



CITY OF

NEWPORT BEACH

City Council Staff Report

February 11, 2020
Agenda Item No. 14

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Annual Concrete Replacement Program – Award of Contract
No. 7682-1 (20R06) to S&H Civilworks, Inc.

ABSTRACT:

On November 19, 2019, City Council awarded the annual Concrete Replacement Program to Western Construction Specialists, Inc. to replace deteriorated sidewalks, driveways, curbs and gutters in the Harbor View, Newport Ridge and Newport Coast neighborhoods.

Since the time of this award, the contractor has informed staff that they are unable to meet the construction schedule as required by the contract documents due to other commitments. Western Construction Specialist offered to pay the City the difference between their bid and the next lowest responsible bid in lieu of forfeiture of their bidder's bond. A Settlement Agreement was recently executed to confirm this understanding by both parties and Western Construction Specialists, Inc. has paid the agreed upon settlement funds.

Staff now requests City Council's approval to award the construction contract to the next lowest responsible bid, S&H Civilworks, Inc.

RECOMMENDATION:

- 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) Award Contract No. 7682-1 to S&H Civilworks, Inc. for the total bid price of \$763,500.00, and authorize the Mayor and City Clerk to execute the contract;
- c) Establish a contingency of \$39,000.00 (approximately five percent of total bid) to cover the cost of unforeseen work not included in the original contract; and
- d) Approve Budget Amendment No. 20-031 recognizing contribution funds of \$22,200 from Western Construction Specialists, Inc. in Account No. 13501-511050-20R06 and appropriating \$22,200 in increased expenditures for the Concrete Replacement Program (20R06) in Account No. 13501-980000-20R06.

FUNDING REQUIREMENTS:

Upon approval of the proposed budget amendment, sufficient funding is available from the current project Capital Improvement Program budget for the award of this contract. The recommended Budget Amendment recognizes \$22,200 in increased contributions revenue (Account No. 13501-511050-20R06) and appropriations (Account No. 13501-980000-20R06) for the Concrete Replacement Program (20R06).

The following funds will be expensed:

<u>Account Description</u>	<u>Account Number</u>		<u>Amount</u>
Measure M Fair Share	12201-980000-20R06	\$	500,000.00
Neighborhood Enhancement	53601-980000-20R06	\$	158,246.00
Neighborhood Enhancement	53601-980000-20R11	\$	123,754.00
Contribution	13501-980000-20R06	\$	22,200.00
	Total:	\$	804,200.00

Proposed fund uses are as follows:

<u>Vendor</u>	<u>Purpose</u>		<u>Amount</u>
S&H Civilworks	Construction Contract	\$	763,500.00
S&H Civilworks	Construction Contingency	\$	39,000.00
Various	Printing & Incidentals	\$	1,700.00
	Total:	\$	804,200.00

Staff recommends establishing \$39,000.00 (approximately five percent of total bid) for contingency purposes and unforeseen conditions associated with construction.

DISCUSSION:

On November 19, 2019, City Council awarded the Annual Concrete Replacement Program project to Western Construction Specialists, Inc. The awarded contract amount was \$741,300.00. Approximately one month later the contractor informed staff that they were unable to meet the construction schedule as required by the contract documents due to other commitments. Western Construction Specialist, Inc offered to pay the City the difference between their bid and the next lowest responsible bid in lieu of forfeiture of the bidder's bond. The difference between the two bids is \$22,200.00. To maintain the project schedule, staff agreed to this offer. A Settlement Agreement was subsequently executed by both parties and the City has now received a check in the amount of \$22,200.00 from Western Construction Specialists, Inc.

The Annual Concrete Replacement Program is a yearly project that precedes the Slurry Seal Program. Both of these programs are located in the same general areas. Each year, staff strategically administers the Concrete Replacement Program several months in advance of the Slurry Seal Program to assure that all pavement sawcuts and any pavement scars related to concrete improvements are covered by the upcoming slurry seal project.

Staff recommends awarding the Concrete Replacement Program to S&H Civilworks, Inc., who was the next lowest responsible bidder. S&H Civilworks possesses a California State Contractor's License Classification "A", as required by the project specifications. A review of references for S&H Civilworks shows satisfactory completion of similar contracts for other municipalities. This contractor also successfully completed the City's Concrete Replacement Program in Fiscal Year 2016-17. Delaying the award of this contract would also likely delay the upcoming Slurry Seal Program planned to start in Spring.

The total bid price was \$763,500, which was 9.1 percent above the Engineer's Estimate of \$700,000. The minor disparity between the bid price and the Engineer's Estimate is due to slightly higher unit prices for surveying services and traffic control.

The proposed project includes replacement of deteriorated sidewalks, driveways, curbs and gutters, removal of trees, and restoring private improvements within the Harbor View, Newport Ridge and Newport Coast neighborhoods.

Pursuant to the Contract Specifications, the Contractor will have 90 consecutive working days to complete the work. Work is scheduled to start in February 2020.

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, 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