



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-390

Meeting Date: 9/2/2025

TITLE:

AWARD OF THE TEWINKLE PARK LAKES REPAIR AND REHABILITATION PROJECT, CITY PROJECT NO. 24-12, AND FINDING OF CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CATEGORICAL EXEMPTION

DEPARTMENT: PUBLIC WORKS DEPARTMENT/ENGINEERING DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: SEUNG YANG, P.E., CITY ENGINEER (714) 754-5335

RECOMMENDATION:

Staff recommends the City Council:

1. Make a finding of California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA Guidelines section 15301.
2. Adopt plans, specifications, and working details for the TeWinkle Park Lakes Repair and Rehabilitation Project, City Project No. 24-12.
3. Award a Public Works Agreement (PWA) for construction to Houalla Enterprises, Ltd. (dba Metro Builders & Engineers Group, Ltd.) 2610 Avon Street, Newport Beach, California 92663 in the amount of \$2,459,777, and authorize a ten percent (10%) contingency in the amount of \$245,978 for unforeseen costs related to this project.
4. Authorize the Interim City Manager and the City Clerk to execute the PWA for Houalla Enterprises, Ltd. (dba Metro Builders & Engineers Group, Ltd.) and future amendments to the agreement within Council authorized limits.

ENVIRONMENTAL DETERMINATION:

The proposed action is exempt from the California Environmental Quality Act (CEQA). The action involves an organizational or administrative activity of government that will not result in the direct or indirect physical change in the environment. In addition, the proposed action is exempt under section 15301 relating to the operation, repair, maintenance, permitting, and/or minor alteration of existing public facilities.

BACKGROUND:

TeWinkle Park is a forty-nine (49) acre park dedicated in 1965 in honor of Charles TeWinkle, the first mayor of the City of Costa Mesa. The park hosts various amenities, including Angels Playground, an open-air amphitheater, expansive open spaces for recreation, and the iconic TeWinkle Park Lakes.

The lakes are a hallmark feature at TeWinkle Park that have been in a state of disrepair for the last several years. The water features include two lakes, two ponds, an intermediate pond, five streams, nearly two acres of water surface, and approximately 3,250 feet of shoreline.

A partial renovation of the lakes was undertaken in 2004, but over the past several years, water leakage has developed in the two primary lakes, resulting in significant water loss, amounting to a waste of nearly one million gallons of water per month, which is a cost to the City of approximately \$100,000 every year. In addition, the leakage is also undermining the lakebed and surrounding soil areas.

The objective of the TeWinkle Park Lakes Repair and Rehabilitation Project is to address these deficiencies and to improve the functionality and operational efficiency of the lake system, including enhancing the safety, aesthetic, and recreational value of the lakes at TeWinkle Park.

The contractor is required to complete all of the tasks necessary to perform the scope of work as outlined in the contract documents, plans, and specifications. A copy of the specifications and working details is available for review in the Office of the City Clerk.

ANALYSIS:

Staff initially advertised this project with a public bid opening on February 12, 2024. Only one (1) bid was received, Houalla Enterprises, Ltd. (dba Metro Builders & Engineers Group, Ltd.) [hereafter referred to as "Houalla"], and staff determined that the bid amount of \$3,981,657 far exceeded the City's budget for this project and recommended rejection.

As a result, the City Council rejected the sole bidder during its regularly scheduled meeting on June 4, 2024.

In light of the high costs, staff subsequently reduced the scope of the project to primarily focus on the repair of the lakebeds and rebid the project. The City received and opened one (1) bid for this project on November 21, 2024. Houalla was once again the sole bidder. Houalla submitted a base bid of \$3,466,600, which included two (2) deductive items for pond and stream repairs. Removal of these items reduces the base bid to \$3,190,865.

On June 30, 2025, after consulting with the City Attorney's Office, staff met with Houalla's management to further reduce the scope and negotiated a cost of \$2,459,777. In order to arrive at this cost, the following items were eliminated from the project scope:

- Repair of the two (2) ponds and streams
- Gabion walls
- Pump station repairs
- Bridge and wooden deck work

- Dewatering of the lakes (to be implemented by City/separate vendor)
- Aquatic wildlife removal (to be implemented by a separate vendor)
- Boulder installations
- Landscaping and irrigation on the island

The bid reduction summary is included as Attachment 1.

The main objective of this project, which is to replace the lake liner in order to minimize leakage and water loss, remains a top priority and will be accomplished within the scope of work. Other improvements within the scope of work include:

- Improvements to the shape of the lakes to help promote more natural water movement by reducing maintenance costs
- Deepen the lakes to improve water quality, reduce maintenance costs, and enhance aesthetics
- Rebuild damaged and eroded shorelines with natural edges
- Repair and replace the existing circulation system to improve functionality
- Add landscape along the shoreline to provide a more natural appearance, encourage waterfowl to designated areas, and improve overall usability of adjacent greenspace and walkways

The licenses and references from Houalla have been checked, and staff has found them to be in good standing. In addition, Houalla has performed substantially similar projects, such as the Well No. 5 Treatment Project for the Water Replenishment District of Southern California, D-4 Reservoir Recycled Water Project for the Carlsbad Municipal Water District, and the Bear Valley Booster Pump Station for the Golden State Water Company.

Upon City Council award of the PWA (Attachment 2), Houalla will furnish the necessary bonds for the project. After the award and subsequent execution of the agreement, a "Notice to Proceed" will be issued.

ALTERNATIVES:

The alternative to this Council action would be to reject all bids, re-advertise, and re-bid the construction project. Staff has determined that re-advertising and re-bidding the project will not result in lower bids and will delay the project.

FISCAL REVIEW:

The total amount for the proposed contract, inclusive of contingency, will not exceed \$2,705,755. Funding for the TeWinkle Park Lakes Repair and Rehabilitation Project is available in the Fiscal Year 2025-26 budget in multiple Capital Improvement funds, including State Grant Fund (231) from former State Senator David Min and the Capital Improvement Fund (401). Additional funding for any contingencies related to this project will be identified from savings from completed projects in State Grant Fund (231) and Capital Improvement Fund (401).

LEGAL REVIEW:

The City Attorney's Office has reviewed this agenda report, prepared the PWA, and approves them as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This project works toward achieving the following City Council goals:

- Maintain and Enhance the City's Facilities, Equipment and Technology
- Strengthen the Public's Safety and Improve the Quality of Life

CONCLUSION:

Staff recommends the City Council:

1. Make a finding of California Environmental Quality Act (CEQA) categorical exemption pursuant to CEQA Guidelines section 15301.
2. Adopt plans, specifications, and working details for the TeWinkle Park Lakes Repair and Rehabilitation Project, City Project No. 24-12.
3. Award a Public Works Agreement (PWA) for construction to Houalla Enterprises, Ltd. (dba Metro Builders & Engineers Group, Ltd.) 2610 Avon Street, Newport Beach, California 92663 in the amount of \$2,459,777, and authorize a ten percent (10%) contingency in the amount of \$245,978 for unforeseen costs related to this project.
4. Authorize the Interim City Manager and the City Clerk to execute the PWA for Houalla Enterprises, Ltd. (dba Metro Builders & Engineers Group, Ltd.) and future amendments to the agreement within Council authorized limits.