



CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 1, 2015

ITEM NUMBER: **CC-9**

SUBJECT: DEL MAR AVENUE MEDIAN IMPROVEMENTS (FROM NB NEWPORT BOULEVARD TO 300 FEET EAST), CITY PROJECT NO. 15-12

DATE: AUGUST 20, 2015

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: ERNESTO MUNOZ, PUBLIC SERVICES DIRECTOR

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

RECOMMENDATION:

1. Adopt plans, specifications, and working details for the Del Mar Avenue Median Improvements (from NB Newport Boulevard to 300 feet east), City Project No. 15-12.
2. Approve Budget Adjustment No. 16-003 (Attachment 1) in the amount of \$158,000.
3. Award a construction contract to HYM Engineering, Inc., 6380 Roland Street, Buena Park, CA 90621, in the amount of \$299,422.
4. Authorize the Mayor and the City Clerk to execute the Public Works Agreement.

BACKGROUND:

Del Mar Avenue is a major entryway to the Eastside Costa Mesa neighborhood. The existing improvements at the intersection with Newport Boulevard include extra wide, unused pavement areas that based on the current Master Plan of Highways will not be needed for future travel lane widening projects. The proposed project creates a more welcoming entryway by constructing new medians with colorful, drought tolerant landscape and signature trees, decorative crosswalk and an entry monument sign.

ANALYSIS:

The City Clerk received and opened ten (10) bids for this project on June 9, 2015. The apparent low bidder, HYM Engineering, Inc. submitted a bid proposal in the amount of \$299,422, and is recommended for award. The Engineer's estimate for this work was \$260,000; and the average of the ten (10) bids received amounted to \$314,738.84. An analysis of the bids indicates that the apparent low bidder, HYM Engineering, Inc. submitted a bid proposal that is approximately thirteen (13%) percent higher than the Engineer's Estimate. The Bid Abstract is included as Attachment 2.

Staff has reviewed all of the bids submitted by the contractors and have determined that the bids reflect the scope of work to be performed. The variance between the low bidder and the Engineer's estimate may be attributed to higher material costs and a more competitive market in the landscape construction industry at this time.

ALTERNATIVES CONSIDERED:

The alternative to this Council action would be to reject all of the bids and rebid the project. If the bids are rejected, the City would need to cancel this project. Staff believes that readvertising and rebidding the project will not result in lower bids.

FISCAL REVIEW:

The Public Services Department staff has secured Capital Improvement Funds in the amount of \$175,000 toward the construction of Del Mar Avenue Median Improvements Project. The funds were recognized in the Fiscal Year 2013-14 budget. Staff requests an appropriation of \$158,000 from Gas Tax funds towards the project construction and any potential additional expenses that may be required. The attached Budget Adjustment No. 16-003 allocates the Gas Tax funds from the available fund balance towards the construction of the project.

LEGAL REVIEW:

HYM Engineering, Inc. 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 Del Mar Avenue Improvements Project (from NB Newport Boulevard to 300 feet east), City Project No. 15-12. 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. 16-003 in the amount of \$158,000; award a contract to the apparent low bidder, HYM Engineering, Inc., in the amount of \$299,422; and authorize the Mayor and the City Clerk to execute the Public Works Agreement.

ERNESTO MUNOZ
Public Services Director

FARIBA FAZELI
City Engineer

STEPHEN DUNIVENT
Interim Finance Director

ATTACHMENTS: “1” [Budget Adjustment No. 16-003](#)
 “2” [Bid Abstract](#)

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