



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 24-219

Meeting Date: 6/4/2024

TITLE:

REJECT SOLE BID RECEIVED FOR THE TEWINKLE PARK LAKES REPAIR AND REHABILITATION PROJECT, CITY PROJECT NO. 23-10

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 reject the sole bid received for the TeWinkle Park Lakes Repair and Rehabilitation Project, City Project No. 23-10.

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, open air amphitheater, expansive open spaces for recreation, and the iconic TeWinkle Park Lakes. The lakes are artificial water features and are a hallmark feature at TeWinkle Park. The water features consist of two lakes, two ponds, an intermediate pond, five streams, nearly two acres of water surface, and approximately 3,250 feet of shoreline.

The lakes have been in disrepair for the past several years. A partial renovation of the lakes was undertaken in 2004; however, water leakage has developed in the two primary lakes, resulting in significant water loss as well as undermining of the lakebed and erosion of soil along the lakes' perimeter.

On December 7, 2021, the City Council awarded a Professional Services Agreement (PSA) to Pacific Advanced Civil Engineering (PACE) to perform design for the rehabilitation of the lakes, including value engineering, analysis, working plans, specifications, and estimates; and coordination of community meetings. The intent of the TeWinkle Park Lakes Repair and Rehabilitation Project was 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.

ANALYSIS:

On February 12, 2024, staff received only one (1) bid for this project. The bid abstract is shown in Attachment 1. Staff has reviewed this sole bidder, Houalla Enterprises, Ltd., and has determined that the bid amount of \$3,981,657 exceeds the City's current budget of \$2,000,000 for the project.

While rising costs and inflation in the construction industry are major factors reflecting high bid amounts, the submission of a single bid may not reflect the price expected from more competition and does not afford the City the most cost-effective price for this project. Staff will reassess the overall project and will modify the scope in consultation with the City's Consultant, PACE, in producing a project that addresses all the current deficiencies regarding the lakes without reducing any major component that enhances the quality features of the lakes. In addition, staff proposes to remove the Cooperative Workforce Agreement (CWA) requirement for this project in the solicitation of new bids. The work required under this project is of specialized nature, with few contractors willing to bid on the project. Staff is adding several other replacement projects under CWA to ensure the City's commitment.

Therefore, staff recommends that the City Council reject the sole bid and authorize staff to modify the scope of the project, re-advertise, and conduct the bid opening.

ALTERNATIVES:

The City Council could reject staff's recommendation and award to sole bidder, Houalla Enterprises, Ltd. However, staff does not recommend this action since the current budget does not support the amount required for the sole bidder.

FISCAL REVIEW:

The sole bid amount of \$3,981,657 by Houalla Enterprises, Ltd. exceeds the City's current budget of \$2,000,000 for the project in the States Grant Fund (231). There is no fiscal impact if the sole bid is rejected.

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 the sole bid received for the TeWinkle Park Lakes Repair and Rehabilitation Project, City Project No. 23-10.