



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
September 19, 2023

TOPIC: Award Construction Contract for the Westminster Avenue Rehabilitation Project and Approve Appropriation Adjustment

AGENDA TITLE

Approve an Appropriation Adjustment, Cooperative Cost Reimbursement Agreement with the City of Garden Grove, and Award a Construction Contract to R.J. Noble Company in the Amount of \$1,643,676 for the Westminster Avenue Rehabilitation Project from Newhope Street to Harbor Boulevard with an Estimated Project Delivery Cost of \$2,112,595 (Project No. 22-6989) (Non-General Fund)

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing \$542,000 in cost reimbursements from the City of Garden Grove into the Selected Street Construction revenue account, and appropriating the same amount to the Selected Street Construction expenditure account for the Westminster Avenue Improvement Project. (*Requires five affirmative votes.*)
2. Authorize the City Manager to execute a Cooperative Cost Reimbursement Agreement with the City of Garden Grove for improvements on Westminster Avenue within the Garden Grove jurisdiction from Newhope Street to Harbor Boulevard, subject to non-substantive changes approved by the City Manager and the City Attorney.
3. Authorize budget reallocation of \$185,405 in unspent Roadway Maintenance and Rehabilitation Account (SB-1) from the Fairview Rehabilitation from South City Limits to Segerstrom Avenue Improvement (No. 21-6978) Project and \$47,595 in unspent Roadway Maintenance and Rehabilitation Account (SB-1) from the Euclid Rehabilitation from First Street to Hazard Avenue Improvements (No. 20-6955) Project to construction funds for the Westminster Avenue Rehabilitation from Newhope Street to Harbor Boulevard Project (No. 22-6989) to complete the project funding requirement
4. Award a construction contract to R.J. Noble Company, the lowest responsible bidder, in accordance with the base bid in the amount of \$1,643,676, subject to change orders (not to exceed 25% of the base bid amount) in accordance with the Greenbook: Standard Specifications for Public Works Construction, for construction

of the Westminster Avenue Rehabilitation, for the term beginning September 19, 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.

5. Approve the Project Cost Analysis for a total estimated construction delivery cost of \$2,112,595, which includes \$1,643,676 for the construction contract; \$246,551 for contract administration, inspection, and testing; \$58,000 for design engineering; and a \$164,368 project contingency for unanticipated or unforeseen work.
6. 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-2023-77 was filed for the project.

DISCUSSION

Staff has identified Westminster Avenue from Newhope Street to Harbor Boulevard Project (Exhibit 1) as a priority in the City's pavement management program. The pavement is deteriorating due to weather, age, and heavy usage. The scope of work includes excavation, grading, removal and replacement of asphalt concrete pavement and Portland cement concrete, landscaping, irrigation, and signing and striping. Once completed, the improvements will enhance the streets drivability, visual appearance, accessibility, and drainage issues.

The City of Garden Grove shares the right-of-way within the project area; therefore, a Cooperative Cost Reimbursement Agreement is required for the City of Garden Grove to fund their portion of the improvements (Exhibit 2). The Cooperative Cost Reimbursement Agreement between the City of Santa Ana and the City of Garden Grove identifies the roles and responsibilities of each party and has estimated each City's share of the project costs. The City of Garden Grove's cost reimbursement of up to \$542,000 includes \$58,000 for their share of the Design Engineering costs. Additionally, the City of Garden Grove's total cost reimbursement will be funded by their California Highway Users Tax Account (Gas Tax) allocation.

Public Outreach and Contractor Participation

To provide an opportunity for local vendors to submit bids, the City notified a total of 900 regional vendors via PlanetBids, many of which are Santa Ana based. Thirty-eight vendors requested bidding documents and a total of five 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 June 2, 2023 and June 9, 2023. The project was also advertised in PlanetBids from June 2, 2023 through June 29, 2023. Bids were received electronically via PlanetBids on June 29, 2023.

Bid Results Summary

Rank	Bidder's Name	Location	Base Bid
1	R.J. Noble Company	Orange, CA	\$1,643,676
2	Onyx Paving Company, Inc.	Anaheim, CA	\$1,693,000
3	All American Asphalt	Corona, CA	\$1,744,103
4	Excel Paving Co	Long Beach, CA	\$1,758,414
5	Hardy & Harper, Inc.	Lake Forest, CA	\$1,830,000

A total of five bids were received, and all were deemed responsive. R.J. Noble Company submitted the lowest responsive base bid in the amount of \$1,643,676 (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 R.J. Noble Company, in the amount of the base bid totaling \$1,643,676 (Exhibit 4).

R.J. Noble Company has worked satisfactorily on various projects for the City of Santa Ana throughout the last several years. The most recent project was Alton Rehabilitation from Raitt Street to Bristol Street Fiscal Year 2019-2020.

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; 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 \$2,112,595.

Project Item	Total
Construction Contract Bid Amount	\$1,643,676
Construction Administration, Inspection, Testing	\$246,551
Contract Contingencies	\$164,368
Design Engineering	\$58,000
TOTAL ESTIMATED CONSTRUCTION DELIVERY COST	\$2,112,595

In order to account for the widespread price increases in construction material, Staff recommends reallocating \$233,000 in unspent Road Maintenance and Rehabilitation Account (SB-1) funds to supplement the existing construction funding. Funding was

originally allocated to the Fairview Rehabilitation from South City Limits to Segerstrom Avenue Improvement (No. 21-6978) Project and Euclid Rehabilitation from First Street to Hazard Avenue Improvements (No. 20-6955) Project. The Fairview Rehab Project and Euclid Rehab Project will be fully funded with a new budget in the upcoming Fiscal Year 2023-2024 Capital Improvement Program (CIP).

ENVIRONMENTAL IMPACT

In accordance with the California Environmental Quality Act, the recommended actions are exempt from further review. Categorical Exemption Environmental Review No. ER-2023-77 was filed for the project.

FISCAL IMPACT

As indicated in the Cost Analysis, the total construction delivery cost of the project is \$2,112,595 which includes construction, contract administration, inspection, testing, and an authorized contingency. Approval of the Appropriation Adjustment will recognize the City of Garden Grove's contribution of \$542,000 for project costs into the Select Street Construction, Expense Reimbursement revenue account (No. 05917002-57000) and appropriate the same amount into the Select Street Construction, Improvements Other Than Building expenditure account (No. 05917660-66220). During construction, if necessary, funds may be reallocated between Construction Administration, Inspection, Testing and/or Contingencies. The total construction delivery cost will not be exceeded without Council Authorization. Budget will be reallocated from Project No. 21-6978 and No. 20-6955 to fund this agreement. Project No. 22-6989 is the number assigned to the funding for tracking of all expenditures to deliver the construction of this project.

The proposed contract enables Staff to authorize a construction cost increase of up to 25% if necessary for contingencies. Staff expect to utilize other available Public Works appropriations if a contingency becomes necessary to complete the project. If there are no other available appropriations, then Staff will return to City Council with a project update and recommendations.

The following table summarizes the funds budgeted and available in current FY 2023-24 (Exhibit 6) for expenditure to deliver construction of this project. Any remaining balances not expended at the end of the fiscal year will be presented to City Council for approval of carryovers to Fiscal Year 2024-2025.

Fiscal Year	Accounting Unit - Account No. (Project No.)	Fund Description	Accounting Unit - Account No. Description	Amount
EXISTING PROJECT BUDGET				
2023-24	05917665-66220 (22-6989)	Select Street Construction	HUTA Gas Tax – RMRA, Improvements Other Than Buildings	\$1,389,000

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BUDGET REALLOCATION				
2023-24	05917665-66220 (From 21-6978 to 22-6989)	Select Street Construction	HUTA Gas Tax – RMRA, Improvements Other Than Buildings	\$185,405
2023-24	05917665-66220 (From 20-6955 to 22-6989)	Select Street Construction	HUTA Gas Tax – RMRA, Improvements Other Than Buildings	\$47,595
APPROPRIATION ADJUSTMENT				
2023-24	05917660-66220 22-6989	Select Street Construction	Select Street Construction, Improvements Other Than Buildings	\$490,595
Total				\$2,112,595

EXHIBIT(S)

1. Location Map
2. Cooperative Cost Reimbursement Agreement with City of Garden Grove
3. Bid Proposal
4. Construction Contract
5. Cost Analysis
6. CIP Project Sheet

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency
Approved By: Kristine Ridge, City Manager