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Date	Ver.	Action By	Action	Result

TITLE:

SIGNAL MODERNIZATION FOR SYSTEMIC SAFETY IMPROVEMENTS, FEDERAL PROJECT NO. HSIPL-5312(107), CITY PROJECT NO. 26-01

DEPARTMENT: **PUBLIC WORKS DEPARTMENT/TRANSPORTATION SERVICES DIVISION**

PRESENTED BY: **RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR**

CONTACT INFORMATION: **PAUL MARTIN, TRANSPORTATION SERVICES MANAGER AND RAMIN NIKOUI, SENIOR ENGINEER, (714) 754-5343**

RECOMMENDATION:

Staff recommends the City Council:

1. Adopt plans, specifications, and working details for the Signal Modernization for Systemic Safety Improvements, Federal Project No. HSIPL-5312(107), City Project No. 26-01, and find the project categorically exempt from the California Environmental Quality Act (CEQA).

2. Award a Public Works Agreement (PWA) for construction to Econolite Systems Inc. 1250 N Tustin Avenue, Anaheim CA 92807, in the amount of $2,709,902.68, and authorize a ten percent (10%) contingency in the amount of $270,990.27 for unforeseen costs related to the project.

3. Authorize the City Manager or designee to negotiate and approve future PWA amendment(s) to increase the total not-to-exceed compensation by up to $712,000.00 to utilize the full federal Highway Safety Improvement Program (HSIP) grant allocation.

4. Award a Professional Services Agreement (PSA) for construction management and inspection

support services to C2PM, 22601 Summerfield, Suite 2, Mission Viejo, CA 92692, in the amount of $406,084.83, and authorize a ten percent (10%) contingency in the amount of $40,608.48.

5. Authorize an appropriation of $204,000 from the Measure M2 Fairshare (Fund 416) fund balance.

6. Authorize the City Manager and the City Clerk to execute the PWA and the PSA and any future amendments to the agreements within Council authorized limits.

ENVIRONMENTAL DETERMINATION:

The proposed project is exempt from the California Environmental Quality Act (CEQA). The project involves an organizational or administrative activity of government that will not result in direct or indirect physical change in the environment. The proposed project is categorically exempt under Section 15301 relating to the operation, repair, maintenance, permitting, and/or minor alteration of existing public facilities. A Notice of Exemption was prepared by City staff, was submitted electronically to the California Governor's Office of Land Use and Climate Innovation on July 21, 2025, and was physically filed and posted at the Orange County Clerk-Recorder Department on July 22, 2025.

The proposed project is categorically excluded from the National Environmental Policy Act (NEPA). Per the Code of Federal Regulations 23 CFR 771.117(c)(8), the installation of traffic signals and equipment where no substantial land acquisition or traffic disruption will occur are considered actions that meet the criteria for categorical exclusions from NEPA and are deemed to not have any significant environmental impacts. A Preliminary Environmental Study classifying the project as categorically excluded was submitted to the California Department of Transportation (Caltrans) on July 18, 2025. On October 23, 2025, Caltrans provided concurrence with the NEPA determination of Categorical Exclusion.

BACKGROUND:

The Signal Modernization for Systemic Safety Improvements, Federal Project No. HSIPL-5312(107), City Project No. 26-01 (Project), is a federally funded project that will construct safety improvements at nearly all City-owned traffic signals.

In 2022, the City of Costa Mesa completed a Local Road Safety Plan (LRSP), which created a framework to identify, analyze and develop traffic safety enhancements on the City's roadway network. The LRSP was developed in response to local issues and needs. The LRSP identified systemic infrastructure improvements that can be implemented throughout the City to enhance safety for all modes of travel. In late 2022, using data and recommendations from the LRSP, the City applied for grant funds for the 11th cycle of the Highway Safety Improvement Program (HSIP). In 2023, the City was awarded $3,636,090 of federal grant funds for the implementation and construction management of systemic safety improvements to nearly all its signalized intersections. The grant program requires a 10% local match, which results in the federal funds accounting for 90% of project costs.

The Project will provide safety improvements for all users including implementing Leading Pedestrian Intervals (LPI) at 44 intersections, installing countdown pedestrian signals at 43 intersections, installing new yellow retroreflective border signal backplates at 128 signalized intersections to

enhance visibility and compliance at traffic signals, upgrading all remaining 8” signal heads in the City to more visible 12” signal heads, installing battery backup systems at 16 major intersections to keep signals and pedestrian crossings active during unexpected power outages, and installing emergency vehicle preemption devices at 28 intersections to fill the remaining gaps in the preemption network for the City’s emergency services.

The contractor is required to complete all 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 are available for review in the Office of the City Clerk.

City Staff issued a Request for Proposals (RFP) to select a well-qualified consultant to lead the construction management and inspection operations of this federally-funded project. A copy of the RFP is available for review in the Office of the City Clerk.

ANALYSIS:

Project Construction:

The City received and opened ten (10) bids for this project on May 4, 2026. Econolite Systems Inc. (Econolite), is the apparent low bidder with a base bid proposal of $2,472,097.53. The bid abstract for this project is included as Attachment 1. Staff has elected to authorize the additive/deductive bid items for this Project. The total contract cost for Econolite, including the additive/deductive bid items is $2,709,902.68.

Staff has analyzed the bid proposal submitted by Econolite and found no errors or irregularities. Staff recommends that City Council authorize the use of the additive/deductive bid items and award a construction contract to the apparent lowest bidder, Econolite Systems, Inc. The license and references of Econolite have been checked, and staff has found them to be in good standing.

Upon City Council authorization to execute the Public Works Agreement (PWA), Econolite will furnish the necessary bonds and insurance, which will be approved as to form by Risk Management. After the award and subsequent execution of the agreement, a “Notice to Proceed” will be issued.

Full Utilization of Available Grant Funds:

The total bid amount including additive/deductive bid items is significantly lower than the available federal grant amount awarded to the City, and there are additional grant funds that can still be utilized. Upon contract award, City staff can negotiate additional improvements to use the remaining available grant funds while providing only a 10% match. Staff recommends City Council authorize the City Manager or designee to negotiate and approve future PWA amendment(s) to increase the total not-to-exceed compensation by up to $712,000 to utilize the full federal HSIP grant allocation as needed. This will require $71,200 of additional city match to be budgeted to utilize an additional $640,800 of grant funds.

Some potential improvements that can be funded through future amendments include:

- New traffic signal heads and backplates;
- “No-Right-Turn Arrow” electronic blank-out signs to supplement leading pedestrian intervals;
- Additional pedestrian count-down heads; and
- Emergency Vehicle Preemption replacements.

Project Construction Management and Inspection Support:

On April 3, 2026, the City issued a Request for Proposals (RFP) for Construction Management and Inspection Support Services for the Project. Four (4) consultant proposals were received on April 27, 2026.

Proposals were reviewed for compliance with the City's RFP process, and the proposed consultants were evaluated based on project understanding, depth of experience, technical expertise, and associated evaluation criteria. Since these services are grant funded, the City's evaluation and selection process was conducted in accordance with federal consultant selection procedures. In accordance with federal requirements, the responsive responsible proposer shall be determined based on evaluation of qualitative factors and not based on cost. During the evaluation process, the following criteria was used:

1. Project Approach & Methodology ---------- 40%
2. Qualifications & Experience of Firm ---------- 30%
3. Experience and Record of Success on Similar Federal Projects --------- 30%

After careful review of the proposals, the evaluation team identified and interviewed the two highest ranked consultants. After the interviews, the evaluation team determined the ranking of the top two consultants (in order):

1. C2PM
2. DCCM Infrastructure, Inc.

Staff determined that the highest ranked consultant, C2PM, is well qualified to perform the requested construction management and inspection support services for the project. The proposal and interviews showed that C2PM has a thorough understanding of the project, the contract documents, and federal requirements. C2PM's proposal showcased experience working on federally funded projects as they are currently working on a very large-scale federally funded project for Caltrans. The fees proposed by C2PM were initially high but were negotiated down by City staff, consistent with federal requirements, to be competitive and commensurate with the requested services.

The second highest ranked consultant, DCCM Infrastructure, Inc., was qualified to perform the construction management and inspection support services. DCCM's proposal showcased an extensive experience in federally funded projects of similar scale and type. During the consultant interviews, however, the proposed project team was not able to properly showcase their knowledge and experience related to recently updated federal procedures and requirements.

Therefore, staff recommends that the City Council award a Professional Services Agreement (PSA) for construction management and inspection support services to C2PM, (Attachment 3) in the amount of $406,084.83, and authorize a ten percent (10%) contingency in the amount of $40,608.48.

Contingency:

Staff requests approval of a ten percent (10%) contingency for both the construction and construction

management agreements for unforeseen costs that may arise.

ALTERNATIVES:

The alternative 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 and adversely affect the project's federal grant funding. In addition, the alternative to reject all consultant proposals and re-advertise the RFP for construction management and inspection services will not result in lower cost proposals and will only delay the project delivery.

FISCAL REVIEW:

Majority of the funding for the construction and construction management is available in the FY 2026-27 Capital Improvement Program budget, consisting of Federal Highway Safety Improvement Program (HSIP) (Fund 230), and Regional Measure M2 Fairshare (Fund 416). To utilize all the awarded grant funds for the project, staff is requesting City Council approve an appropriation of an additional $204,000 from the Measure M2 Fairshare Fund 416 fund balance.

LEGAL REVIEW:

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

CITY COUNCIL GOALS AND PRIORITIES:

This project works toward achieving the following City Council goals:

- Strengthen the Public's Safety and Improve the Quality of Life
- Maintain and enhance the City's facilities, equipment, and technology.

CONCLUSION:

Staff recommends the City Council:

1. Adopt plans, specifications, and working details for the Signal Modernization for Systemic Safety Improvements, Federal Project No. HSIPL-5312(107), City Project No. 26-01, and find the project categorically exempt from the California Environmental Quality Act (CEQA).

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