



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
January 19, 2021

TOPIC: Approve Appropriation Adjustments, Amend CIP, and Award Construction Contract South Main Street Corridor Improvements Project

AGENDA TITLE:

Approve appropriation adjustments, approve amendments to the FY 2020-21 Capital Improvement Program, and award a construction contract to C.S. Legacy Construction, Inc. in the amount of \$12,759,695 for the South Main Street Corridor Improvements Project with an estimated total delivery cost of \$18,309,245 (Project Nos. 17-9001, 18-6911, 19-6940 20-6958, 21-6014, 21-6451, 21-6461) (Non-General & General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment to recognize \$3,791,468 of prior year fund balance in the Sanitary Sewer Fund, Capital Recovery Charges, Prior Year Carryforward revenue account and appropriate the same amount to the Sanitary Sewer Fund, Capital Recovery Charges, Improvements Other Than Building expenditure account.
2. Approve an appropriation adjustment to recognize \$3,863,143 of prior year fund balance in the Water Fund, Public Works Water Revenue, Prior Year Carryforward and appropriate the same amount to the Acquisition & Construction, Water Utility Capital Projects, Water Capital Project expenditure account.
3. Approve an appropriation adjustment to recognize \$71,407 of prior year fund balance in the Peebler Fund Capital Project Revenue, Prior Year Carryforward and appropriate the same amount to the Peebler Fund Capital Project, Improvements Other Than Building expenditure account.
4. Approve an amendment to the Fiscal Year 2020-21 Capital Improvement Program to include \$3,791,468 in construction funds for the South Main Street Sewer Improvements Project (Project No. 21-6451).
5. Approve an amendment to the Fiscal Year 2020-21 Capital Improvement Program to include \$3,863,143 in construction funds for South Main Street Water Improvements Project (Project No. 21-6461).
6. Reject Bid Protest and award a construction contract to C.S. Legacy Construction, Inc., the lowest responsible bidder, in accordance with the base bid and bid alternatives 1, 2, 3, 4, 5, 7, and 8 in the amount of \$12,759,695, for construction of the South Main Street Corridor Improvements Project, for the term beginning January 19, 2020 and ending upon project completion, and authorize the City

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Manager to execute the contract subject to non-substantive changes approved by the City Manager and the City Attorney.

7. Approve the Project Cost Analysis for a total estimated construction delivery cost of \$18,309,245, which includes \$12,759,695 for the construction contract, \$1,599,050 for contract administration, inspection and testing; and a \$3,950,500 project contingency for unanticipated or unforeseen work.

DISCUSSION

The South Main Street Corridor is a diverse and vibrant community with rich history and culture. The South Main Street Corridor Improvements Project is the implementation of many years of effort, community input and planning which resulted in the South Main Street Vision Plan that was adopted in 2016. This project will create a safer and more vibrant street for the community by revitalizing a 2.5-mile stretch of Main Street from First Street to Dyer Road (Exhibit 1).

The construction scope of work includes monument signs, enhanced lighting, hardscaping, landscaping, irrigation, traffic signals, signing, striping, and street pavement rehabilitation, which will take place concurrently as part of a Water Resources Division project. These improvements will establish a sense of arrival, safe walkability, and promote effective placemaking through traffic calming, hardscape softening, and community monuments.

In order to ensure all infrastructure is addressed as part of the South Main Corridor project, the Water Resources Division identified needed water and sewer improvements. The proposed improvements will replace aging and deficient water mains, sewer mains, fire hydrants, sewer maintenance holes, water services, and sewer laterals within the project limits. The proposed appropriation adjustment and Capital Improvement Projects amendments will allow for these improvements to be included and built in coordination with the South Main Street Improvements (Exhibit 2).

Public Outreach and Contractor Participation

To provide an opportunity for local vendors to submit bids, the City notified a total of 809 regional vendors via PlanetBids, many of which are Santa Ana based. One hundred fifteen vendors requested bidding documents, and a total of seven 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 September 1 and September 5, 2020. The project was also advertised in PlanetBids from September 1, 2020 through November 4, 2020. Bids were received electronically via PlanetBids on November 4, 2020.

Bid Results Summary

RANK	BIDDER'S NAME	LOCATION	BASE BID + ALTERNATE BID 1,2,3,4,5,7,& 8
1	C.S. Legacy Construction, Inc.	Chino	\$ 12,759,695
2	Lonerock, Inc.	Irvine	\$ 13,015,290
3	Excel Paving Co.	Long Beach	\$14,459,791
4	EBS General Engineering, Inc.	Corona	\$14,517,390
5	Beador Construction	Corona	\$15,159,700
6	Griffith Company	Santa Fe Springs	\$15,699,283
7	PUB Construction, Inc.	Diamond Bar	\$17,794,905

A total of seven bids were received and all were deemed responsive. C.S. Legacy Construction, Inc. submitted the lowest responsive base bid in the amount of \$9,018,834.03 (Exhibit 3). As specified in the bid documents, the lowest bid shall be determined on the basis of the Base Bid. The City has the option to add one, all, or a combination of alternate bids. Based on the bid analysis and a contractor's reference check, staff recommends awarding the construction contract to C.S. Legacy Construction, Inc., in the amount of the base bid and bid alternates 1, 2, 3, 4, 5, 7, and 8, totaling \$12,759,695 (Exhibit 4).

A Bid Protest was submitted to the City by the second lowest bidder, Lonerock, Inc. who challenged the responsiveness of the apparent low bidder. Subsequently, a hearing was held on November 25, 2020 in which Lonerock, Inc articulated their position on the Protest. Ultimately, the City's legal counsel and Public Works staff found the minor irregularities in the C.S. Legacy Construction, Inc. bid to be immaterial. Staff recommends waiving the protest and awarding the contract to C.S. Legacy Construction Inc.

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. 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 \$18,309,245. In accordance with the Public Works Agency's "Dig-Once" philosophy, during construction, the condition of the waterline will be assessed. If it is determined that repairs or replacement are needed, this work will be added to the project to avoid unnecessary future impacts to the new improvements or disruptions to the community. An allowance of \$2,500,000 is budgeted for this potential water main work and will only be used if needed.

Project Item	Total
Construction Contract	\$12,759,695
Construction Administration, Inspection, Testing	\$1,599,050
Project Contingencies	\$1,450,500
Water Main Repair Contingencies	\$2,500,000
TOTAL CONSTRUCTION DELIVERY COST	\$18,309,245

ENVIRONMENTAL IMPACT

In accordance with the California Environmental Quality Act, the recommended actions are exempt from further review. Categorical Exemption Environmental Review Nos. ER-2020-102, ER-2020-103, ER-2020-104, ER-2020-105, ER-2020-109, and ER-2020-110 were filed for the project.

FISCAL IMPACT

As indicated in the Cost Analysis, the estimated total construction delivery cost of the project is \$18,309,245, which includes construction, contract administration, inspection, testing, and authorized contingencies of \$3,950,500. Approval of the requested Appropriation Adjustments will provide the following funding:

1. Recognize \$3,791,468 from prior year fund balance in the Sanitary Sewer Fund, Capital Recovery Charges, Prior Year Carryforward revenue account (No. 05417001-50001) and appropriate the same amount to the Sanitary Sewer Fund, Capital Recovery Charges, Improvements Other Than Building expenditure account (No. 05717647-66220).
2. Recognize \$3,863,143 from prior year fund balance in the Water Fund, Public Works Water Revenue, Prior Year Carryforward 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).
3. Recognize \$71,407 from prior year fund balance in the Peebler Fund Capital Project Revenue, Prior Year Carryforward revenue account (no. 41818002-50001)

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and appropriate the same amount to the Peebler Fund Capital Project, Improvements Other Than Building expenditure account (No. 41818830-66220).

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 for expenditure.

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

Fiscal Year	Accounting Unit - Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
APPROPRIATION ADJUSTMENTS				
2020-21	05417647-66220 (21-6451)	Sanitary Sewer Capital	Capital Recovery Charges, Improvements Other Than Building	\$3,791,468
2020-21	06617647-66301 (21-6461)	Water Acquisition & Construction	Water Utility Capital Projects, Water Capital Project	\$3,863,143
2020-21	41818830-66220	CDA Capital	Peebler Fund Capital Projects, Improvements Other Than Building	\$71,407
EXISTING BUDGET				
2020-21	41818830-66220 (17-9001)	CDA Capital	Peebler Fund Capital Projects, Improvements Other Than Building	\$3,702,362
2020-21	41818831-66220 (17-9001)	CDA Capital	South Main Redevelopment Project, Improvements Other Than Building	\$2,024,774
2020-21	01117621-66220 (21-6014)	General Fund	Bus Shelter Program, Improvements Other Than Building	\$180,500
2020-21	03217662-66220 (18-6911)	Measure M Street Construction	Measure M2 Local Fairshare, Improvements Other Than Building	\$607,000

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Fiscal Year	Accounting Unit - Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
2020-21	05917665-66220 (20-6958)	Select Street Construction	Gas Tax SB1 Road Maintenance & Rehabilitation Account, Improvements Other Than Building	\$1,148,541
2020-21	05417647-66220 (21-6451)	Sanitary Sewer Capital	Capital Recovery Charges, Improvements Other Than Building	\$2,365,000
2020-21	05917665-66220 (19-6940)	Select Street Construction	Gas Tax SB1 Road Maintenance & Rehabilitation Account, Improvements Other Than Building	\$555,050
Total				\$18,309,245

EXHIBIT(S)

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

Submitted By:
Nabil Saba, Executive Dir Public Works

Approved By: Kristine Ridge, City Manager