



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
August 29, 2023

TOPIC: Alley Improvements Program

AGENDA TITLE

Award a Construction Contract to Kalban, Inc. in the Amount of \$3,037,800 for the Alley Improvements Program with an Estimated Project Delivery Cost of \$4,252,820 (Project No. 23-6910) (M2 Local Fairshare) (General Fund)

RECOMMENDED ACTION

1. Authorize the reallocation of unspent Measure M2 Local Fairshare funds from various projects: \$143,017 from Alley Improvement Program FY2018-19, \$818,083 from Alley Improvement Program FY2021-22 for a total of \$961,100 to the Alley Improvements Program Project to complete the project's funding requirement.
2. Award a construction contract to Kalban, Inc., the lowest responsible bidder, in accordance with the base bid in the amount of \$3,037,800, subject to a change order (not-to-exceed 25 percent of the base bid) in accordance with the 2021 Greenbook: Standard Specifications for Public Works Construction for construction of the Alley Improvements Program Project, for the term beginning August 29, 2023 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.
3. Approve the Project Cost Analysis for a total estimated construction delivery cost of \$4,252,820, which includes \$3,037,800 for the construction contract; \$455,670 for contract administration, inspection, and testing; and a \$759,350 project contingency for unanticipated or unforeseen work.
4. Determine that the recommended actions are exempt from further review in accordance with the California Environmental Quality Act as Categorical Exemption Environmental Review No. ER-2022-118 was filed for the project 23-6910.

DISCUSSION

The City has an alley network of 30 miles. Many of the alleys are in need of replacement. The Alley Improvements Program project will reconstruct alleys with new concrete pavement throughout the City (Exhibit 1). The scope of work includes excavation, grading, removal of asphalt concrete pavement, installing Portland cement

concrete alley pavement, sidewalk and driveway approaches with curb and gutter, adjusting utility covers to finished grade, and signing.

Public Outreach and Contractor Participation

To provide an opportunity for local vendors to submit bids, the City notified a total of 52 regional vendors via PlanetBids, many of which are Santa Ana based. A total of six bids were received. 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 2, 2023 and July 10, 2023. The project was also advertised in PlanetBids from June 2 through July 10, 2023. Bids were received electronically via PlanetBids on July 10, 2023. 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	M.S. Construction Management Group	Dana Point, CA	<i>withdrew bid</i>
2	Kalban, Inc.	Santa Clarita, CA	\$3,037,800
3	CJ Concrete Construction, Inc.	Santa Fe Springs, CA	\$3,534,300
4	CT&T Concrete Paving, Inc.	Diamond Bar, CA	\$4,628,838
5	Kazoni Construction	Costa Mesa, CA	\$5,209,550
6	Nationwide Contracting Services, Inc.	Huntington Beach, CA	\$6,354,800

A total of six bids were received. M.S. Construction Management Group, the lowest apparent bidder, had withdrew their bid and were deemed non-responsive. Kalban Inc. submitted the lowest responsive base bid in the amount of \$3,037,800 (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 Kalban, Inc, in the amount of the base bid totaling \$3,037,800 (Exhibit 3). Kalban, Inc. has not performed work in the City of Santa Ana in previous years and this project will be the first.

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 and materials testing. 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 \$4,252,820.

Project Item	Total
Construction Contract Bid Amount	\$ 3,037,800
Construction Administration, Inspection, Testing	\$ 455,670
Contract Contingencies	\$ 759,350
TOTAL ESTIMATED CONSTRUCTION DELIVERY COST	\$ 4,252,820

ENVIRONMENTAL IMPACT

In accordance with the California Environmental Quality Act, the recommended actions are exempt from further review. Categorical Exemption Environmental Review No. ER-2022-118 was filed for the project 23-6910.

FISCAL IMPACT

Project No. 23-6910 is the number assigned to the funding for tracking of all expenditures to deliver the construction of this project. As indicated in the Cost Analysis, the total construction delivery cost of the project is \$4,252,820 which includes construction, contract administration, inspection, testing, and an authorized contingency.

The proposed contract enables staff to authorize a change order (not to exceed 25 percent of the base bid) in accordance with the 2021 Greenbook: Standard Specifications for Public Works Construction if necessary, for contingencies. Staff expects to utilize other available Public Works appropriations if a contingency becomes necessary to complete the project. If there are no other available appropriations, Staff will return to City Council with a project update and recommendations.

The following table summarizes the funds budgeted and available through the carry-forward process in current FY 2023-24 for expenditure to deliver construction of this project (Exhibit 5). Any unspent budget in FY 2023-24 will be included in future year carry-forward for City Council consideration.

Fiscal Year	Accounting Unit - Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
BUDGET REALLOCATION				
2023-24	03217662-66220 (from 19-6910 to 23-6910)	Measure M-Street Construction	Measure M2 Local Fairshare St, Improvements Other Than Building	\$143,017

Fiscal Year	Accounting Unit - Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
2023-24	03217662-66220 (from 22-6910 to 23-6910)	Measure M-Street Construction	Measure M2 Local Fairshare, Improvements Other Than Building	\$145,915
2023-24	01117017-66220 (from 22-6910 to 23-6910)	General Fund	Public Works – Traffic/Transportation – Service Enhancement	\$672,168
EXISTING BUDGET				
2023-24	01117660-66220 (23-6910)	General Fund	Public Works – Traffic/Transportation – Service Enhancement	\$3,291,720
Total				\$4,252,820

EXHIBIT(S)

1. Location Map
2. Bid Proposal
3. Construction Contract
4. Cost Analysis
5. FY 2022-23 Capital Improvement Program Sheet

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

Approved By: Kristine Ridge, City Manager