



STAFF REPORT

CITY of YORBA LINDA

PUBLIC WORKS DEPARTMENT

DATE: JUNE 18, 2024

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JAMIE LAI, P.E., DIRECTOR OF PUBLIC WORKS/CITY ENGINEER
PREPARED BY: COLIN TSUI, E.I.T., ASSISTANT ENGINEER

SUBJECT: REJECTION OF ALL BIDS FOR CONSTRUCTION OF THE LAKEVIEW AVENUE WIDENING FROM ORIENTE DRIVE TO BASTANCHURY ROAD PROJECT (SI231003)

RECOMMENDATION

It is recommended that the City Council reject all bids received for construction of the Lakeview Avenue Widening Project (SI231003) from Oriente Drive to Bastanchury Road within the City of Yorba Linda.

BACKGROUND

The City solicited bids for construction services on the Lakeview Avenue Widening Project from Oriente Drive to Bastanchury Road. The project scope includes the addition of a second travel lane in each direction on Lakeview Avenue between Oriente and Bastanchury. Other improvements include the addition of sidewalk, sewer improvements, and pavement resurfacing.

DISCUSSION

City staff reviewed the plans, specification, and estimates for the subject project before advertising for bids on April 25, 2024. Upon completion of the advertisement period on May 23, 2024, the City received bids from two (2) general contractors. Each bid was reviewed and tabulated to ensure correct figures were provided. The bid results are provided in the table below:

Bid Result Table	
Bidder	Total Bid Amount
Hillcrest Contracting, Inc.	\$2,608,113.50
Sully-Miller Contracting Co.	\$2,773,644.00

The original project budget was \$1,500,000.00 and both bids were in exceedance of the project budget. Both labor and material costs have escalated significantly, and the bid environment has been favorable for contractors which results in them being able to charge

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premiums for their trades. The bid records show that 10 contractors downloaded plans but did not submit bids. Staff is currently investigating the basis for the deviation from the original project estimate. The original designer of record has been tasked with re-evaluating the bid item schedule and scope to determine the basis for the cost differences. Given that the project is funded through the Orange County Transportation Authority (OCTA) Comprehensive Transportation Funding Program (CTFP), it would be in the City's best interest to re-apply for these CTFP funds in the upcoming Call for Projects. This would allow for submittal of the updated project cost and if the re-application is approved, would result in a larger contribution from the CTFP fund to the project. Yorba Linda has a successful track record of securing these funds and if the project does not receive funding in the upcoming cycle, it would be reasonable to put the project on hold until additional funds can be acquired. If the re-application is successful, the project would then be re-advertised in the Spring of 2025.

Staff determined it is in the City's best interest for Council to reject all bids received for the Lakeview Avenue Widening Project. Staff will notify the bidders as to the rejection status and will return bid bonds to the respective bidders.

FISCAL IMPACT

The Lakeview Avenue Widening Project from Oriente to Bastanchury (SI231003) has \$1,499,476 programmed within the Fiscal Year 2024-2025 Capital Improvement Program budget under project Account 4010050-461640 (SI231003). Funding for this project currently includes \$81,200 from the Special Reserves Fund (102), \$1,022,494 in CTFP grants within the Misc. Grants Fund (207), and \$395,782 from Measure M2 Local Fair Share Funds (212). These figures do not include prior expenditures for earlier phases of the project associated with the same project number. As a result of the bids being rejected, these funds will be returned to their respective funding sources.

ALTERNATIVES

The City Council may direct staff to proceed with approval of award based upon the low bid received but would need to appropriate General Fund monies to fully fund the project.

ATTACHMENTS

None.
