



NEWPORT BEACH

City Council Staff Report

August 26, 2025
Agenda Item No. 13

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Big Canyon Restoration (Phase 3) Project – Award of Contract to Superb Engineering, Inc. (Contract No. 9532-1) and Approve Professional Services Agreement with Horrocks LLC (Contract No. 9532-2) (Project No. 25X11)

ABSTRACT:

The City of Newport Beach received construction bids for the Big Canyon Restoration (Phase 3) Project (also referred to as the Big Canyon Coastal Habitat Restoration and Adaptation Project – Phase 3). Staff recommends that the City Council award the construction contract to Superb Engineering, Inc. Staff also recommends Council approval of a professional services agreement (PSA) with Horrocks LLC to provide construction management services for this project. City funds for construction and related construction management services would be reimbursed from State grants per the attached agreement with the Newport Bay Conservancy (NBC) as approved by the City Council. The final State grant is to be awarded on August 28, 2025, therefore the documents listed for recommended approvals will be signed after confirmation that the grant funding has been authorized.

RECOMMENDATIONS:

- a) Find the requirement for environmental review under the California Environmental Quality Act (CEQA) for the Big Canyon Restoration (Phase 3) Project qualifies as statutorily exempt under CEQA per Public Resources Code, § 21080.56, subdivisions (a) to (d), inclusive, with the attached concurrence by the Director of Fish and Wildlife;
- b) Approve the project drawings and specifications;
- c) Authorize the City Manager to execute the Right of Entry Permit between the State of California, acting by and through the California Department of Fish and Wildlife, and the City of Newport Beach for permission to access those portions of Big Canyon Nature Park for purposes of carrying out the Project;
- d) Authorize the City Manager to execute the Agreement between Newport Bay Naturalists and Friends (DBA Newport Bay Conservancy) and the City of Newport Beach to designate

\$6,594,000 in grant funds to the City of Newport Beach for restoration work in the Project area;

- e) Award Contract No. 9532-1 to Superb Engineering, Inc. for the total bid price of \$5,242,833.25, and authorize the City Manager and City Clerk to execute the contract;
- f) Establish a contingency of \$786,000 (approximately 15% of total bid) to cover the cost of unforeseen work not included in the original contract; and
- g) Approve a professional services agreement with Horrocks LLC of San Diego, California, for the Project at a not-to-exceed price of \$487,040 and authorize the City Manager and City Clerk to execute the Agreement.

DISCUSSION:

The Big Canyon Nature Park Restoration Program is one of the City's largest restoration programs, extending from Jamboree Road to Back Bay Drive. Program implementation has been split into three phases.

- The FY 2016-17 Phase 1 Project restored 6 acres just west of Jamboree Road and included measures to remove selenium in the creek and to capture and infiltrate pollutants washed down in storm flows from Jamboree Road. State grants covered 90% of the \$1.6 million in construction contractor costs.
- The FY 2020-21 Phase 2 Project restored 11 acres in the center portion of the nature park. The forest of invasive Brazilian Pepper trees was removed and replaced with a healthy mosaic of native plant habitats. A state grant paid 93% of \$1.3 million construction contractor's costs.
- The proposed FY 2025-26 Phase 3 Project (final phase) will restore 13.8 acres of the nature park just east of Back Bay Drive. State grants will cover 100% of the construction contractor's costs.

About 75% of the 13.8-acre Phase 3 project area (see Attachment E for Location Map) occurs on land owned by the California Department of Fish and Wildlife (CDFW), with the remainder owned by the City. CDFW has asked the City to manage the construction of the Phase 3 project and approved a Right of Entry Permit (Attachment B) for the City to perform the work.

NBC has been acting on behalf of CDFW and the City to secure over \$7 million in grant funds for the planning, design and construction of the Phase 3 restoration project.

The final State grant is to be awarded on August 28, 2025, therefore the documents for recommended approvals will be signed after confirmation that the grant funding has been authorized.

Final construction documents have been completed. The Phase 3 project consists of several restoration components:

- Clearing non-native Brazilian pepper tree stands and other non-native plants.
- Clearing cattails from the existing freshwater pond, modifying Big Canyon Creek's alignment to maintain positive drainage during low flows to reduce the accumulation of selenium in the soil and vegetation and reduce water ponding that can foster mosquito breeding; and establishing a riparian corridor within the pond area to integrate with the upstream restored corridor in Phase 2.
- Excavating and grading over a 13.8-acre area to create a historically similar estuary surrounded by salt marsh on the east side of Back Bay Drive and establish transitional wetlands that will allow for upslope migration and resiliency to long-term sea level rise. This includes removing some sediment within the bays' tidal channel to increase tidal flows into the newly created estuary and salt marsh.
- Enhancing habitat within the seven designated areas by selective clearing of non-native trees and plants.
- Removing native vegetation infested by the Polygamous Shothole Borer and other borers, termites and beetles.
- Maintaining the habitat pursuant to the permit requirements for the first year of the Project's approved five-year Habitat Restoration and Adaption Plan. Years two through five will be performed through a separate contract.

Construction Contractor

At 4 p.m. on May 20, 2025, the following sealed bids submitted via PlanetBids were opened and publicly released:

	BIDDER	TOTAL BID AMOUNT
Low	Superb Engineering, Inc.	\$ 5,242,833.25
2nd	Legion Contractors, Inc.	\$ 5,884,042.00
3rd	Environmental Construction, Inc.	\$ 7,455,789.78

The City received three bids for this project. The low bidder, Superb Engineering, Inc., possesses a California State Contractor's License Classification "A", as required by the project specifications. As approved, this would be the first project Superb Engineering has performed for the City.

City staff reviewed the list of projects Superb Engineering provided and concluded that Superb Engineering and its subcontractors have demonstrated success with all the tasks required for the Project. Specific examples include:

- Superb Engineering's three references provided good reviews of its performance.

- Superb Engineering's dredging subcontractor, Pacific Dredging & Construction, successfully dredged the Grand Canal under City contract. This subcontractor reports recent dredging work at the Agua Hedionda Lagoon in the City of Carlsbad, and the Napa River Maintenance Dredging in the City of Napa.
- Superb Engineering's aquatic vegetation removal subcontractor, McNabb Construction, has recent similar experience working for the Cities of Los Angeles, Santa Cruz and Sunnyvale, and the Orange County Water District.

The low bid by Superb Engineering is 12% below the Engineer's Estimate of \$5,950,000. The three bids show a good spread with one bid below, one bid near, and one bid above the Engineer's Estimate.

Because this project involves extensive excavation and grading in the Big Canyon flood plain during the possible wet season, project progress may be impacted by the timing, number and intensity of storm events. Therefore, a 15% contingency is recommended to cover potential additional costs associated with storm flow management, erosion prevention, and other related, unforeseen site conditions beyond what would be expected within the contract scope. Contingency costs for grant-approved construction tasks would be paid with grant funds.

Pursuant to the contract specifications, the contractor shall adhere to the following schedule milestones:

1. Superb Engineering has 90 consecutive working days, starting on the date of the Notice to Proceed, to complete all heavy construction work that could be disruptive to birds during nesting season. (Bird nesting season starts on March 1 and ends on August 30.)
2. Superb Engineering has an additional 70 days to complete all remaining tasks.
3. Once staff has determined the work is complete, Superb Engineering shall perform the Maintenance and Plant Establishment period task for 120 consecutive calendar days.
4. After successful completion of the Maintenance and Plant Establishment task, Superb Engineering will perform a full year of site maintenance per agency permit requirements.

Agency permits restrict the commencement of work until after the bird-breeding season that ends on August 30.

Construction Manager

To assist City staff in management of the project, a Request for Proposals (RFP) for construction management services was advertised. Four consultant proposals were received. The proposals were reviewed by a three-person technical panel and scored as follows.

PROPOSER	TOTAL SCORE (out of 300)	RANK
Horrocks LLC	280	1
Dudek	254	2
Interwest Consulting	240	3

The fourth bidder, Ally Construction Services, did not meet the minimum qualifications for this RFP.

As the highest ranked consultant, Horrocks' staff was interviewed by City staff. Horrocks' staff described similar projects the firm has managed for other local agencies. Based on its proposal and interview, Horrocks LLC has demonstrated the expertise and experience needed to successfully complete the scope of work identified in the RFP. Therefore, staff recommends City Council approval of a PSA with Horrocks LLC to provide construction management services for the Big Canyon Restoration (Phase 3) project. (Attachment D)

Horrocks' construction management services will include providing technical and administrative construction management and engineering services; coordinating and overseeing all construction activities; reviewing submittals; responding to Requests for Information; performing inspections; preparing daily and weekly inspection reports; maintaining project records and documentation; and providing community outreach. All expenditures for these construction management tasks will be reimbursed pursuant to the NBC/City agreement (Attachment C).

On-Call Geotechnical and Survey Consultants

City staff will use Guida Surveying and Harrington Geotechnical Engineering, Inc. for on-call surveying and geotechnical support, respectively. These City costs will also be reimbursed pursuant to the NBC/City agreement.

FISCAL IMPACT:

NBC has submitted three grant applications to State funding agencies totaling \$7,501,084 for the Phase 3 project as follows:

Funding Agency	Funding Request	Grant Award Status
State Coastal Conservancy	\$ 1,575,409	Grant award executed.
Ocean Protection Council	\$ 2,684,675	Grant award executed.
Wildlife Conservation Board (WCB)	\$ 3,241,000	Recommended by WCB staff for award at its August 28, 2025 Board Meeting.
TOTAL	\$ 7,501,084	

Pursuant to the pending agreement between the City and NBC, NBC will use these grant funds to reimburse the City for payments to the construction contractor, construction manager and inspector, and the City's on-call geotechnical and survey consultants.

Grant funds will also be used to pay for the first year of the permit-required, five-year habitat maintenance and monitoring program per the requirements of the Habitat Restoration and Adaption Plan.

The adopted Capital Improvement Program budget includes sufficient funding for the award of the construction contract and the approval of the construction management agreement. The following funds will be expended:

<u>Account Description</u>	<u>Account Number</u>		<u>Amount</u>
Environmental Contribution (Ocean Protection Council)	13801-980000-25X11	\$	2,684,675
Environmental Contribution (State Coastal Conservancy)	13801-980000-25X11	\$	668,325
Environmental Contribution (Wildlife Conservation Board)	13801-980000-25X11	\$	3,241,000
Total:		\$	6,594,000

Proposed fund uses are:

<u>Vendor</u>	<u>Purpose</u>		<u>Amount</u>
Superb Engineering	Construction Contract	\$	5,242,833.25
Superb Engineering	Construction Contingency	\$	786,000.00
Horrocks	Construction Management	\$	487,040.00
Guida Surveying	Surveying Services	\$	31,760.00
Harrington Geotechnical	Material Testing Services	\$	44,000.00
Various	Printing and Incidentals	\$	2,366.75
Total:		\$	6,594,000.00

Staff recommends establishing \$786,000 (approximately 15% of bid) for contingency purposes and unforeseen conditions associated with construction.

ENVIRONMENTAL REVIEW:

Staff recommends City Council find the requirement for environmental review under the California Environmental Quality Act (CEQA) for the Big Canyon Restoration (Phase 3) Project qualifies as statutorily exempt under CEQA per Public Resources Code, § 21080.56, subdivisions (a) to (d), inclusive, as concurred to by the Director of Fish and Wildlife. (Attachment A)

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 – CEQA Exception Concurrence by CDFW
Attachment B – CDFW/City Right of Entry
Attachment C – NBC/City Agreement
Attachment D – Horrocks' Professional Services Agreement
Attachment E – Location Map