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# **NEWPORT BEACH**

## **City Council Staff Report**

July 28, 2026  
Agenda Item No. 13

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** David A. Webb, Public Works Director - 949-644-3311,  
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**TITLE:** Park Avenue & South Bay Front Alley Pavement Restoration –  
Award of Contract No. 9451-3 (27R11)

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### **ABSTRACT:**

The City of Newport Beach (City) received construction bids for the Park Avenue and South Bay Front Alley Pavement Restoration project related to Assessment District 124 (AD-124) Phase 1 project on Balboa Island and requests City Council approval to award the construction contract to Nobest, Inc. of Garden Grove. This project will remove and reconstruct concrete streets and alleys, alley approaches, sidewalks, and driveways and it will adjust utility boxes.

### **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. 9451-3 to Nobest, Inc. for the total bid price of \$3,690,135 for the Park Avenue & South Bay Front Alley Pavement Restoration project, and authorize the Mayor and City Clerk to execute the contract; and
- d) Establish a contingency of \$740,000 (approximately 20% of the total bid) to cover the cost of unforeseen work not included in the original contract.

### **DISCUSSION:**

The restoration of Park Avenue and South Bay Front Alley within AD-124 is one of the final steps in the utility undergrounding process that can be completed while residential conversions are ongoing and before power poles are removed. Future concrete restoration projects will address the remaining alleys in Phases 1 and 2 of AD-124.

The proposed project includes removing existing asphalt and concrete pavement and constructing new concrete alleys, new concrete streets, adjusting utility boxes to grade, conducting traffic control, installing new traffic striping, and other incidental items.

At 10 a.m. on June 23, 2026, the City Clerk opened and read the following bids for this project:

|     | <u>BIDDER</u>                         | <u>TOTAL BID AMOUNT</u> |
|-----|---------------------------------------|-------------------------|
| Low | Nobest, Inc.                          | \$ 3,690,135            |
| 2nd | Grigolla & Sons Construction Co. Inc. | \$ 4,730,635            |
| 3rd | Towo Enterprise, Inc.                 | \$ 5,268,450            |
| 4th | Excel Paving                          | \$ 6,289,648            |
| 5th | Ortiz & Son, Inc.                     | \$ 6,909,476            |

The City received five bids for this project. The low bidder, Nobest, Inc., possesses a California State Contractor's License Classification "A", as required by the project specifications. A review of references for Nobest, Inc. shows satisfactory completion of similar contracts for the City and other municipalities.

Nobest, Inc. bid was 36% below the engineer's estimate of \$5,800,000. The difference between the low bid and the engineer's estimate was primarily from the favorable bid prices of the concrete bid items. The low bidder was able to bid concrete at a much lower rate than the engineer's estimate assumed. Pursuant to the contract specifications, the contractor will have 200 consecutive working days to complete the work. Work is scheduled to start in September 2026, after the summer tourism season has ended.

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

#### **FISCAL IMPACT:**

The adopted Capital Improvement Program budget includes sufficient funding for the award of this contract. A combination of Assessment District, Water Capital Master Plan, Neighborhood Enhancement and General Funds are being used for reconstruction of the alley and street pavement. The following funds will be expended:

| <u>Account Description</u>      | <u>Account Number</u> |           | <u>Amount</u>    |
|---------------------------------|-----------------------|-----------|------------------|
| General Fund                    | 01201927-980000-27R11 | \$        | 500,000          |
| Neighborhood Enhancement        | 53601-980000-27R11    | \$        | 670,000          |
| Water Capital Master Fund       | 70201931-980000-27R11 | \$        | 1,170,000        |
| Assessment District 124 Funding | 67502-941003          | \$        | 2,140,000        |
|                                 | <b>Total:</b>         | <b>\$</b> | <b>4,480,000</b> |

Proposed fund uses are as follows:

| <u>Vendor</u>             | <u>Purpose</u>           |           | <u>Amount</u>    |
|---------------------------|--------------------------|-----------|------------------|
| Nobest, Inc.              | Construction Contract    | \$        | 3,690,135        |
| Nobest, Inc.              | Construction Contingency | \$        | 740,000          |
| Geocon Geotechnical, Inc. | Materials Testing        | \$        | 46,774           |
| Various                   | Printing & Incidentals   | \$        | 3,091            |
|                           | <b>Total:</b>            | <b>\$</b> | <b>4,480,000</b> |

Assessment District funding is through property owner contributions and bond financing secured by property assessments. Water funds generate revenue primarily through water rates collected from service users.

Staff recommends establishing \$740,000 (approximately 20% of the total bid) for contingency purposes and unforeseen drainage and excavation conditions associated with roadway and alley construction on Balboa Island, since the original construction is over 100 years old.

#### **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