



CITY COUNCIL AGENDA REPORT

MEETING DATE: NOVEMBER 18, 2008

ITEM NUMBER:

SUBJECT: NEWPORT BOULEVARD IMPROVEMENT PROJECT - FEDERAL PROJECT NO. RPSTPLE – 5312 (070), CITY PROJECT NO. 08-08

DATE: NOVEMBER 7, 2008

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: PETER NAGHAVI, DIRECTOR, DEPARTMENT OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: ERNESTO MUÑOZ, CITY ENGINEER, (714) 754-5335

RECOMMENDATION:

1. Adopt plans, specifications, and working details for the Newport Boulevard Improvement Project - Federal Project No. RPSTPLE – 5312 (070), City Project No. 08-08.
2. Award a construction contract to All American Asphalt, Post Office Box 2229, Corona, California, 92878, in the amount of \$4,295,449.
3. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.
4. Approve Budget Adjustment No. 09-009 for \$1,607,710 to recognize additional funding allocated to the Newport Boulevard Improvement Project (Attachment 1).

BACKGROUND:

On May 11, 2005, the State of California Department of Transportation (Caltrans) and the Federal Highway Administration (FHWA) approved the National Environmental Policy Act (NEPA) document and established a "Finding Of No Significant Impact" (FONSI) for proposed improvements along Newport Boulevard between 17th Street and 19th Street. On June 21, 2005, the City Council approved the Initial Study/Environmental Assessment (IS/EA) document for the various proposed streetscape and roadway improvements. On December 6, 2005, the City Council approved the Streetscape Plan for the Newport Boulevard Improvement Project. The scope of proposed improvements established by the IS/EA include:

- Aesthetic, landscaping, and streetscape enhancements, including decorative sidewalks, crosswalks, palm trees, planters and ornamental street lighting along the corridor.
- Bus stop and handicap ramps in compliance with the Americans with Disabilities Act (ADA), and new bus shelters.
- Construction of missing sidewalk along the west side of Newport Boulevard, north of 17th Street.

- Addition of a fourth northbound travel lane on Newport Boulevard from 17th Street to north of 19th Street.
- Addition of a fourth southbound travel lane on Newport Boulevard, from the State Route 55 Freeway terminus to the intersection with Broadway.
- Addition of a southbound right-turn lane at the intersection of Newport Boulevard and 17th Street.

In June 2005, the City of Costa Mesa secured two Measure M Intersection Improvement Program (IIP) grants in the amounts of \$1,477,000 and \$2,500,000; and a Growth Management Area (GMA) grant of \$870,000 toward the Newport Boulevard Improvement Project. In January 2007, the City Council authorized a Contribution Agreement recognizing \$330,000 by Caltrans, to include supplemental funding for road repairs with this project. In July 2008, the California Transportation Commission (CTC) allocated \$1,000,000 in Transportation Enhancement (TE) grant funds toward streetscape improvements proposed with the project. Caltrans issued a construction Encroachment Permit in May 2008.

ANALYSIS:

The City Clerk received and opened six (6) bids for this project on November 7, 2008. All American Asphalt was the apparent low bidder with a Base Bid proposal of \$4,155,027. The Engineer's base estimate was \$4,698,785; and the average of the six (6) base bids received amounted to \$4,835,423.43. An analysis of the bids indicates that the apparent low bidder submitted a proposal that is 3.1 percent (3.1%) lower than the Engineer's estimate. The Bid Abstract is included as Attachment 2.

In addition to the base bid, the bid solicitation included four additive bid items of work to provide signal interconnect cable, curb and gutter removal, curb and gutter installation, and project management. These four additive items of work were contingent on the available funding for the project. The low bidder's total for the base bid plus the all additive bid items is \$4,295,449. The current available CIP budget is \$6,177,000. Since the amount of the base bid plus the all additive bid items is below the available project budget, staff recommends the award of the contract to include all additive bid items for the total contract amount of \$4,295,449.

The license and references of All American Asphalt were checked and staff has found them to be in good standing. All American Asphalt has successfully completed many projects within the City of Costa Mesa, including most recently the Roadway Rehabilitation of East 19th Street Project and Roadway Rehabilitation of Fair Drive Project.

ALTERNATIVES CONSIDERED:

The alternative to this Council action would be to reject all the bids. If all the bids were rejected, the City would forfeit a portion of the funding and may not have sufficient funding to complete the project. In addition, staff believes that readvertising the project will not result in lower bids.

FISCAL REVIEW:

The City has secured OCTA grant funding from the Measure M Intersection Improvement Program (IIP) and Growth Management Area Program (GMA) in the amount of \$4,847,000; a TE grant of \$1 million; and Caltrans funding of \$330,000. The project is included in the Fiscal Year 2006/2007 CIP budget. Budget Adjustment No. 09-009 will encumber additional revenues recognized through these various grant awards, which were not allocated within the CIP budget.

LEGAL REVIEW:

All American Asphalt will furnish the necessary bonds and insurance, which will be reviewed by the City Attorney's office. After the award; approval of the bonds and insurance; and the 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 Newport Boulevard Improvement Project - Federal Project No. RPSTPLE – 5312 (070), City Project No. 08-08; award the contract to All American Asphalt in the amount of \$4,295,449 (base bid plus all additive bid items); authorize the Mayor and the City Clerk to execute the Public Works Agreement; and approve Budget Adjustment No. 09-009 in the amount of \$1,607,710.

ERNESTO MUÑOZ
City Engineer

PETER NAGHAVI, Director
Department of Public Services

MARC R. PUCKETT
Director of Finance

- ATTACHMENTS: 1. [Budget Adjustment 09-009](#)
 2. [Bid Abstract](#)

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