



City of Huntington Beach

File #: 23-395

MEETING DATE: 5/16/2023

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Al Zelinka, City Manager

VIA: Chau Vu, Acting Director of Public Works

PREPARED BY: William Janusz, Principal Civil Engineer

Subject:

Reject bids for the Traffic Signal Improvements at the intersection of Warner Avenue and Ash Lane (CC-1670) and at the intersection of Main Street and Delaware Street (CC-1671)

Statement of Issue:

On March 28, 2023, bids were opened for the traffic signal improvement project at the intersection of Warner Avenue and Ash Lane (CC-1670) and at the intersection of Main Street and Delaware Street (CC-1671). Staff recommends that all bids be rejected since the available funding in the Traffic Impact Fee account is insufficient to construct the project.

Financial Impact:

Funds totaling \$764,000 for construction and construction administration were appropriated in the Fiscal Year 2022/2023 budget within the Traffic Impact Fee fund, Account Numbers 20690016.82700 and 20690017.82700. The lowest responsible bid, combined with City furnished equipment, construction administration and contingencies, exceeds the available budget with total cost of \$1,260,000. This equates to a funding shortfall of \$496,000.

Recommended Action:

Reject all bids for the Traffic Signal Improvements at the intersection of Warner Avenue and Ash Lane (CC-1670) and at the intersection of Main Street and Delaware Street (CC-1671).

Alternative Action(s):

Do not reject bids and direct staff accordingly.

Analysis:

The intersection of Warner Avenue and Ash Lane and the intersection of Main Street and Delaware Street were identified in the Fiscal Year 2021/2022 Capital Improvement program for the installation of left turn arrows.

Bids were previously received for the left turn arrow installation at the intersection of Main Street and Delaware Street on May 2, 2022. These bids were subsequently rejected by City Council on June 7, 2022 for significantly exceeding the available budget for the project.

The intersection of Main Street and Delaware Street was advertised again combined with the traffic signal improvement project at Warner Avenue and Ash Street. Bids were received on March 28, 2023 and are listed in ascending order:

	Bidder	Submitted Bid
1	Comet Electric, Inc.	\$757,880.00
2	Elecnor Belco Electric, Inc.	\$765,430.20
3	Select Electric, Inc.	\$775,695.00
4	California Professional Engineering, Inc.	\$800,555.50
5	Crosstown Electrical & Data, Inc.	\$921,868.00
6	Calpromax Engineering, Inc.	\$929,435.00
7	DBX, Inc.	\$1,366,223.00

Including the lowest responsible bid by Comet Electric, Inc., the total estimated cost of this project is \$1,260,000, as outlined below:

Bid	\$757,880
15% Construction Contingency	\$113,682
City Furnished Equipment	\$350,000
Construction Administration	<u>\$38,438</u>
TOTAL	\$1,260,000

Funds totaling \$764,000 for construction and contract administration were originally appropriated within the Traffic Impact Fee, Account Numbers 20690016.82700 and 20690017.82700. Should the City move forward with the project, it would face a funding shortfall of \$496,000.

Acceptance of the lowest responsive and responsible bid would require allocation of additional funds from an alternative transportation funding source to meet this shortfall, which is attributed to the significant inflationary increases in the cost of labor and construction materials over the past year. Staff believes that it would be prudent to reject all bids and postpone this project pending stabilization of the construction market and evaluation of potential alternative treatments. Public works will evaluate the bid package and monitor construction market conditions over the next year to look for opportunities to revise the project and identify more favorable conditions to rebid the project. Section 614 of the City Charter authorizes the City Council to reject bids for construction projects at their discretion.

CIAB/Public Works Commission Action:

The CIAB/Public Works Commission recommended these intersection modifications on March 16, 2022 by a vote of 9-0-2 (Nguyen and Schlosser absent).

Environmental Status:

This project is categorically exempt pursuant to the California Environmental Quality Act, Section 15301(c).

Strategic Plan Goal:

Infrastructure & Parks

Attachment(s):

1. Project Location Map
2. Powerpoint Presentation