



# *CITY COUNCIL AGENDA REPORT*

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MEETING DATE: August 15, 2006

ITEM NUMBER:

**SUBJECT:** FAIR DRIVE STORM DRAIN IMPROVEMENTS - CITY PROJECT NO. 06-16

**DATE:** JULY 25, 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. 07-008 (Attachment 1) in the amount of \$540,000 as detailed under the Fiscal Review section of this report.
2. Award a construction contract to Lonerock, Inc., 26 Vista Firenze, Laguna Hills, CA 92653, in the amount of \$497,759.50.
3. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

## **BACKGROUND:**

Modifications to the Police Facility site, resulting from the construction of a new 11,000 square-foot facility and additional parking areas, will decrease the site's permeable areas thereby increasing the amount of run-off it generates. The site currently experiences flooding resulting from the lack of storm drain lines in the vicinity to handle the significant run-off which converges at the intersection of Vanguard Way and Fair Drive. After a site analysis of the Police Facility Expansion and Renovation Project, it was determined that the onsite drainage would not be adequate to meet current design standards due to the lack of a drainage system within the vicinity. In order to correct this drainage deficiency, a contract for the construction of an offsite storm drain system was advertised, and bids were received and evaluated by staff.

The scope of work for this project includes the installation of a storm drain system consisting of reinforced concrete pipes and High Density Polyethylene (HDPE) plastic pipes along Fair Drive from Vanguard Way to Fairview Road. The scope of work also includes removal of existing improvements; construction of curb opening catch basins, manhole structures, junction structures, and concrete collars; restoration of street improvements removed for the installation of the storm drain; traffic control; and all pertinent and incidental work. The contractor shall furnish all materials, tools, equipment, and incidentals necessary to perform and complete the work as shown on the plans and the contract documents, to the satisfaction of the Engineer.

**ANALYSIS:**

The City Clerk received and opened four (4) bids for this project on July 17, 2006. Lonerock, Inc. was the apparent low bidder with a total bid proposal of \$497,759.50. The Engineer's estimate was \$349,061; and the average of the four (4) bids received amounted to \$541,300.13.

An analysis of the bids indicates that the apparent low bidder submitted a proposal that is 42 percent higher than the Engineer's estimate. A portion of the higher cost above the Engineer's estimate is due to increased construction costs for plastic piping and asphalt concrete material, in addition to the rising prices for diesel and gasoline. Also, the current high volume of construction work has a marked effect on construction pricing, which is difficult to estimate. The Bid Abstract is included as "Attachment 2."

The license and references of Lonerock, Inc. were checked and staff has found them to be in good standing.

**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 readvertise or cancel the project. Staff believes that readvertising the project will not result in lower bids.

**FISCAL REVIEW:**

The attached Budget Adjustment, No. 07-008, appropriates \$540,000 towards the contract to Lonerock, Inc. Funding for this project will be included with the Police Facility Expansion and Renovation Project, which will come from debt proceeds. The Finance Department anticipates issuing the debt sometime this year; at that time, Finance Department staff will provide debt-financing options to the City Council. On December 6, 2005, Council approved Resolution No. 05-83, a reimbursement resolution, to allow the City to incur expenditures related to this capital project prior to issuance of the debt.

Should the City determine not to proceed with the project or the debt financing in the future, the funds expended for the storm drain improvements would be funded from the General Fund undesignated fund balance.

**LEGAL REVIEW:**

Lonerock, Inc. will furnish the necessary bonds and insurance, which must be approved as to form by the City Attorney's office. 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. 07-008 in the amount of \$540,000; award the contract to Lonerock, Inc. in the amount of \$497,759.50; and authorize the Mayor and the 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. 07-008](#)  
                      "2"   [Bid Abstract](#)

DISTRIBUTION:    City Manager  
                      Assistant City Manager  
                      City Attorney  
                      City Clerk  
                      Staff  
                      File

File Name Award Award Fair  
Drive Storm Drain Imps Report

Date 07-25-06

Time 2:30 p.m.