



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 3, 2007

ITEM NUMBER:

SUBJECT: CONSTRUCTION ON STATE HIGHWAY ROUTE 405 AT FAIRVIEW ROAD OVERCROSSING (PROJECT "A") AND AT HARBOR BOULEVARD (PROJECT "B") – CITY PROJECT NO. 07-15

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. Reject all bids.
2. Authorize the re-advertisement of the project.

BACKGROUND:

Over the past three years, the City has worked with the State of California Department of Transportation (Caltrans) to finalize the design plans for Fairview Road/I-405 Interchange Widening and Harbor Boulevard/I-405 Improvement projects. The scope of work for the two projects is briefly described below:

- Fairview Road/I-405 Interchange: This project involves widening of the Fairview Road bridge over the I-405 Freeway to provide a third southbound left-turn lane from Fairview Road to southbound I-405 Freeway and the associated widening of the southbound I-405 Freeway onramp.
- Harbor Boulevard/I-405: This project involves improvements to the east side of Harbor Boulevard between Gisler Avenue and South Coast Drive, and includes removal of the existing embankment under the I-405 freeway bridge, construction/relocation of the northbound onramp behind the bridge columns; and reconstruction of the southbound onramp "gore" area from southbound Harbor Boulevard. This will result in four (4) continuous through lanes in each direction on Harbor Boulevard under the I-405 Freeway, as well as for providing improved freeway access.

ANALYSIS:

On June 5 2007, the City Clerk received and opened two (2) bids for this project. The apparent low bidder, Beador Construction Company, Inc., submitted a bid in the amount of \$9,166,740.00, which was 20 percent higher than the Engineer's estimate of \$7,645,989.91. The average of the two bids amounted to \$9,934,226.71 (Attachment 1). Since the apparent low bidder's price exceeds the project funding by a significant amount, staff recommends all bids be rejected and the project be re-advertised. Re-advertisement of the project will allow staff the opportunity to re-evaluate the scope of work and allow other potential bidders to submit bids for the project.

ALTERNATIVES CONSIDERED:

One alternative to this recommendation is for the City Council to cancel the project. However, canceling the project would not result in the necessary work being completed. Another alternative would be to award the contract to the apparent low bidder. However, awarding to the apparent low bidder would result in a considerably higher project cost. Staff anticipates that re-bidding the project will result in some additional savings below the current bid amount and still comply with the criteria set forth by the grant source.

FISCAL REVIEW:

There is no fiscal impact at this time if all bids are rejected and the project is re-advertised as recommended.

The City has secured OCTA grant funding from the Measure M Master Plan of Arterial Highways (MPAH) and Regional Interchange Program (RIP) in the amount of approximately \$4.1 million, covering 50% of the project costs. The remaining 50% of the costs will be derived from Home Ranch Development Mitigation funds in the amount of approximately \$3.7 million, Bicycle Transportation Account (BTA) grant in the amount of \$450,000, and OCTA Growth Management Area (GMA) funds in the amount of approximately \$100,000. Excluding construction management services funding, the City has approximately \$7.7 million in funding available for construction.

LEGAL REVIEW:

California Public Contract Code Section 20166 allows the legislative body, at its discretion, to reject any and all bids and re-advertise.

CONCLUSION:

It is recommended that the City Council reject all bids and authorize staff to re-advertise the project.

ERNESTO MUNOZ
City Engineer

WILLIAM J. MORRIS
Director of Public Services

MARC R. PUCKETT
Director of Finance

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ATTACHMENTS: 1 [Bid Abstract](#)