



# CITY COUNCIL AGENDA REPORT

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MEETING DATE: August 15, 2006

ITEM NUMBER:

**SUBJECT:** 2005-2006 CDBG PROJECTS: WALLACE AVENUE (PROJECT "A"), BUOY STREET (PROJECT "B"), KENWOOD PLACE (PROJECT "C"), AND CONGRESS STREET (PROJECT "D") - CITY PROJECT NO. 06-05

**DATE:** JULY 26, 2006

**FROM:** PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

**PRESENTATION BY:** WILLIAM J. MORRIS, DIRECTOR OF PUBLIC SERVICES

**FOR FURTHER INFORMATION CONTACT:** ERNESTO MUNOZ, CITY ENGINEER, (714) 754-5343

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## **RECOMMENDATION:**

1. Approve Budget Adjustment No. 07-006 (Attachment 1) in the amount of \$35,000.
2. Award a construction contract to R.J. Noble Company, 15505 E. Lincoln Avenue, Orange, CA 92865, in the amount of \$497,329.20 (base bid only).
3. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

## **BACKGROUND:**

Based on staff's observations and recommendations from the City's Pavement Management System, Wallace Avenue (from Wilson Street to Congress Street), Congress Street (from westerly end to Raleigh Avenue), Kenwood Place (from 18<sup>th</sup> Street to Shalimar Drive), and Buoy Street (from Orange Avenue to Fullerton Avenue) are in need of pavement reconstruction at this time.

The scope of work for this project, in general, consists of the total removal and reconstruction of asphalt concrete pavement, damaged curb and gutter, sidewalks, and driveways; installation of missing access ramps within the project limits; traffic control; striping and pavement markings; all other pertinent and incidental work; and all other work as necessary to complete the project.

## **ANALYSIS:**

On June 26, 2006, the City Clerk received and opened three (3) bids for this project. The apparent low bidder, R.J. Noble Company, submitted a bid of \$497,329.20 (base bid only), which was 6.7 percent higher than the Engineer's estimate of \$464,193 presumably due to higher construction costs and the lack of available qualified contractors. The average of the three (3) bids received amounted to \$546,478.43. The Bid Abstract is included as "Attachment 2."

The license and references of R.J. Noble Company were checked and staff has found them to be in good standing. R.J. Noble Company has successfully completed other City projects including the Rehabilitation of 17<sup>th</sup> Street (between Monrovia Avenue and the westerly City limits); Raleigh Avenue (from Wilson Street to the southerly cul-de-sac); Bear Street (from Paularino Avenue to Baker Street); and Bristol Street (from Bear Street to Randolph Avenue).

**ALTERNATIVES CONSIDERED:**

The alternative to this Council action would be to reject all the bids. If all the bids are rejected, the City would have to re-advertise or cancel the project. Staff believes that re-advertising the project will not result in lower bids, and could in fact result in higher bids due to the escalation in material prices currently occurring in the construction trade.

**FISCAL REVIEW:**

City Council approved the use of Community Development Block Grant (CDBG) funds in Fiscal Year 2005-06 to move forward with these projects. The appropriations for these four (4) streets: Wallace Avenue - \$170,000; Buoy Street - \$157,390; Congress Street - \$125,000; and Kenwood Place - \$143,000 totaled \$595,390 and included design costs. A total of \$95,004 of design costs have been expended for these four (4) streets leaving a remaining appropriation of \$500,386. The Budget Adjustment for \$35,000 is required to provide sufficient contingency funding for the four (4) streets and will use remaining CDBG funds from the 17<sup>th</sup> Street Project.

**LEGAL REVIEW:**

R.J. Noble Company has furnished the necessary bonds and insurance, which were approved as to form by the City Attorney. After the award and subsequent execution of the contract, a Notice to Proceed will be issued.

**CONCLUSION:**

It is recommended that the City Council approve Budget Adjustment No. 07-006 in the amount of \$35,000; award a construction contract to R.J. Noble Company, Inc. in the amount of \$497,329.20 (base bid only); and authorize the Mayor and City Clerk to execute the Public Works Agreement.

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ERNESTO MUNOZ  
City Engineer

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WILLIAM J. MORRIS  
Director of Public Services

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MARC R. PUCKETT  
Director of Finance

ATTACHMENTS:    "1"   [Budget Adjustment No. 07-006](#)  
                      "2"   [Bid Abstract](#)

DISTRIBUTION:    City Manager  
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                      City Attorney  
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