



CITY OF

NEWPORT BEACH

City Council Staff Report

September 9, 2025
Agenda Item No. 11

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: David A. Webb, Public Works Director - 949-644-3311,
dawebb@newportbeachca.gov

PREPARED BY: Michael J. Sinacori, Assistant City Engineer - 949-644-3342,
msinacori@newportbeachca.gov

TITLE: Balboa Peninsula Water Main Replacement, East Irvine Terrace
Water Main Replacement & Shorecliff Community Water System
Improvements – Phase 2– Award of Contract No. 9835-1 (26W12)

ABSTRACT:

The City of Newport Beach received construction bids for the Balboa Peninsula Water Main Replacement, East Irvine Terrace Water Main Replacement & Shorecliff Community Water System Improvements – Phase 2 project and requests City Council approval to award the construction contract to T.E. Roberts, Inc. of Irvine. This project will replace deteriorated water mains located in the central Balboa Peninsula, East Irvine Terrace and Shorecliff communities.

RECOMMENDATIONS:

- a) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15302(c), Class 2 (reconstruction of existing facility involving negligible or no expansion of capacity) 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) Award Contract No. 9835-1 to T.E. Roberts, Inc. for the total bid price of \$6,741,473 for the Balboa Peninsula Water Main Replacement, East Irvine Terrace Water Main Replacement & Shorecliff Community Water System Improvements – Phase 2 project, and authorize the Mayor and City Clerk to execute the contract; and
- d) Establish a contingency of \$1,350,000 (approximately 20% of total bid) to cover the cost of unforeseen work not included in the original contract.

DISCUSSION:

The existing Balboa Peninsula water mains (14 and 16 inches in size) included in the project are older deteriorated cast-iron water mains, installed in 1926, that have outlived their design life and are now due to be replaced.

These water mains are large diameter pipes located in alleys north of Balboa Boulevard between 6th Street and Cypress Street. A large diameter water transmission main was installed in Balboa Boulevard about a decade ago, allowing for the downsizing of the older water mains in the alleys. These older mains in the alleys will be replaced with standard 8-inch piping, to maintain distribution and reduce risk to homes during potential water main breaks. The East Irvine Terrace Community water mains are asbestos cement water mains installed in 1956 and are located between El Paseo Drive and Avocado Avenue, and Bayside Drive and East Coast Highway. The Shorecliff community water main package picks up the remaining asbestos cement water mains that were not replaced in last year's phase 1 project. These water mains are located on Seaward Road, Driftwood Road, Morning Canyon Road and Evening Canyon Road between Seaward Road and Morning Canyon Road.

At 10 a.m. on August 12, 2025 , the City Clerk opened and read the following bids for this project:

	<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
Low	T.E. Roberts, Inc.	\$ 6,741,473.00
2nd	Dominguez General Engineering, Inc.	\$ 9,824,750.00
3rd	Big Ben, Inc.	\$ 10,012,407.00
4th	Nationwide Contracting Services, Inc.	\$ 12,025,650.00
5th	Toro Enterprises, Inc.	\$ 13,709,180.00
6th	MMC, Inc.	\$ 13,804,000.00

The low bidder, T.E. Roberts, Inc., possesses a California State Contractor's License Classification "A", as required by the project specifications. A review of references for T.E. Roberts, Inc. shows satisfactory completion of similar contracts for the City and other municipalities. T.E. Roberts successfully completed the Balboa Island Water Main Replacement (Phase 1, Phase 2 and Phase 3) projects, including the West Irvine Terrace Water Main Replacement and Shorecliff Community Water System Improvements – Phase 1 projects.

The low bid was 29% below the engineer's estimate of \$9,500,000. The difference between the low bid and engineer's estimate appears to be due to favorable bids for water main and water service construction, trench dewatering, and street pavement restoration.

The proposed projects include construction of new, 8-inch PVC water mains, water services, fire hydrants, and the removal and abandonment of existing 14-inch and 16-inch water mains for the Balboa Peninsula community at the Balboa Fire Station and Library development.

Work necessary to complete this contract also includes installation of new water valves, installation of fittings and connections to existing water mains, pavement restoration, restriping, traffic control, and other appurtenant work as required by the contract.

This water main construction will require alley and street closures and traffic detours. The contractor will be required to keep cross traffic flowing at all times.

A detailed schedule will be prepared by the contractor following project award, which can be adjusted to address the concerns of area businesses and residents. Project phasing has been developed to minimize impacts to the community. For example, no work will be allowed on the Balboa Peninsula during the summer season to minimize traffic disruptions. Work on the Peninsula will begin in October and have a target completion of May 15, 2026.

Pursuant to the contract specifications, the contractor will have 400 consecutive working days to complete the work, following the Notice to Proceed. Work is scheduled to start in October 2025 on the Balboa Peninsula, followed by work in the Shorecliff community and then East Irvine Terrace.

The project plans and specifications will be available for review at the September 9, 2025 City Council meeting or upon request.

FISCAL IMPACT:

The adopted Capital Improvement Program budget includes sufficient funding for the award of this contract. The following funds will be expended:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
Water Capital Distribution & Piping	70201931-980000-26W12	\$ 8,238,323.00

Proposed fund uses are as follows:

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
T.E. Roberts, Inc.	Construction Contract	\$ 6,741,473.00
T.E. Roberts, Inc.	Construction Contingency	\$ 1,350,000.00
Geocon, Inc.	Materials Testing	\$ 144,850.00
Various	Printing & Incidentals	\$ 2,000.00
Total:		\$ 8,238,323.00

Water Capital Distribution & Piping Funds generate revenue primarily through water rates collected from service users.

Staff recommends establishing \$1,350,000 (approximately 20% of 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 15302(c), Class 2 (reconstruction of existing facility involving negligible or no expansion of capacity) 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).

ATTACHMENT:

Attachment A – Location Maps