



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 19, 2025

FROM: PUBLIC WORKS DEPARTMENT WARDS: 4, 5, 6 AND 7

SUBJECT: AWARD BID NO. 8150 FOR THE CONSTRUCTION OF FISCAL YEAR 2024/25 ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 STREET MAINTENANCE IMPROVEMENTS TO HARDY & HARPER, INC. OF LAKE FOREST, CALIFORNIA, IN THE AMOUNT OF \$8,550,000 AND AUTHORIZE A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$820,000 FOR RMRA REHABILITATION AND TRAFFIC IMPROVEMENT PROJECTS – SUPPLEMENTAL APPROPRIATION

ISSUES:

Award Bid No. 8150 for the construction of Fiscal Year 2024/2025 Road Repair and Accountability Act of 2017 Street Maintenance Improvements to Hardy & Harper, Inc. of Lake Forest, California, in the amount of \$8,550,000; and authorize a supplemental appropriation in the amount of \$820,000 for RMRA Rehabilitation and Traffic Improvement Projects.

RECOMMENDATIONS:

That the City Council:

1. Award Bid No. 8150 for the construction contract of the FY 2024/25 Road Repair and Accountability Act of 2017 Street Maintenance Improvements to Hardy & Harper, Inc. of Lake Forest, California, in the amount of \$8,550,000;
2. Authorize the City Manager, or designee, to execute the construction contract with Hardy & Harper, Inc., including making minor and non-substantive changes, subject to the availability of budgeted funds; and
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the Gas Tax Fund, in the amount \$820,000 from available fund balance to the RMRA Rehabilitation and Traffic Improvement Project accounts.

BACKGROUND:

On April 28, 2017, the California Governor signed Senate Bill 1, which is referred to as the Road Repair and Accountability Act of 2017 (SB-1), to address basic road maintenance, rehabilitation,

and critical safety needs on the state highway and local street networks. SB-1 is funded by gallon fuel excise taxes, diesel fuel sales taxes, and vehicle registration fees. The taxes may adjust in future years proportionally to inflation.

The California State Controller's Office deposits various portions of these revenues into the State's Road Maintenance and Rehabilitation Account (RMRA). A percentage of the RMRA funds are apportioned by formula to eligible cities and counties under Streets and Highways Code Section 2032(h) as part of the SB-1 Local Street and Roads Program (LSRP).

On August 20, 2024, the City Council adopted Resolution No. 24155 to approve the Fiscal Year 2024/25 Project list to be completed using the projected Fiscal Year (FY) 2024/25 SB-1 revenues.

DISCUSSION:

On May 12, 2025, the Purchasing Division released Bid No. 8150 for FY 2024/25 SB-1 Street Maintenance Improvements (Project) through the City's formal bidding platform Planet Bids seeking prospective bidders to perform the following work at various locations throughout the City (Attachment 1):

1. Rehabilitate 2.6 miles on the following Arterial streets:
 - Arlington Avenue from Crest Avenue to Van Buren Boulevard
 - Van Buren Boulevard from Indiana Avenue to Victoria Avenue
 - Victoria Avenue from La Sierra Avenue to Tyler Street
2. Resurface 2.1 miles of Minor streets within three neighborhoods as detailed in the attached Location Map and Street Rehabilitation List.
3. Provide 0.1 miles of slurry preservation along Mountain High Drive.
4. Construct new pavement for 0.1 miles on two alleys between Hayes Street and Miller Street.
5. Reconstruct damaged concrete curbs, gutters, sidewalks, driveways, and non-compliant pedestrian ramps throughout all maintenance locations.
6. Install new signing and striping throughout all maintenance locations.
7. Install new traffic circle at Orlando Drive and Challen Avenue intersection to address neighborhood requests for traffic calming following the successful pilot program.
8. Replacement of vitrified sewer mains clay pipe and installation of new polyvinyl chloride pipes in conjunction with paving along Western Hills.

There were 783 vendors notified and 103 prospective bidders on the list. The City did not schedule a pre-bid job walk. One (1) question was submitted from the prospective bidders, and no addenda was issued by the City for this advertisement.

On June 23, 2025, five (5) bids were received for the construction of the Project (Attachment 3). The lowest responsive and responsible bid was received from Hardy & Harper, Inc., of Lake Forest, California in the amount of \$8,550,000 which is 0.64% under the engineer's estimate.

Table 1 – Bidder List

Bidder	Amount:	Ranking
Hardy & Harper, Inc.	\$8,550,000.00	1
R.J. Noble Company	\$8,727,715.08	2
Onyx Paving Company, Inc.	\$8,882,000.00	3
All American Asphalt	\$9,095,818.00	4
Sequel Contractors, Inc.	\$9,418,564.85	5

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

The Purchasing Manager concurs that the recommended action to award Bid No. 8150 to Hardy & Harper, Inc. complies with Purchasing Resolution 24101, Section 508.

FISCAL IMPACT:

The total fiscal impact of the construction contract is \$8,550,000. The estimated total project cost including design engineering, construction, contingencies, and contract administration is as itemized in Table 2. Upon City Council approval, an amount of \$820,000 from the available fund balance in the Gas Tax Fund will be appropriated to the project account as listed in Table 3, and sufficient funds will be available in the expenditure accounts itemized in Table 4 to award the construction contract and complete the project.

The FY 2024/2025 RMRA Rehab & Traffic Improvements project expenditure account was originally budgeted based on the available estimates provided by State at that time. However, the actual revenues are not realized by the City until the end of each Fiscal Year. To date, the City is estimating an additional \$820,000 of RMRA revenues to be received for FY 2024/2025 and are available for supplemental appropriation.

Table 2 – Project Costs

Task	Amount
Design Engineering (In House, Street and Traffic Improvements)	\$160,000
Design Engineering (In House, Sewer Improvements)	\$81,578
Consultant Design Services (Coring, Utility Potholing and Soil Testing)	\$78,422
Construction Contract (Hardy & Harper, Inc.)	\$8,550,000
Construction Contingencies	\$150,000
Construction Engineering, Inspection, and Survey (In House) & Construction Materials Testing (From Approved Professional Consultants Panel)	\$180,000
Total	\$9,200,000

Table 3 – Supplemental Appropriation

Fund	Account Name	Account	Amount
Gas Tax	RMRA Rehabilitation & Traffic Improvements (24/25)	9915125-440237	\$820,000

Table 4 – Project Funding

Fund	Project	Account	Amount
Gas Tax	RMRA Rehabilitation & Traffic Improvements (24/25)	9915125-440237	\$8,210,574
City Funds	PR14&15 Prior Pipe/Manhole PACP 5&4	9911523-440301	\$989,426
Total			\$9,200,000

Prepared by: Alex Ramirez, Senior 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 Location Map
2. Street Rehabilitation List
3. Bid Award Recommendation
4. Presentation