



# *CITY COUNCIL AGENDA REPORT*

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**MEETING DATE:** JANUARY 4, 2011

**ITEM NUMBER:**

**SUBJECT:** AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA), REHABILITATION OF WILSON STREET (FROM HARBOR BOULEVARD TO ANAHEIM AVENUE), FEDERAL PROJECT NO. ESPL – 5312 (081), CITY PROJECT NO.10-10

**DATE:** DECEMBER 15, 2010

**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

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## **RECOMMENDATION:**

1. Adopt plans, specifications, and working details for the American Recovery and Reinvestment Act (ARRA), Rehabilitation of Wilson Street (from Harbor Boulevard to Anaheim Avenue), Federal Project No. ESPL–5312 (081), City Project No. 10-10.
2. Approve Budget Adjustment No. 11-010 (Attachment 1) in the amount of \$800,000.
3. Award a construction contract to R.J. Noble Company, 15505 East Lincoln Avenue, Orange, California, 92865 in the amount of \$719,765.40.
4. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

## **BACKGROUND:**

Based on staff's analyses and recommendations through the City's Pavement Management System, Wilson Street (from Harbor Boulevard to Anaheim Avenue) is in need of pavement rehabilitation at this time. The design phase for this project was completed in December 2007 in anticipation of, and to improve the City's competitiveness in capturing grant funding.

In May 2010, City staff was able to secure \$700,000 in grant funding. \$300,000 from ARRA and \$400,000 from Regional Surface Transportation Program (RSTP) grants which were excess funding monies from other agency projects. These grants will cover all eligible costs for the construction phase of the project.

## **ANALYSIS:**

The scope of work for this project consists of full-depth removal and reconstruction of the asphalt concrete pavement section on Wilson Street; removal and reconstruction of damaged curb, gutter, sidewalks, and driveways; traffic control, striping, and pavement markings; and all other tasks necessary to perform and complete the work as required per the contract documents.

The City Clerk received and opened six (6) bids for this project on November 8, 2010. R.J. Noble Company was the apparent low bidder with a bid proposal of \$719,765.40. An analysis of the bids indicates that the apparent low bidder submitted a proposal that is six (6%) lower than the Engineer's estimate. 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 many projects in the City of Costa Mesa including most recently the rehabilitation of Orange Avenue, 18th Street, South Coast Drive (Harbor Boulevard to Hyland Avenue), Mendoza Drive and Santa Ana Avenue (17<sup>th</sup> Street to 22<sup>nd</sup> Street).

**ALTERNATIVES CONSIDERED:**

The alternative to this Council action would be to reject all the bids. If all the bids were rejected, the City would need to readvertise or cancel the project. Staff believes that readvertising the project will not result in lower bids.

**FISCAL REVIEW:**

Up-front funding for this project is available from the Gas Tax Fund. Budget Adjustment No. 11-010 recognizes the grants in the amount of \$300,000 from ARRA and \$400,000 from RSTP funds, which will reimburse the City the construction costs and all associated administration costs with the reimbursement ratio of 100% and 88.53%, respectively. The remaining \$100,000 is from the Gas Tax Fund which was allocated in Fiscal Year 2010-11 for Citywide Street Improvement Program.

**LEGAL REVIEW:**

R.J. Noble Company has furnished the necessary bonds and insurance, which have been 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:**

The City has received bids for the rehabilitation of Wilson Street (from Harbor Boulevard to Anaheim Ave), Federal Project No. ESPL-5312 (081), City Project No. 10-10. Staff has evaluated all of the bids and recommends that the City Council adopt the plans, specifications, and working details for said project; approve Budget Adjustment No. 11-010 in the amount of \$800,000; award the contract to the apparent low bidder R.J. Noble Company in the amount of \$719,765.40; and authorize the Mayor and the City Clerk to execute the Public Works Agreement.

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**ERNESTO MUÑOZ**  
City Engineer

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**PETER NAGHAVI**, Director  
Department of Public Services

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**COLLEEN O'DONOGHUE**  
Assistant Finance Director

ATTACHMENTS:     "1"     [Budget Adjustment No. 11-010](#)  
                          "2"     Bid Abstract

DISTRIBUTION:     City Manager  
                          Assistant City Manager  
                          City Attorney  
                          City Clerk  
                          Development Services Director