



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**DATE: JUNE 24, 2025**

**FROM: PUBLIC WORKS DEPARTMENT**

**WARDS: 1 & 2**

**SUBJECT: AWARD BID NO. 8131 TO HARDY & HARPER, INC. OF LAKE FOREST, CALIFORNIA, FOR A CONSTRUCTION CONTRACT FOR MISSION HERITAGE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) STREET AND ALLEY IMPROVEMENTS, IN THE AMOUNT OF \$1,845,000 WITH 10% CHANGE ORDER AUTHORITY IN THE AMOUNT OF \$184,500 FOR A TOTAL AMOUNT NOT TO EXCEED \$2,029,500**

## **ISSUE:**

Award Bid No. 8131 for the construction of Mission Heritage Affordable Housing and Sustainable Communities Street and Alley Improvements to Hardy & Harper, Inc. of Lake Forest, California in the amount of \$1,845,000 with 10% change order authority in the amount of \$184,500, for a total amount of \$2,029,500.

## **RECOMMENDATIONS:**

That the City Council:

1. Award a construction contract for Bid No. 8131 for the construction of Mission Heritage Affordable Housing and Sustainable Communities Street and Alley Improvements to Hardy & Harper, Inc. of Lake Forest, California in the amount of \$1,845,000;
2. Authorize a change order authority up to 10% of the construction contract amount for a change order total of \$184,500; and
3. Authorize the City Manager, or designee, to execute the Construction Contract with Hardy & Harper, Inc., including making minor and non-substantive changes.

## **BACKGROUND:**

The Affordable Housing and Sustainable Communities (AHSC) Program, created by the State of California in 2014, implements Assembly Bill 32, the California Global Warming Solutions Act of 2006, by investing in projects that reduce Green House Gas (GHG) emissions by supporting more compact infill development patterns and integrating affordable housing with transportation infrastructure.

On February 5, 2019, the City Council approved Resolution No. 23415 for a joint application with Wakeland Housing and Development Corporation (Wakeland) to the AHSC Grant Program for the development of the Mission Heritage Plaza Housing Project and transportation related projects.

On July 8, 2019, the State notified the City and Wakeland of an AHSC award of \$16,826,931 (Attachment 1) that is broken down into a soft loan of \$7,030,231 for the Mission Heritage Housing Project (to be used exclusively by Wakeland) and an additional grant of \$9,796,700 for transportation projects that would be split between Wakeland and the City.

On January 5, 2021, the City Council formally accepted the grant award of \$3,189,779 from the State of California Affordable Housing and Sustainable Communities grant for transportation projects awarded under the Mission Heritage Plaza Project. The \$3,189,779 of the transportation grant funds for projects including alley improvements, sharrows/bike striping and signage, Dwight Avenue sidewalk, Pedestrian Hybrid Beacon Signal and two bike racks locations.

### **DISCUSSION:**

On March 20, 2025, Bid No. 8131 for AHSC Street and Alley Improvements (Project) was posted on PlanetBids seeking prospective bidders to perform alley pavement reconstruction, removal and replacement of sidewalk and alley entrance construction where the alleys meet public streets, construction of new sidewalks with driveway removals and replacement, relocation of fences, walls and gates, removal and replacement of pedestrian ramps and paved curb returns, traffic signal construction, striping and signage construction, and RPU Street Light work. Project locations are provided below:

1. Alley between Fourth St. and Fifth St. Adjacent streets Lime St. and Mulberry St.
2. Alley between Kansas Ave. and Sedgwick Ave. between Tenth St. and Eleventh St.
3. Alley between Sedgwick St. and Kansas Ave. Adjacent streets Eleventh St. and Twelfth St.
4. Alley between Victoria and Kansas, Adjacent streets Ninth St. and Tenth St.
5. Alley between Comer Ave. and Franklin Ave., Adjacent streets Forth St. and Fifth St.
6. Sidewalk improvements along Dwight Ave. between Seventh St. and Minnesota St.
7. Bike Lane Improvements along Park Ave. from University Ave. to Twelfth St. and Howard Ave. from Twelfth St. and Fourteenth St.
8. Bike Lane Improvements along Sixth St. between Market St. and Redwood Dr.
9. High Intensity Activated Crosswalk "HAWK" at Mission Inn Ave. and Fairmount Blvd.
10. Bike racks: Lincoln Park, 4261 Park Ave. and Cesar Chavez Community Center, 2060 University Ave.

Transit related improvements shown in the attached project area map were separately managed by the Riverside Transit Agency.

Prior to bid opening, there were 890 vendors notified and 79 prospective bidders on the bidders list. The City did not schedule a pre-bid job walk. Three (3) questions were submitted from the prospective bidders, and one (1) addendum was issued by the City for this advertisement. The Request for Bids notification is summarized in Table 1:

Table 1 – Bidding Notification Summary Table

Action	Number of Vendors
Vendors Notified	890
Vendors Who Downloaded Bid No. 8131	53
Questions Received	3
Addenda Issued	1
Bids Received	3

On April 16, 2025, three (3) bids were received for the construction of the Project (Attachment 2). The lowest responsive and responsible bid was received from Hardy & Harper, Inc., of Lake Forest, California in the amount of \$1,845,000.00, which is 2.34% over the Engineer's Estimate and outlined in Table 2.

Table 2 – Bid Summary

Ranking	Bidders Name	City Location	Bid Amount
1	<b>Hardy &amp; Harper, Inc.</b>	<b>Lake Forest, CA</b>	<b>\$1,845,000.00</b>
2	Onyx Paving Company, Inc.	Anaheim, CA	\$2,321,000.00
3	All American Asphalt	Corona, CA	\$2,899,249.00
➤ Engineer's Estimate			\$1,802,735.00

Purchasing Resolution 24101, Article Five, Section 508 states, "Contracts procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible Bidder."

The Purchasing Manager concurs that the recommended actions comply with Purchasing Resolution 24101, Section 508.

### **STRATEGIC PLAN ALIGNMENT:**

This Project aligns with **Strategic Priority 6 – Infrastructure, Mobility, and Connectivity** and **Goal No. 6.2** – Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

The Project further aligns with each of the following Cross-Cutting Threads:

1. **Community Trust** – The proposed improvements are part of a more significant endeavor to improve the City's roadway network and quality of life for residents and visitors.
2. **Equity** – Public Works strives to improve the City's roadway network to provide safe and reliable transportation to all areas of the City.
3. **Fiscal Responsibility** – Riverside is a prudent steward of public funds and demonstrates responsible management of the City's financial resources by awarding construction contracts to the lowest responsive bidders and utilizing available grant funding from the Affordable Housing and Sustainable Communities Program. Hardy & Harper, Inc.'s bid amount of \$1,845,000 is \$476,000 less than the next responsible bidder.
4. **Innovation** – Project specifications require state-of-the-art methods of street improvements.

5. **Sustainability & Resiliency** –The construction materials specified for these projects are considered best practices in the industry.

### **FISCAL IMPACT:**

The total fiscal impact of this action is \$2,029,500 which includes a ten percent 10% change order authority (COA) in the amount of \$184,500. The ten percent (10%) COA allows the project to better absorb material and other cost overruns should anything arise related to inflation and/or tariffs.

The estimated total project cost including design engineering, construction, contingencies, and contract administration are itemized in Table 3. Sufficient funds are available in the expenditure account shown in Table 4 to award the construction contract and complete the project.

**Table 3. Project Costs**

<b>Task</b>	<b>Amount</b>
Public Works Engineering Staff (In House)	\$30,500
<b>Construction Contract</b>	<b>\$1,845,000</b>
Construction Contingencies (10%)	<b>\$184,500</b>
Construction Engineering, Inspection, and Survey (In House)	\$140,000
<b>Total</b>	<b>\$2,200,000</b>

**Table 4. Project Funds**

<b>Fund</b>	<b>Project/Program</b>	<b>Account</b>	<b>Amount</b>
Development Grants	Affordable Housing & Sustainable Communities Mission Heritage	9342400-440210	\$2,200,000
<b>Total</b>			<b>\$2,200,000</b>

Prepared by:	Philip Nitollama, Traffic Engineer
Approved by:	Gilbert Hernandez, Public Works Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim, City Attorney

**Attachments:**

1. Project Area Map
2. Bid Award Recommendation
3. Presentation