1,402,986, which is sufficient to allow for the recommended appropriation of \$400,000.

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

Fiscal Year	Accounting Unit - Account No. (Project No.)	Fund Description	Accounting Unit, Account No. Description	Amount
Appropriation Adjustments				
24-25	16117263-66220 (20-2731)	Parks Capital Grants	SA River Conservancy Program-PWA, Improvements Other Than Buildings	\$2,807,000
24-25	31213260-66220 (20-2731)	Residential Development District 2	Acquisition & Development, Improvements Other Than Building	\$400,000
Total				\$3,207,000

EXHIBIT(S)

1. Location Map & Concept Plan
2. Bid Proposal
3. Construction Contract
4. Cost Analysis

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5. Environmental Determination
6. FY 2023-24 Capital Improvement Program Sheet

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

Approved By: Alvaro Nuñez, City Manager