



## **CITY COUNCIL AGENDA REPORT**

**MEETING DATE:** 11/7/2023

**DEPARTMENT:** Public Works

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### **SUBJECT:**

AWARD CONSTRUCTION CONTRACT FOR CITYWIDE STREET NAME SIGNS PROJECT (PW 2021-06)

### **RECOMMENDED ACTION(S):**

1. Approve contract documents for construction of the Citywide Street Name Signs Project (PW 2021-06).
  2. Adopt Resolution entitled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST, CALIFORNIA, AMENDING THE 2023-2030 CAPITAL IMPROVEMENT PLAN; AMENDING APPROPRIATIONS FOR FISCAL YEAR 2023-24.
  3. Award a contract in the amount of \$816,998 to Bear Electrical Solutions, Inc.
  4. Reject all other bids received and authorize return of the bid bonds upon receipt of the executed contract documents from Bear Electrical Solutions, Inc.
  5. Authorize the Mayor to sign, and the City Clerk to attest the contract with Bear Electrical Solutions, Inc.
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### **EXECUTIVE SUMMARY:**

Pursuant to the City's Strategic Business Plan to invest and maintain public facilities, infrastructure, and natural resources to enhance visual character of the City and support quality neighborhoods, the Citywide Street Name Signs project would replace approximately 2,300 street name signs and 345 internally illuminated street name signs that are mounted on the overhead traffic signal arms with the new updated sign type, City logo, and background color.

The project was advertised on August 24, 2023. On September 19, 2023, the City received four (4) bids for this project ranging from \$816,998 to \$2,064,000. The apparent lowest responsive, responsible bidder is Bear Electrical Solutions, Inc. ("Bear Electrical"). The total project cost, including the traffic signal street

name signs, inspection, construction support, and contingency for the project is estimated to be \$880,000. Therefore, staff recommends the City Council approve the attached Construction Contract with Bear Electrical (Attachment 2). The signed cover sheet of the bid documents is provided as Attachment 3 to this report.

On December 6, 2022, the City Council approved the design of the neighborhood street name signs, directed staff to add traffic signal internally illuminated street name signs to the project, and instructed staff to bring back a budget adjustment with the award of the project. This project is funded by the General Fund and there are currently \$300,000 allocated for this project per the Fiscal Year 2023-25 Capital Improvement Program budget. In addition to recommending the award of a construction contract to Bear Electrical, staff recommend approving a budget amendment to increase the project funding by \$580,000 to fully fund the Citywide Street Name Signs project (Attachment 4). The proposed budget amendment would result in a total budget of \$880,000 for the project.

Should the City Council approve the recommended actions, sufficient funds would be available within the 2023-2030 Capital Improvement Program budget.

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## **BACKGROUND:**

On June 15, 2023, the City Council approved the City's Strategic Business Plan ("Strategic Plan"). The Strategic Plan includes the major goals established by the City Council and a series of initiatives that facilitate progress towards each goal. As part of the Strategic Plan, the second priority area is attractiveness, which consists of investing and maintaining public facilities, infrastructure, and natural resources to enhance the visual character of the City and support quality neighborhoods. Strategic Plan initiative #14 identified the desire to replace and refresh the City's street name signs. Initiative #14 identified a total budget of \$300,000 for Fiscal Years 2021-22 and 2022-23 to cover the costs of updating the City's street name signs. The initiative did not originally include the internally illuminated street name signs that are mounted on the overhead traffic signal arms in the project scope or budget.

On December 6, 2022, the City Council approved the design of the neighborhood street name signs and directed staff to include the replacement of the traffic signal internally illuminated street name signs. It was estimated that the total project cost for the street name signs, and the traffic signal street name signs would total \$880,000. The City Council directed staff to solicit bids for both street name sign types and to request additional funding based upon the bid results at the time a contract would be brought forth for award.

On June 20, 2023, the City Council approved the updated City's Strategic Plan, which revised the numbering scheme for the Strategic Plan initiatives. As a result, the Strategic Plan initiative number for this project changed from #14 to #24 while the budget and project scope remained the same from the previous City Council approval.

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## **DISCUSSION:**

This project will replace approximately 2,300 street name signs and 345 internally illuminated street name signs that are mounted on the overhead traffic signal arms. The current signs have a green background with no City logo and the replacement signs will have an updated sign type, City logo, and background color (as shown below).

*Image 1: New Street Name Sign*



Should the proposed Construction Contract with Bear Electrical be approved, staff anticipates construction to begin in February 2024. The Construction Contract specifies 270 calendar days to complete the work with an anticipated project completion date in December 2024.

On September 19, 2023, the City received bids from four (4) qualified firms, ranging from \$816,998 to \$2,064,000. An additional bidder, Square Signs, LLC, was disqualified for not having the required contractor's license to perform the work and their base bid was \$670,047.58. The engineer's estimate for this project is \$880,000. The City utilized an electronic bidding system (known as OpenGov), which eliminates mathematical errors in the bids. Therefore, the submitted bid results for the project are shown Table 1.

*Table 1: Bid Results*

<b>Contracting Firm</b>	<b>OpenGov Verified Base Bid Amounts</b>
Bear Electrical Solutions, Inc.	\$ 816,998
BC Rentals LLC	\$ 999,986
Select Electric, Inc.	\$1,547,745
Sterndahl Enterprises LLC	\$2,064,000

After analysis of the bids received, staff determined that Bear Electrical was the lowest responsive, responsible bidder for this project. Recently, Bear Electrical completed projects in the cities of Aliso Viejo and Laguna Niguel through their maintenance contract. In addition, Bear Electrical is the City's traffic signal maintenance contractor. Staff conducted a reference check that indicated Bear Electrical is a responsible contractor (Attachment 1).

The Finance Department prepared the Construction Contract which Bear Electrical subsequently executed (Attachment 2). The City Attorney reviewed and approved the contract as to form. The contract bid amount as determined by the estimated quantities is \$816,998.00. Per the Purchasing and Contracting Guidelines, the City Manager may approve additional work not-to-exceed 10% of the original contract amount (\$81,699.80). The contract plans and specifications are not attached to the agenda due to their size; however, they are available in the Office of the City Clerk, and on City's digital bid advertising platform (OpenGov). Staff attached the approved signed title sheet for the Citywide Street Name Signs project (Attachment 3).

The funds for the Citywide Street Name Signs project are from the General Fund. Currently, \$300,000 is budgeted in Fiscal Year 2023-24 of the 2023-2025 CIP Budget for this purpose. A proposed budget amendment (Attachment 4) to increase the funding by \$580,000 is attached to this report for City Council approval, as it is required to ensure the Construction Contract with Bear Electrical is fully funded. This would increase the project budget to a total of \$880,000. The proposed budget amount would include the cost of traffic signal street name signs and covers the cost to construct, inspect, provide construction support, and provide contingency for the project. Should the budget amendment be approved, there would be sufficient funds available in the 2023-2030 Capital Improvement Program budget for the recommended action.

Therefore, staff recommends the City Council award the Construction Contract with Bear Electrical and adopt a budget resolution to amend the project budget.

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## **FISCAL IMPACT:**

With the inclusion of the traffic signal street name signs, the total cost of the project including the cost of construction, inspection, construction support, and contingency for this project is estimated to be \$880,000. Approving the recommended actions would award a construction contract to Bear Electrical in the amount of \$816,998. The 2023-2030 Capital Improvement Program budget allocated \$300,000 for the Citywide Street Name Signs Project. The attached proposed budget resolution would provide an additional \$580,000 from the City's General Fund to cover the additional costs of including the traffic signal internally illuminated street name signs.

Therefore, with the approval of the recommended actions, there would be sufficient funds available within the 2023-2030 Capital Improvement Program budget.

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## **ATTACHMENTS:**

1. Contractor's Reference Check
2. Proposed Construction Contract with Bear Electrical Solutions, Inc.
3. Construction Bid Documents – Signed Title Sheet
4. Proposed Budget Resolution

Initiated By: Tran Tran, Traffic Engineering Manager

Submitted By: Thomas E. Wheeler, P.E., Director of Public Works/City Engineer

Approved By: Debra Rose, City Manager