

Council/Agency Meeting Held: _____	_____ City Clerk's Signature
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date:                      11/19/2007	Department ID Number:              PW07-069

**CITY OF HUNTINGTON BEACH  
REQUEST FOR CITY COUNCIL ACTION**

**SUBMITTED TO:** HONORABLE MAYOR AND CITY COUNCIL MEMBERS

**SUBMITTED BY:** *Penelope Culbreth Graft*  
PENELOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR

**PREPARED BY:** *Travis K. Hopkins*  
TRAVIS K. HOPKINS, PE, ACTING DIRECTOR OF PUBLIC WORKS -  
ENGINEERING

**SUBJECT:** Award Construction Contract for Newland Street Improvements, CC-1095

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)
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**Statement of Issue:** On October 30, 2007, bids were opened for the Newland Street Improvements, CC-1095. Staff requests that City Council award the contract to Hillcrest Contracting, the lowest responsive and responsible bidder.

**Funding Source:** Funding in the amount of \$3,325,000 is budgeted in Traffic Impact Fund, Newland Widening, Street Improvements 20690003.82300. Additional funding in the amount of \$2,175,000 will be appropriated from the Traffic Impact Fund undesignated fund balance to the project account.

**Recommended Action: Motion to:**

1. Approve the project plans and specifications for the Newland Street Improvements, CC-1095;
2. Accept the lowest responsive and responsible bid submitted by Hillcrest Contracting, in the amount of \$4,032,179.50;
3. Authorize the Mayor and City Clerk to execute a construction contract in a form approved by the City Attorney;
4. Authorize the Director of Public Works to approve up to fifteen percent (15%) in construction change orders; and
5. Appropriate \$2,175,000 from the Traffic Impact Fund balance to the project account.
6. Authorize the Director of Public Works to enter into the Agreement for the Replacement of Overhead with Underground Electrical Facilities with Southern California Edison Company.

**Alternative Action(s):** Reject all bids, and provide staff with an alternative direction.

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**Analysis:** The Newland Street Improvement project will widen the east side of Newland Street, from Pacific Coast Highway up to and including the Huntington Beach Channel. The Newland Street right-of-way is 80 feet wide from the intersection of Pacific Coast Highway to approximately 700 feet north of the intersection, where the right-of-way narrows. Currently there is only a single lane of travel in each direction with no sidewalk or bike lane for most of the distance within the project area. In addition, a significant grade differential exists where Newland Street crosses the Huntington channel which creates a stopping sight distance deficiency at the intersection with Edison Avenue.

The proposed improvements will include bike lanes, a sidewalk and center striped median. The widening will also address the stopping sight distance deficiency, by raising the road grade at the Huntington Beach Channel and providing a left turn lane at the intersection of Newland Street and Edison Avenue. A 39-inch storm drain and associated catch basins will replace an unimproved drainage ditch along the east side of the roadway, and the existing Southern California Edison (SCE) power lines along Newland will be relocated underground.

Bids were opened publicly on October 30, 2007, and are listed in ascending order:

Bidding Contractor	Primary Bid	SCE Undergrounding Bid	Total
Hillcrest Contracting	\$3,721,722.50	\$316,509.00	\$4,035,579.38
Elite Bobcat Services, Inc.	\$3,729,144.00	\$393,646.00	\$4,122,790.00
Alliance Streetworks	\$3,646,832.50	\$545,900.00	\$4,192,732.50
Shawnan	\$4,292,690.00	\$318,720.00	\$4,611,410.00
GMC Engineering	\$4,048,657.00	\$618,422.00	\$4,667,079.00
Steve Bubalo Construction	\$5,224,900.00	\$617,520.00	\$5,842,420.00

Bid amounts were verified, and the corrected bid amounts for all the bidders are shown below.

Bidding Contractor	Corrected Primary Bid	Corrected SCE Undergrounding Bid	Corrected Total
Elite Bobcat Services, Inc.	\$3,088,744.00	\$393,646.00	\$3,482,390.00
Hillcrest Contracting	\$3,709,222.50	\$322,957.00	\$4,032,179.50
Alliance Streetworks	\$3,646,832.50	\$545,900.00	\$4,192,732.50
Shawnan	\$4,292,690.00	\$318,720.00	\$4,611,410.00
GMC Engineering	\$4,048,657.00	\$618,442.00	\$4,667,079.00
Steve Bubalo Construction	\$5,225,275.00	\$617,520.00	\$5,842,795.00

Upon opening bids, the apparent low bidder was Hillcrest Contracting. However, in verifying the bid amounts, substantial mathematical errors were found within Elite Bobcat Service's unit costs for the bid items, making Elite Bobcat Services the lowest bidder. Staff brought these errors to the attention of Elite Bobcat Services, who asked that their bid be withdrawn from consideration. Therefore, it is recommended that the contract be awarded to Hillcrest Contracting, the second lowest responsive and responsible bidder. Hillcrest Contracting has

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performed similar jobs successfully for the City in the past and staff recommends award of the construction contract.

A fifteen percent construction contingency is requested due to the complexity of the project. In addition to construction contract costs, the project will require supplemental services such as structural inspection, soils and materials testing by outside firms. A contracted inspector will be assigned to the project. Payment to SCE per the Rule 20B Agreement is \$372,560. With contingency, supplemental expenses, and wetlands mitigation costs, the full project budget is estimated to be \$5,500,000.

### **Strategic Plan Goal:**

I-1 Improve the City's plan for funding and completing infrastructure needs, and develop strategies for resolving crucial infrastructure problems to preserve the physical foundation of the community and enable the community's value to grow.

**Public Works Commission Action:** The Public Works Commission reviewed and approved this project on March 15, 2006, by a vote of 6 – 0 (Commissioner Spencer Absent).

**Environmental Status:** Pursuant to the California Environmental Quality Act (CEQA), the project requires a Negative Declaration. COASTAL DEVELOPMENT PERMIT 05-07 and MITIGATED NEGATIVE DECLARATION NO. 05-05 were acted upon by the Zoning Administrator of the City of Huntington Beach on February 21, 2007, and by the Huntington Beach Planning Commission on April 24, 2007 and conditionally approved.

### **Attachment(s):**

City Clerk's Page Number	No.	Description
4	1.	Rule 20B Agreement with Southern California Edison for Replacement of Overhead with Underground Electrical Facilities with cover letter (2 copies)
13	2.	Letter from Elite Bobcat Services dated October 31, 2007 requesting their bid for the Newland Widening Project be withdrawn
15	3.	Fiscal Impact Statement (Traffic Impact Fund)

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**ATTACHMENT #1**

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Rule 20 B  
Applicant to Install  
Duct and Substructure

AGREEMENT FOR REPLACEMENT OF OVERHEAD  
WITH UNDERGROUND ELECTRICAL FACILITIES

THIS AGREEMENT, made this 15<sup>th</sup> day of October 2007 between SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, hereinafter called "SCE" and CITY OF HUNTINGTON BEACH, hereinafter referred to as "CITY".

WITNESSETH:

WHEREAS, CITY has requested SCE to replace SCE's existing overhead 12 kV distribution and telecommunication lines and appurtenant facilities (hereinafter referred to as Electrical Facilities) with underground facilities to accommodate the development of Newland Ave. Street Widening, said facilities to be placed underground along Newland Ave. in the City of Huntington Beach, County of Orange State of California, and as shown on the map marked "Exhibit A" attached hereto and made a part hereof; hereinafter referred to as Project Area; and

WHEREAS it is necessary for CITY to agree in writing to perform the necessary trenching and substructure work, agreed upon previously in accordance with SCE's rules to enable SCE to discontinue SCE's overhead service upon completion of SCE's underground facilities; and

WHEREAS, CITY has agreed to pay SCE \$372,560.38 to relocate, underground, all distribution and telecommunication facilities within the Project Area; said costs having been determined by SCE's standard accounting practices and in accordance with CPUC Rule 20B;

NOW, THEREFORE, it is mutually agreed by and between SCE and CITY as follows, viz.:

1. RELOCATION OF ELECTRICAL FACILITIES.

SCE shall relocate and underground said Electrical Facilities within the Project Area in accordance with the schedule herein.

2. WORK TO BE PERFORMED BY SCE.

- a) SCE shall procure and install all materials except ducts and substructures which are to be procured and installed by CITY and provide all engineering work related to the relocation of said Electrical Facilities.
- b) SCE shall inspect and approve all ducts and substructures procured and installed by CITY prior to deeding these ducts and substructures to SCE. Upon acceptance of facilities from CITY, SCE will be responsible for all further modifications and/or maintenance.

- c) SCE shall remove its overhead Electrical Facilities after the underground facilities replacing said overhead facilities have been installed, energized, and placed into permanent service.
- d) SCE shall obtain, if required, California Public Utility Commission Permits.
- e) SCE shall secure necessary State Highway Crossing Agreements.

### 3. WORK TO BE PERFORMED BY CITY

- a) CITY, at no cost to SCE, shall provide SCE with any required street improvement or site plans reflecting the location of all existing and proposed underground structures and/or facilities.
- b) CITY, at no cost to SCE, but with SCE'S cooperation, shall comply with the requirements of the California Environmental Quality Act (CEQA) and shall prepare any and all Environmental Impact Reports which may be required by any Agency having jurisdiction by Law.
- c) CITY, at no cost to SCE, shall procure and install all ducts, ground wire, and substructures in accordance with the plans and specifications submitted by SCE to CITY subject to inspection and approval by SCE.
- d) CITY to provide SCE with "As-Built" drawings.
- e) Duct system is to remain water free for one year.
- f) CITY shall pay for cabling of 12 kV distribution and telecommunications ducts by SCE, less the overhead equivalent. There is no credit for salvage.
- g) CITY shall notify SCE 48 hours prior to construction of or installation of the ducts and substructures in order that SCE can schedule the required inspection of these ducts and substructures.
- h) CITY, at no cost to SCE and subject to SCE's approval and acceptance, hereby grants to SCE ownership of all installed ducts and substructures. SCE may approve and accept ownership of all installed ducts and substructures without further action on the part of CITY at the time SCE inspects said facilities for the purpose of cable installation. CITY warrants and represents that the ownership of the installed ducts and substructures, and each and every component thereof as approved by SCE will pass to SCE free and clear of all liens and encumbrances.
- i) CITY shall provide SCE with a construction time schedule for the project.
- j) Prior to SCE energizing ("cut-over") the underground cables and use of the facilities installed under this Agreement, CITY shall furnish to SCE a schedule of all costs incurred in the construction of the installed ducts and substructures, which schedule shall include

the value of each respective FERC account. SCE will provide CITY with accounting detail prior to substructure job walk.

#### 4. COST OF DESIGN, ENGINEERING AND ESTIMATES.

SCE hereby acknowledges receipt of a \$5,000.00 engineering advance, which shall be credited to those costs SCE has incurred and will incur in the future for the work of design, engineering, cost estimates and material for the relocation of Electrical Facilities and the cost of construction, which includes the amount set forth in Item 5a on Page No. 3 of this Agreement.

#### 5. TERMS AND METHOD OF PAYMENT.

CITY shall pay to SCE the estimated sum of \$367,560.38 upon the execution of this Agreement, which sum shall be credited to those costs and expenses SCE has incurred and will incur in the future for the design, engineering and construction required to relocate and underground its Electrical Facilities. Upon completion of all relocation work by SCE, CITY shall be presented with final accounting as determined by SCE's standard accounting practices and in accordance with CPUC Rule 20B procedures. Should the sum of SCE's costs and expenses exceed the estimated sum paid by CITY as provided by herein, CITY shall pay to SCE the difference between said sums. Should the estimated sum paid by CITY to SCE, as provided herein, exceed the sum of SCE's costs and expenses, SCE shall refund to CITY the difference between said sums.

#### 6. ADDITIONAL WORK.

If SCE is required to relocate any facilities other than the work to be performed as set forth in Section 2, such additional work shall be performed on a completed cost basis at the CITY's sole expense.

#### 7. SCHEDULE OF WORK.

SCE proposes to have the relocated Electrical Facilities in operation by CITY contingent upon mutually acceptable schedules, the timely obtaining of permits, licenses and other documents, outages or other key items and not being delayed by those uncontrollable forces described in Item 12 herein. Completion date is subject to SCE obtaining receipt of a signed Agreement from CITY by November 1, 2007.

#### 8. FACILITIES TO REMAIN PROPERTY OF SCE.

All Electrical Facilities and appurtenances thereto installed by SCE under this Agreement shall at all times be and remain the property of SCE.

#### 9. INDEMNIFICATION CLAUSE.

CITY agrees, for itself, and for its and their agents, contractors, and employees, to save harmless and indemnify SCE, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or growing out of loss or damage to property, including SCE's own personal property, or injury to or death of persons, including employees of SCE resulting in any manner whatsoever, directly or indirectly, by reason of this agreement for replacement of overhead with underground Electrical Facilities or the use of or occupancy of said Project Area by CITY, its agents, and employees, invitees, successors and assigns.

10. DELAY DUE TO UNCONTROLLABLE FORCES.

SCE shall not be responsible for any delay in their performance hereunder, including, but not limited to, SCE's relocation of Electrical Facilities and related work under this Agreement resulting from shortage of labor or materials, delivery delays, major equipment breakdown, load management, strikes, labor disturbances, war, riot, insurrection, civil disturbance, weather conditions, epidemic, quarantine restriction, sabotage, act of public enemy, earthquake, governmental rule, regulation or order, including orders or judgments of any court or commission, requirement of additional or separate Environmental Impact Reports requested by the California Public Utilities Commission (CPUC), delay in receiving a Certificate of Public Convenience and Necessity from the CPUC, delay in obtaining necessary rights of way, act of God or any cause or conditions beyond the control of SCE or CITY.

11. PERMITS, CODES AND STATUTES.

SCE's relocation of Electrical Facilities shall comply with the various applicable statutes, codes, regulations and ordinances and specifically in accordance with CPUC Rule 20B.

12. JURISDICTION OF PUBLIC UTILITIES COMMISSION.

This Agreement shall at all times be subject to such changes or modifications as the California Public Utilities Commission may, from time to time, direct in the exercise of its jurisdiction pursuant to the authority conferred upon it by Law.

13. CHANGES.

Any changes to this Agreement shall be made by supplement thereto and shall be executed on behalf of SCE by the Manager of Corporate Real Estate, or his designee, and on behalf of CITY by the City Council/Manager or appropriate City designee(s).

14. NOTICES.

Any notices provided in this Agreement to be given by either party hereto to the other shall be deemed to have been duly given when made in writing and deposited in the United States mail, registered or certified and postage prepaid, addressed as follows:

To: Southern California Edison  
Real Estate Operations  
14799 Chestnut St.  
Westminster, Ca 92683

Attention: Jennifer Ward

To: City of Huntington Beach  
2000 Main St  
Huntington Beach, Ca 92648

Attention: Doug Erdman

## 15. TERMINATION.

CITY shall have the right to terminate this Agreement on sixty (60) days prior written notice to SCE for whatever reason.

Except as otherwise provided, in the event of termination of this Agreement by CITY, SCE shall be entitled to payment for all costs and expenses for material, services, labor, overhead, etc., incurred by SCE to and including the date the notice of termination is received by SCE and all costs and expenses required to effect the termination of this Agreement, including, but not limited to, all costs and expenses pertaining to the restoration or removal of SCE's Electrical Facilities, equipment and/or materials as well a cancellation of contracts, purchase orders, etc., between SCE and all parties furnishing labor, materials and services made prior to the termination of this Agreement.

At the option of SCE, all materials paid for by CITY and procured by SCE to effect said relocation may, upon termination of this Agreement, either be used by SCE for other projects or be sold by SCE as salvage. The net proceeds from the transfer of the materials to other SCE projects or sale of the materials as salvage shall be deducted from the costs and expenses to be paid by CITY after deducting SCE's applicable administrative costs, material, transportation and conversion costs, taxes and other outlays or charges, associated with such a transfer or sale. Should the sum of SCE's costs and expenses exceed the sum of the amounts paid by CITY as provided herein, CITY shall pay to SCE the difference between said sums upon submission of a final invoice. Should the sum of the amounts paid by CITY to SCE as provided herein exceed the sum of SCE's costs and expense, SCE shall refund to CITY the difference between said sums upon submission of a final invoice.

If CITY is in default of any of the terms, provisions, conditions, limitations and covenants of this Agreement, SCE may give CITY written notice of default. If within thirty (30) days of receipt of such notice CITY does not cure such default, SCE has the right, if it so desires, to terminate this Agreement upon thirty (30) days prior written notice to CITY. Except as otherwise provided, should such right of termination by SCE be exercised, SCE shall be entitled to payment for all costs and expenses for materials, services, labor, overhead, etc., incurred by SCE to and including the date of termination and all costs and expenses required to effect the termination of this Agreement, including but not limited to all costs and expenses pertaining to the restoration or removal of SCE's Electrical Facilities, equipment and/or materials as well as cancellation of contracts, purchase orders, etc., between SCE and all parties furnishing materials and services, made prior to the termination of this Agreement.

## 16. PREVIOUS COMMUNICATIONS.

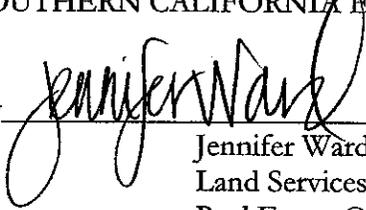
CITY Agreement contains the entire agreement and understanding between SCE and CITY as to the subject matter of this Agreement and merges and supersedes all prior agreements, commitments, representations, and discussions between SCE and CITY. Any agreement between persons employed by SCE and CITY which is not incorporated into this Agreement by an amendment shall not be a contractual provision of this Agreement.

17. GOVERNING LAW.

This Agreement shall be subject to and constructed according to the law of the State of California.

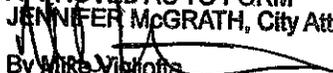
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

SOUTHERN CALIFORNIA EDISON COMPANY

By  \_\_\_\_\_  
Jennifer Ward  
Land Services Agent  
Real Estate Operation  
Corporate Real Estate

CITY OF HUNTINGTON BEACH

By: \_\_\_\_\_

APPROVED AS TO FORM  
JENNIFER McGRATH, City Attorney  
  
By Mike Vigliotta  
Deputy City Attorney

CRE File No. REL07191815

# EXHIBIT A

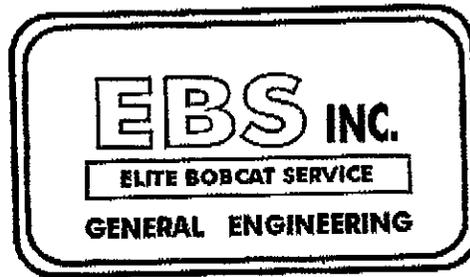
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**ATTACHMENT #2**



October 31, 2007

City of Huntington Beach  
Public Works Department  
2000 Main Street  
Huntington beach, CA 92648

Attention: Doug Erdman, Senior Civil Engineer

Re: **Newland Street Improvement Plan, CC-1095**  
Bid Opening, October 30, 2007 @ 2:00 P.M.

Dear Mr. Erdman,

I am writing to have our bid, for the above mentioned project, dismissed.

Upon review of our bid items, a critical math error was discovered on page C-4s – Addenda #4. There was a transposition in items 31, 32 and 33 which caused a bid error in excess of \$900,000.00.

Your attention and response to this matter is greatly appreciated.

Respectfully,

Willie Ellis  
Elite Bobcat Service, Inc.

E4.14

1320 EAST SIXTH STREET, SUITE 100, CORONA, CALIFORNIA 92879-1700

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**ATTACHMENT #3**



CITY OF HUNTINGTON BEACH  
INTERDEPARTMENTAL COMMUNICATION  
FINANCE DEPARTMENT

**TO:** PENELOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR  
**FROM:** DAN T. VILLELLA, CPA, FINANCE DIRECTOR  
**SUBJECT:** FIS 2007-08-09 AWARD CONSTRUCTION CONTRACT FOR NE WLAND STREET IMPROVEMENTS, CC-1095  
**DATE:** NOVEMBER 5, 2007

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As required by Resolution 4832, this Fiscal Impact Statement has been prepared for  
"Construction Contract for Newland Street Improvements, CC-1095"

If the City Council approves this action (total appropriation \$5,500,000, of which \$2,175,000 is from the Traffic Impact Fund Unappropriated Fund Balance, and \$2,315,00 comes from existing appropriations ) the estimated unreserved fund balance of the Traffic Impact Fund Balance at September 30, 2008 will be reduced to \$140,000.

A handwritten signature in cursive script, appearing to read "Dan T. Villella".

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Dan T. Villella  
Finance Director