



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 3, 2026

FROM: PUBLIC WORKS DEPARTMENT WARDS: 1

SUBJECT: APPROVE TERMINATION OF CONTRACT FOR BID NO. 8156 FOR THE 14TH STREET AND VINE STREET STORM DRAIN IMPROVEMENTS PROJECT WITH ACC & ENGINEERING, LLC, OF ANAHEIM, CALIFORNIA

ISSUE:

Approve termination of contract for Bid No. 8156 for the 14th Street and Vine Street Storm Drain Improvements Project with ACC & Engineering, LLC of Anaheim, California.

RECOMMENDATIONS:

That the City Council:

1. Approve the termination of contract for Bid No. 8156 for the 14th Street and Vine Street Storm Drain Improvements Project with ACC & Engineering, LLC of Anaheim, California;
2. Authorize the City Manager, or his designee, to execute the Termination of Contract with ACC & Engineering, LLC of Anaheim, California; and
3. Authorize the City Manager, or his designee, to release the Payment and Performance Bonds with ACC & Engineering, LLC of Anaheim, California for Bid No. 8156.

LEGISLATIVE HISTORY:

Greenbook 2021 Edition, Section 6-8 Termination of the Contract for Convenience allows termination of Contract if it becomes impossible or impracticable to proceed, or because of conditions or events beyond the control of the Agency.

BACKGROUND:

On June 10, 2025, Bid 8156 was awarded to the lowest responsive and responsible bidder for the 14th Street and Vine Street Storm Drain Improvements Project. ACC & Engineering, LLC submitted the lowest bid, and verification from the Contractor's State License Board confirmed that the firm possessed the appropriate license required to perform the scope of work. The project

included construction of a new storm drain line, installation of concrete manholes, and construction of a new sidewalk and pedestrian ramp, all to be completed within forty working days.

The construction contract was fully executed on July 10, 2025, which prompted the release of the bid bond. A preconstruction meeting was held on August 5, 2025. Since that time, the Contractor has failed to perform the Work or provide a construction schedule as required by the project's special provisions.

On January 5, 2026, the Contractor submitted a request to withdraw its bid, citing unforeseen circumstances that have adversely affected the company's operations.

DISCUSSION:

The 14th Street underpass near Vine Street is subject to frequent flooding during significant rain events. Completion of the 14th Street and Vine Street Storm Drain Improvements Project would enable City staff to rapidly deploy a mobile pump and connect it to the new storm drain line, thereby reducing the likelihood of flooding at the underpass.

The project was originally scheduled for completion prior to the onset of the 2025/2026 rainy season. However, due to the Contractor's failure to commence work, progress on the improvements has remained at a standstill. The Contractor has since requested to withdraw its bid, citing circumstances that prevent the firm from performing the work. The Contractor has not performed work under this contract and the contractor is already accruing liquidated damages on another City project. Approval of this request including the release of payment and performance bonds would allow the City to rebid the project and move forward with the necessary improvements.

Pursuant to Greenbook 2021, Section 6-8, Termination of the Contract for Convenience, the City is authorized to terminate the existing construction contract with ACC & Engineering, LLC. Exercising this provision would permit the City to formally close out the current contract and initiate a new competitive bidding process to secure a qualified contractor to complete the project.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action because the contractor did not commence work and no payments were issued under the existing construction contract.

Prepared by:	Jeannette Guereca, Senior Engineer
Approved by:	Nathan Mustafa, Interim Public Works Director
Certified as to availability of funds:	Julie Nemes, Interim Finance Director
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Bid 8156 Fully Executed Construction Agreement with ACC & Engineering LLC
2. Contractor's Request to Withdraw Bid