



# *CITY COUNCIL AGENDA REPORT*

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MEETING DATE: MARCH 18, 2014

ITEM NUMBER:

**SUBJECT: 2013-2014 STREET REHABILITATION PROJECT, CITY PROJECT NO.13-16**

**DATE: MARCH 6, 2014**

**FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION**

**PRESENTATION BY: ERNESTO MUNOZ, PUBLIC SERVICES DIRECTOR**

**FOR FURTHER INFORMATION CONTACT: FARIBA FAZELI, CITY ENGINEER, (714) 754-5335**

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## **RECOMMENDATION:**

1. Adopt plans, specifications, and working details for the 2013-2014 Street Rehabilitation Project, City Project No. 13-16.
2. Award a construction contract to R. J. Noble Company, 15505 E. Lincoln Avenue, Orange, CA 92865 in the amount of \$2,583,978.00
3. Approve Contract Change Order No. 1 in the amount of \$516,800.00.
4. Authorize the Chief Executive Officer to execute Contract Change Order No. 1.
5. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

## **BACKGROUND:**

The 2013-2014 Street Maintenance Project consists of three distinct phases of work with a combined cost of over \$5.5 million.

Phase 1: Parkway and Concrete Repair Project – include the localized repair of damaged curb, gutter, sidewalk, cross-gutters, driveways, and new sidewalk construction.

Phase 2: Street Rehabilitation Project – includes asphalt concrete mill and overlay of the roadway.

Phase 3: Slurry Seal Project – application of a surface coating and sealing of the roadway.

The renewed Measure M (M2) funding program requires that cities in Orange County maintain a uniform approach to rating and evaluating streets utilizing a standardized Pavement Management Program. Based on pavement analysis recommendations and field review, staff prepared a priority list and recommendations of streets to be repaired. These recommendations were included in the scope of work for the 2013-2014 Street Maintenance Project.

The streets proposed for maintenance under the 2013-2014 Street Maintenance Project (Attachment "1") are located in the following neighborhoods:

- Upper and Lower Bird Neighborhood bounded by Adams Avenue to the North, Tanager Drive to the South, Sandpiper Drive to the West, and Harbor Boulevard to the East;
- Mesa North Neighborhood between Fairview Road and the I-73 freeway and Baker Street to the I-405 freeway;
- Westside Neighborhood bounded by Joann Street to the North, Victoria Street to the South, Pacific Avenue to the West, and Harbor Boulevard to the East;
- Area around Trinity Church bounded by Olympic Avenue to the North, Paularino Avenue to the South, Bear Street to the West, and Bristol Street to the East.

### **ANALYSIS:**

The overall scope for the 2013-2014 Street Maintenance Project includes the removal and reconstruction of damaged pavement sections, milling and overlaying with new asphalt, and reconstruction of damaged parkway improvements over the project limits. Part of the work also includes the application of a Type I slurry seal pavement coating, and the replacement of striping, and traffic control markings. The scope of this contract covers localized reconstruction of failed sections of the existing roadway; milling the existing pavement, placing asphalt concrete, and traffic control during construction operations. The contractor is required to complete all of the tasks necessary to perform the work as outlined in the contract documents.

The City Clerk received and opened six (6) bids for this project on December 23, 2013. R.J. Noble Company was the apparent low bidder with a base bid proposal of \$2,583,978.00; the average of six (6) bids received amounted to \$3,152,147.33. The Engineer's estimate for this work was \$3,488,975.00. An analysis of the bids indicates that the apparent low bidder submitted a proposal that is approximately twenty-six percent (26%) lower than the Engineer's estimate. The variance between the low bid and the Engineer's estimate may be attributed to continued competitive conditions in the construction industry at this time. The Bid Abstract is included as Attachment "2".

The apparent low bid is substantially lower than the Engineer's estimate and the funding allocated for the project. The City has identified supplemental work that can be included in this contract to maximize the utilization of available resources to the project. Contract Change Order No. 1 in the amount of \$516,800.00 (Attachment "3") will provide funding for additional streets that are in immediate need of resurfacing.

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 (17<sup>th</sup> Street to 18<sup>th</sup> Street); 18<sup>th</sup> Street (Anaheim Avenue to Park Avenue); South Coast Drive (Harbor Boulevard to Hyland Avenue); and Harbor Boulevard (Baker Street to South Coast Drive).

### **ALTERNATIVES CONSIDERED:**

The alternative to this Council action would be to reject all the bids and rebid the project. If the bids are rejected, the City would need to cancel this project. Staff believes that re-advertising and rebidding the project will not result in lower bids. Canceling the project is not recommended because the streets identified are in immediate need of the proposed maintenance.

### **FISCAL REVIEW:**

In Fiscal Year 2013-2014 City Council allocated a total of \$6,800,000 from Gas Tax, Measure "M", and Capital Improvement Funds towards a Citywide Street Improvement project. This amount will fully cover this project in the amount of the base bid of \$2,583,978.00 and Contract Change Order No. 1 in the amount of \$516,800.00.

## **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 2013-2014 Street Rehabilitation Project, City Project No. 13-16. Staff has evaluated all of the bids and recommends that the City Council adopt the plans, specifications, and working details for said project; award the contract to the apparent low bidder R.J. Noble Company in the amount of \$2,583,978.00; approve Contract Change Order No. 1 in the amount of \$516,800.00; authorize the Chief Executive Officer to execute Change Order No. 1; and authorize the Mayor and the City Clerk to execute the Public Works Agreement.

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**ERNESTO MUNOZ**  
Public Services Director

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**FARIBA FAZELI**  
City Engineer

ATTACHMENTS:    "1"    [Listing of Streets](#)  
                      "2"    [Bid Abstract](#)  
                      "3"    [Contract Change Order No. 1](#)

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