



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 23-1218

Meeting Date: 6/6/2023

TITLE:

REJECT ALL BIDS - PLACENTIA AVENUE STORM WATER QUALITY IMPROVEMENT PROJECT, CITY PROJECT NO. 23-02

DEPARTMENT: PUBLIC WORKS DEPARTMENT/ENGINEERING DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: SEUNG YANG, P.E., CITY ENGINEER, (714) 754-5633

RECOMMENDATION:

Staff recommends the City Council reject all bids for the Placentia Avenue Storm Water Quality Improvement Project, City Project No. 23-02.

BACKGROUND:

The proposed trash capture system and storm water quality improvement involve the construction of a continuous deflection separator (CDS) unit adjacent to Placentia Avenue on the Costa Mesa Golf Course. The CDS unit is designed to capture and treat storm water runoff from an existing 72-inch storm drain line along Placentia Avenue.

The storm drain line conveys runoff from a drainage area, consisting of various high-priority land uses such as high-density residential, industrial, commercial, and mixed-urban development in the local vicinity south of Fairview Park. The CDS unit is intended to capture storm runoff from these high priority areas and treat the runoff for trash and pollutants before allowing treated storm water to reach downstream water bodies.

The project is partially funded by the Orange County Transportation Authority's (OCTA's) Environmental Cleanup Program (ECP) Tier 1 (Project X) grant.

ANALYSIS:

On April 11, 2023, staff received five (5) bids for this project. The bid abstract is shown in Attachment 1. Staff has reviewed all bids and has determined that they significantly exceed the current allotted budget for this project. The lowest bid submitted by GCI Construction, Inc., was deemed non-responsive since the original bid bond was not submitted to the City Clerk's office in a timely manner. In addition, GCI Construction elected to withdraw its bid within five (5) working days of the bid opening, which is allowed under Section 5103 of the Public Contract Code.

The lowest responsive bid was submitted by Diamond Construction at a bid amount of \$647,870. This amount is approximately 69% over the Engineer's estimate of \$383,500. Rising construction costs in both the procurement of the CDS unit and the labor for its installation, are reasons for the

higher bid amount. Therefore, staff requests that the City Council reject all bids at this time.

Staff applied for the FY 2023-24 OCTA ECP Tier 1 grant for this project again in April 2023. The new grant application was modified with higher funding request in order to procure and install the CDS unit based on current prices. Upon the receipt of the grant monies, staff will re-advertise this project.

ALTERNATIVES:

The alternative would be to reject the staff's recommendation and award a contract to the lowest responsive bidder, Diamond Construction. The staff has determined that this alternative is not recommended since the current budget does not support the amount required for the lowest responsive bidder.

FISCAL REVIEW:

There is no fiscal impact at this time if all bids are rejected and the project is re-advertised as recommended.

LEGAL REVIEW:

The City Attorney's Office has reviewed this agenda report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item is administrative in nature.

CONCLUSION:

Staff recommends the City Council reject all bids for the Placentia Avenue Storm Water Quality Improvement Project, City Project No. 23-02.