



NEWPORT BEACH

City Council Staff Report

May 26, 2026
Agenda Item No. 8

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: MacArthur Boulevard Pavement Rehabilitation and Median
Improvements – Award of Contract No. 9431-2 (24R13)

ABSTRACT:

The City of Newport Beach (City) received construction bids for the MacArthur Boulevard Pavement Rehabilitation and Median Improvements project and requests City Council approval to award the construction contract to All American Asphalt of Corona. This project will construct new landscaped medians, replace traffic signals at two intersections, replace deteriorated concrete, construct a new City entrance sign, and rehabilitate the asphalt concrete pavement.

RECOMMENDATIONS:

- a) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c), Class 1 (maintenance of existing public facilities involving negligible or no expansion of use) of the CEQA Guidelines, because this project has no potential to have a significant effect on the environment;
- b) Approve the project plans and specifications;
- c) Approve Budget Amendment No. 26-080 appropriating \$11,700 in new revenue and expenditures from Orange County Sanitation District (OCSan) to Account Nos. 13501-431075-24R13 and 13501-980000-24R13, appropriating \$57,800 in new revenue and expenditures from Irvine Ranch Water District (IRWD) to Account Nos. 13501-431220-24R13 and 13501-980000-24R13, appropriating \$29,437 in new revenue and expenditures from the City of Irvine to Account Nos. 13501-431135-24R13 and 13501-980000-24R13, appropriating \$321,860 in new revenue and expenditures from Cal Recycle Grant Funding to Account Nos. 13501-431490-26R02 and 13501-980000-26R02, appropriating \$550,503 in increased expenditures in Account No. 12101-980000-24R13 from Gas Tax unappropriated fund balance, and appropriating \$221,887 in increased expenditures in Account No. 01201927-980000-24R13 from General Fund unappropriated fund balance;

- d) Award Contract No. 9431-2 to All American Asphalt for the total bid price of \$7,099,118 for the MacArthur Boulevard Pavement Rehabilitation and Median Improvements project, and authorize the Mayor and City Clerk to execute the contract; and
- e) Establish a contingency of \$710,000 (approximately 10% of the total bid) to cover the cost of unforeseen work not included in the original contract.

DISCUSSION:

The proposed project is located on MacArthur Boulevard from Jamboree Road to Campus Drive. This project will construct new landscaped medians; replace two traffic signals to reconfigure the intersections and remove the free-right turns at Von Karman Avenue and Birch Street; replace deteriorated concrete curb, gutter and sidewalks; construct a new City entrance sign just south of Campus Drive; and rehabilitate the asphalt concrete pavement.

During the design of the project, City staff coordinated with the City of Irvine, Irvine Ranch Water District (IRWD) and the Orange County Sanitation District (OC San) to coordinate any work with their facilities. The City executed reimbursement agreements with these agencies for work to lower and raise water valves and manholes. The City of Irvine will reimburse the City for its portion of the intersection paving of Campus Drive and MacArthur Boulevard.

In addition, City staff met with representatives from The Irvine Company (TIC) to coordinate with its future developments and adjusted the landscaping plans based on TIC’s feedback. City staff incorporated changes to the shrub and groundcover planting palette and increased the palm tree height to enhance the view corridor.

At 10 a.m. on May 5, 2026, the City Clerk opened and read the following bids for this project:

	<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
Low	All American Asphalt	\$ 7,099,118
2nd	Sequel Contractors, Inc.	\$ 7,413,283
3rd	R.J. Noble Company	\$ 7,479,507
4th	Calmex Engineering, Inc.	\$ 7,545,179
5th	Vido Samarzich, Inc.	\$ 7,578,000
6th	Hardy & Harper, Inc.	\$ 7,817,500
7th	Excel Paving	\$ 8,448,382
8th	Gentry General Engineering, Inc.	\$ 8,522,053

The City received eight bids. The low bidder, All American Asphalt, possesses a California State Contractor’s License Classification “A” and the subcontractors have a C-10 Electrical Contractor License and C-27 Landscape Contractor License, as required by the project specifications. A review of references for All American Asphalt shows satisfactory completion of similar contracts for the City and other municipalities.

All American Asphalt’s bid was 5.3% below the engineer’s estimate of \$7,500,000. The difference between the low bid was primarily from the price of the concrete median curb and traffic striping, which were significantly lower than the engineer’s estimate. Pursuant to the contract specifications, the contractor will have 180 consecutive working days to complete the work. Work is scheduled to start in July 2026.

This project is part of the state’s CalRecycle Rubberized Grant Program. The program promotes the use of rubberized asphalt concrete made from recycled waste tires generated in California. The program aims to decrease the adverse environmental impacts created by the disposal and stockpiling of waste tires. Through CalRecycle, the City will be reimbursed up to \$11 per ton of rubberized asphalt concrete used on the project. The budget amendment is appropriating all \$321,860 in grant funds into the City Capital Improvement Program budget, although this project is anticipated to use \$84,700 of that total. The remaining appropriated funds will be budgeted into future street rehabilitation projects.

The project plans and specifications are available for review at the following link: [Awarding Contracts](#). This link will expire 10 days after the City Council meeting date.

FISCAL IMPACT:

Upon approval of the proposed budget amendment, sufficient funding is available from the adopted Capital Improvement Program budget for the award of this contract.

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
General Fund	01201927-980000-24R13	\$ 1,231,777
General Fund	01201927-980000-25T01	\$ 200,000
Measure M Fund	12201-980000-24R13	\$ 3,000,000
Gas Tax	12101-980000-24R13	\$ 849,876
SB-1 Fund	12601-980000-24R13	\$ 2,380,000
Water Capital Fund	70201-980000-26R09	\$ 12,000
Wastewater Enterprise Fund	71101-980000-26R09	\$ 12,710
OC San Reimbursement	13501-980000-24R13	\$ 11,700
IRWD Reimbursement	13501-980000-24R13	\$ 57,800
City of Irvine Reimbursement	13501-980000-24R13	\$ 29,437
Cal Recycle Grant	13501-980000-26R02	\$ 84,700
	Total:	\$ 7,870,000

Proposed fund uses are as follows:

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
All American Asphalt	Construction Contract	\$ 7,099,118
All American Asphalt	Construction Contingency	\$ 710,000
Geocon West, Inc.	Materials Testing	\$ 59,618
Various	Printing & Incidentals	\$ 1,264
	Total:	\$ 7,870,000

Funding for this project comes from the following sources:

- Gas Tax revenue is received through State-imposed taxes on fuel and motor vehicle registration dedicated to transportation purposes.
- The Orange County Transportation Authority provides Measure M funding, generated through a ½ cent sales tax, to the City for transportation improvement projects.
- SB1 Road Maintenance & Rehabilitation Account revenues are State fuel and vehicle registration taxes imposed by the Road Repair and Accountability Act of 2017.
- OC San will reimburse the City for improvements to its facilities.
- IRWD will reimburse the City for improvements to its facilities.
- Water and Wastewater Funds generate revenue primarily through water and sewer rates collected from service users.

Staff recommends establishing \$710,000 (approximately 10% of the total bid) for contingency purposes and unforeseen conditions associated with construction.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c), Class 1 (maintenance of existing public facilities involving negligible or no expansion of use) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because this project has no potential to have a significant effect on the environment.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Location Map
Attachment B – Budget Amendment