



CITY OF

NEWPORT BEACH

City Council Staff Report

July 28, 2026
Agenda Item No. 15

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: San Miguel Drive Pavement Rehabilitation – Award of Contract No.
9855-2 (26R11)

ABSTRACT:

The City of Newport Beach (City) received construction bids for the San Miguel Drive Pavement Rehabilitation project and requests City Council approval to award the construction contract to All American Asphalt of Corona. This project will reconstruct deteriorated concrete improvements and cold mill and overlay the existing asphalt pavement on San Miguel Drive from San Joaquin Hills Road to Ford Road.

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) Award Contract No. 9855-2 to All American Asphalt for the total bid price of \$2,668,112 for the San Miguel Drive Pavement Rehabilitation project, and authorize the Mayor and City Clerk to execute the contract; and
- d) Establish a contingency of \$270,000 (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 San Miguel Drive between San Joaquin Hills Road and Ford Road. This project includes reconstructing deteriorated concrete curbs, gutters, sidewalks, cross-gutters, driveways, and access ramps; cold milling and overlaying the existing asphalt pavement with rubberized asphalt concrete; modifying and installing street signs and pavement striping; adjusting utilities to grade; and performing other appurtenant and incidental items of work as required.

At 10 a.m. on June 25, 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	\$ 2,668,112
2nd	R.J. Noble Company	\$ 2,769,466
3rd	Sequel Contractors, Inc.	\$ 2,796,695
4th	Hardy & Harper, Inc.	\$ 2,995,000
5th	Excel Paving	\$ 3,078,974

The City received five bids for this project. The low bidder, All American Asphalt, possesses a California State Contractor's License Classification "A", 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 25.8% below the engineer's estimate of \$3,596,000. The difference between the low bid and the engineer's estimate was primarily due to the favorable bid prices for asphalt concrete and concrete-related bid items, in addition to lower than anticipated costs for lump sum bid items such as mobilization, demobilization and cleanup. Pursuant to the contract specifications, the contractor will have 50 consecutive working days to complete the project. Work is scheduled to start in August 2026.

This project is part of the State of California's CalRecycle Rubberized Grant Program. This 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 disposing 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 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:

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>
Measure M Fairshare	12201-980000-26R11	\$	2,878,500
CalRecycle Grant Fund	13501-980000-26R02	\$	77,000
Water Capital	70201-980000-27R09	\$	29,500
Wastewater Enterprise	71101-980000-27R09	\$	16,000
	Total:	\$	3,001,000

Proposed fund uses are as follows:

<u>Vendor</u>	<u>Purpose</u>		<u>Amount</u>
All American Asphalt	Construction Contract	\$	2,668,112
All American Asphalt	Construction Contingency	\$	270,000
Geocon West, Inc.	Materials Testing	\$	58,552
Various	Printing & Incidentals	\$	4,336
Total:		\$	3,001,000

Funding for this project comes from the following sources:

- The Orange County Transportation Authority provides Measure M funding, generated through a ½ cent sales tax, to the City for transportation improvement projects.
- The CalRecycle Grant fund comes from the State's CalRecycle Rubberized Grant Program, which promotes the use of rubberized asphalt concrete made from recycled waste tires generated in California.
- Water and Wastewater Enterprise funds generate revenue primarily through water and sewer rates collected from service users.

Staff recommends establishing \$270,000 (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).

ATTACHMENT:

Attachment A – Location Map