



NEWPORT BEACH

City Council Staff Report

March 10, 2026
Agenda Item No. 6

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Street Pavement Repair Program Fiscal Year 2025-26 – Award of
Contract No. 9946-1 (26R03)

ABSTRACT:

The City of Newport Beach received construction bids for the Street Pavement Repair Program Fiscal Year 2025-26 project and requests City Council approval to award the construction contract to Onyx Paving Company, Inc. of Yorba Linda. The project will remove and replace deteriorated asphalt pavement in the Eastbluff, North Ford, Santa Ana Heights, Bayview Heights and Airport Area communities, in addition to various City parks.

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. 26-057 appropriating \$224,200.15 in increased expenditures in Account No. 01201927-980000-26R03 from the General Fund CIP unappropriated fund balance, \$3,333 in new revenue and expenditures from Irvine Ranch Water District to Account Nos. 13501-431220-26R03 and 13501-980000-26R03, respectively and \$18,666 in new revenue and expenditures from Orange County Sanitation District to Account Nos. 13501-431075-26R03 and 13501-980000-26R03, respectively;
- d) Award Contract No. 9946-1 to Onyx Paving Company, Inc. for the total bid price of \$1,082,000 for the Street Pavement Repair Program FY 2025-26 project, and authorize the Mayor and City Clerk to execute the contract; and
- e) Establish a contingency of \$110,000 (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 in the Eastbluff, North Ford, Santa Ana Heights, Bayview Heights and Airport Area communities, in addition to various City parks. Proposed improvements include reconstructing isolated portions of deteriorated asphalt concrete pavement, lowering and raising manhole frames, replacing utility boxes and lids, replacing and resetting survey monument boxes, and installing new traffic striping. These improvements are needed to prepare for the upcoming annual slurry seal program, which will be in the same communities.

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

| | <u>BIDDER</u> | <u>TOTAL BID AMOUNT</u> |
|-----|------------------------------------|-------------------------|
| Low | Onyx Paving Company, Inc. | \$ 1,082,000 |
| 2nd | LCR Earthwork & Engineering, Corp. | \$ 1,186,850 |
| 3rd | Hardy & Harper, Inc. | \$ 1,332,000 |
| 4th | All American Asphalt, Inc. | \$ 1,334,720 |
| 5th | R.J. Noble Company | \$ 1,427,945 |
| 6th | Sequel Contractors, Inc. | \$ 1,447,400 |
| 7th | Van Engineering, Inc. | \$ 1,620,800 |
| 8th | Excel Paving | \$ 1,874,530 |
| 9th | Paveco Construction | \$ 1,967,530 |

The City received nine bids. The low bidder, Onyx Paving Company, Inc., possesses a California State Contractor’s License Classification “A”, as required by the project specifications. A review of references for Onyx Paving Company, Inc. shows satisfactory completion of similar contracts for other municipalities.

Onyx Paving Company, Inc.’s bid was 4% below the engineer’s estimate of \$1,127,000. The difference between the low bid and the engineer’s estimate is negligible. Pursuant to the contract specifications, the contractor will have 40 consecutive working days to complete the project. Work is scheduled to start in April 2026.

The project plans and specifications will be available for review at the March 10, 2026, City Council meeting or upon request.

FISCAL IMPACT:

Upon approval of the proposed budget amendment, the adopted Capital Improvement Program budget includes sufficient funding for the award of this contract. The budget amendment appropriates \$224,200.15 in increased expenditures from the General Fund Capital Improvement Program (CIP) unappropriated fund balance, \$3,333 in contributions from the Irvine Ranch Water District (IRWD), and \$18,666 in contributions from the Orange County Sanitation District (OC San). The following funds will be expended:

| <u>Account Description</u> | <u>Account Number</u> | | <u>Amount</u> |
|----------------------------|-----------------------|-----------|---------------------|
| General Fund CIP | 01201927-980000-25R03 | \$ | 73,186.16 |
| General Fund CIP | 01201927-980000-26R03 | \$ | 1,092,818.84 |
| Water Capital | 70201-980000-24R09 | \$ | 20,470.32 |
| Water Capital | 70201-980000-26R09 | \$ | 2,860.68 |
| Wastewater Enterprise | 71101-980000-24R09 | \$ | 16,665.00 |
| OC San Contribution Fund | 13501-980000-26R03 | \$ | 18,666.00 |
| IRWD Contribution Fund | 13501-980000-26R03 | \$ | 3,333.00 |
| | Total: | \$ | 1,228,000.00 |

Proposed fund uses are as follows:

| <u>Vendor</u> | <u>Purpose</u> | | <u>Amount</u> |
|-------------------------------|--------------------------|-----------|---------------------|
| Onyx Paving Company, Inc. | Construction Contract | \$ | 1,082,000.00 |
| Onyx Paving Company, Inc. | Construction Contingency | \$ | 110,000.00 |
| Harrington Geotechnical, Inc. | Materials Testing | \$ | 33,400.00 |
| Various | Printing & Incidentals | \$ | 2,600.00 |
| | Total: | \$ | 1,228,000.00 |

Water and Wastewater Enterprise funds generate revenue primarily through water and sewer rates collected from service users. The Orange County Sanitation District and Irvine Ranch Water District contributions will be used to reimburse the City for improvements to their facilities.

Staff recommends establishing \$110,000 (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