



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 3, 2007

ITEM NUMBER:

SUBJECT: AWARD CONSTRUCTION OF THE SUSAN STREET OFFRAMP (405 OFFRAMP BETWEEN FAIRVIEW ROAD AND HARBOR BOULEVARD) - CITY PROJECT NO. 07-16

DATE: JUNE 21, 2007

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

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

FOR FURTHER INFORMATION CONTACT: PETER NAGHAVI, MANAGER, TRANSPORTATION SERVICES (714) 754-5182

RECOMMENDATION:

1. Adopt plans, specifications, and working details for the Construction on the State Highway in Orange County in Costa Mesa on the Route 405 offramp between Fairview Road and Harbor Boulevard (Susan Street offramp), City Project No. 07-16.
2. Approve Budget Adjustment No. 08-002 (Attachment 1) in the amount of \$234,226.
3. Award a construction contract to Powell Constructors, 8555 Banana Avenue, Fontana, CA 92335 in the amount of \$1,519,683.00.
4. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

BACKGROUND:

Over the past six years, the City has been working with the State of California Department of Transportation (Caltrans) in finalizing design plans for the Susan Street Exit Ramp project. The Susan Street Exit Ramp project would provide an offramp from the I-405 freeway northbound collector-distributor road offramp to Fairview Road and Harbor Boulevard. This project is fully funded by C. J. Segerstrom & Sons. A reimbursement agreement, documenting the funding obligations, was executed between the City of Costa Mesa and C. J. Segerstrom & Sons on April 3, 2007.

The scope of work for this project, in general, includes construction of a new exit ramp for Susan Street from the northbound I-405 freeway and all other pertinent and incidental work as necessary to complete the project.

ANALYSIS:

On June 5, 2007, the City Clerk received and opened ten (10) bids for this project. The apparent low bidder, Powell Constructors, submitted a bid in the amount of \$1,519,683.00, which was 2.4% percent higher than the Engineer's estimate of \$1,482,928.00. The average of the ten (10) bids received amounted to \$1,872,940.28. The Bid Abstract is included as "Attachment 2."

The license and references of Powell Constructors 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 were 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 escalation in material and labor costs.

FISCAL REVIEW:

This project is fully funded by C.J. Segerstrom & Sons, in accordance with the terms of the reimbursement agreement approved by the City Council on April 3, 2007. This reimbursement agreement was based on the original estimate of the total cost for the construction of the project, including construction management services, in the amount of \$1,600,000. This amount was previously appropriated through Budget Adjustment No. 07-080. However, following the completion of design and based on the bids received, a total of \$1,834,226 will be required for the project. C.J. Segerstrom & Sons has agreed to the addition of \$234,226 to the project cost. The attached Budget Adjustment No. 08-002 recognizes the additional revenue and authorizes the expenditure for the Susan Street project.

LEGAL REVIEW:

Powell Constructors 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 adopt plans, specifications, and working details for the Construction on the State Highway in Orange County in Costa Mesa on Route 405 offramp between Fairview Road and Harbor Boulevard; approve Budget Adjustment No. 08-002, in the amount of \$234,226; award a construction contract to Powell Constructors in the amount of \$1,519,683.00; and authorize the Mayor and City Clerk to execute the Public Works Agreement.

ERNESTO MUNOZ
City Engineer

WILLIAM J. MORRIS
Director of Public Services

MARC R. PUCKETT
Director of Finance

ATTACHMENTS: "1" [Budget Adjustment No. 08-002](#)
 "2" [Bid Abstract](#)

DISTRIBUTION: City Manager
 Assistant City Manager
 City Attorney
 City Clerk
 Transportation Svcs. Manager
 Staff