



NEWPORT BEACH

City Council Staff Report

August 26, 2025
Agenda Item No. 15

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Alley Reconstruction (Assessment District 111, Underground Utility District 22 Phase 2 and Assessment District 124 Phase 0 Areas) – Notice of Completion for Contract No. 8820-2 (23R07)

ABSTRACT:

On November 28, 2023, the City Council awarded Contract No. 8820-2 for the Alley Reconstruction (AD 111, UUD 22 Phase 2 and AD 124 Phase 0 Areas) project to Grigolla & Sons Const. Co. Inc. (Grigolla). The project removed existing asphalt or concrete streets and alleys, alley approaches, sidewalks, curb and gutter, and driveways and reconstructed these improvements with concrete as well as adjusted utility boxes to grade. The work is now complete and staff requests City Council acceptance and close out of the contract.

RECOMMENDATIONS:

- a) Accept the completed work and authorize the City Clerk to file a Notice of Completion for the project.

DISCUSSION:

Overall Contract Cost/Time Summary

Awarded Contract Amount	Final Total Contract Amount	Total Contract Change Amount	Percent Contract Cost Change
\$3,481,384.00	\$3,632,205.70	\$150,821.70	4.3%
Allowed Contract Time + Approved Extensions (Days) =		125	Actual Time Used (Days) 125

This project was the final step in the utility undergrounding process after power pole removal and associated water main replacement efforts in the AD 111 area. The contract included the AD 111 area on the Balboa Peninsula (alleys between 31st and 22nd Streets along Balboa Boulevard) and AD 124 Phase 0 area on Balboa Island (North Bayfront alley between Collins and Marine Avenues).

Although the poles along North Bayfront alley have not been removed, the alley surface and street intersections have been greatly improved by this pavement reconstruction. As noted in the award of contract staff report, alley restoration related only to UUD 22 Phase 2 was not awarded with this contract and was completed under separate efforts with the utility undergrounding contractor.

The contracted work has been completed to the satisfaction of the Public Works Department. A summary of the construction cost is as follows:

Original Bid Amount:	\$ 3,481,384.00
Actual Cost of Bid Items Constructed:	\$ 3,201,792.50
Total Change Orders:	\$ 430,413.20
Final Contract Cost:	\$3,632,205.70

The total contract amount was \$3,632,205.70, approximately 4.3% higher than the original bid amount. This cost increase was primarily due to change orders required in various parts of the city which included replacing a damaged v-ditch along Superior Avenue, replacing concrete in West Newport Park, replacing curb & gutter on Port Edwards Circle, installing a curb ramp in the city right of way at Corona del Mar High School, which was requested by Newport Mesa Unified School District, installing additional water meter boxes and utility conduit, and adjusting utility boxes. All this additional work was offset by the savings incurred due to lower quantities of several bid items.

A summary of the project schedule milestones is as follows:

Estimated Start of Construction per Annual Baseline Schedule	December 4, 2023
Actual Start of Construction Per Notice to Proceed	April 1, 2024
Estimated Completion per Annual Baseline Schedule	May 24, 2024
Substantial Completion Date Inclusive of Extra Work	May 23, 2025

The City of Newport Beach was not ready for Grigolla to begin the AD 111 portion of the project until April 2024 and the contractor completed that work in June 2024. The contractor proceeded to work on a different City contract (AD 113 alley restoration on Balboa Island) in the fall of 2024 and did not begin the AD 124 Phase 0 portion until February 2025. AD 124 Phase 0 was substantially completed in May 2025.

FISCAL IMPACT:

The Alley Reconstruction (AD 111, UUD 22 Phase 2 and AD 124 Phase 0 Areas) was funded by a combination of Assessment District (AD), Water Enterprise, Wastewater Enterprise and various City General Funds. AD funding is through property owner contributions and bond financing secured by property assessments. Water and Wastewater Enterprise Funds generate revenue primarily through water and wastewater rates collected by service users. The Parks Maintenance Master Plan (PMMP) is funded through the General Fund (GF).

The utility company contributions are administration fees assessed to various utility companies for work completed on behalf of the utility company within the UUD 22 – Phase 2. The Neighborhood Enhancement Fund is used for projects that enhance neighborhood aesthetics and functionality and is funded via surplus general funds. Funds for the construction contract were expended from the following account(s):

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
Water Enterprise Capital Fund	70201931-980000-24R07	\$ 1,213,539.86
GF – CIP	01201927-980000-25R06	\$ 17,285.00
Storm Drain Sys Repair GF CIP	01201926-980000-25D02	\$ 138,090.00
AD 124 Funding	67502-941032	\$ 688,158.00
Water System Rehab	701201931-980000-24W05	\$ 50,050.00
Wastewater (Sewer CIP)	71101-980000-25S03	\$ 20,611.00
PMMP	57001-980000-24P02	\$ 63,700.00
Contributions (Utility Companies)	13501-980000-21A11	\$ 474,461.59
Neighborhood Enhancement	53601-980000-23R07	\$ 312,095.41
AD 111 Funding	66002-941032	\$ 307,872.00
Neighborhood Enhancement	53601-980000-22R11	\$ 231,950.55
General Fund – CIP	01201927-980000-23R07	\$ 114,392.29
	Total:	\$ 3,632,205.70

Accounts were added to the project since additional work needed to be performed in various parts of the city.

ENVIRONMENTAL REVIEW:

On November 28, 2023, the City Council found this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (repair and maintenance of existing highways and streets, sidewalks, and gutters involving no expansion of use) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it 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 Map