



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** APRIL 21, 2026

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** STEPHEN BISE, P.E., PUBLIC WORKS DIRECTOR

**PREPARED BY:** DAVID GRANTHAM, P.E., CITY ENGINEER  
JUAN ZAVALA, P.E., PRINCIPAL CIVIL ENGINEER  
JOSEPH HERNANDEZ, ASSOCIATE ENGINEER

**SUBJECT:** \$548,970.10 CONTRACT WITH R.J. NOBLE COMPANY FOR PACIFIC – WANDA – LOUISE – WALNUT AREA STREET REHABILITATION

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### **SUMMARY**

Award \$548,970.10 construction contract to R.J. Noble Company for the Pacific – Wanda – Louise – Walnut Area Street Rehabilitation Project.

### **PROPOSED MOTION**

1. Approve Project 44087 Pacific – Wanda – Louise – Walnut Area Street Rehabilitation plans and specifications.
2. Approve the following budget transfers and appropriations in Project 44087 Pacific – Wanda – Louise – Walnut Area Street Rehabilitation:
  - \$350,000 CDBG (Fund 35) from Project 44400 Street Program to Project 44087 Pacific – Wanda – Louise – Walnut Area Street Rehabilitation within the Capital Projects Fund (Fund 74).
  - \$325,000 General Funds (Fund 10) from Project 44400 Street Program to Project 44087 Pacific – Wanda – Louise – Walnut Area Street Rehabilitation within the Capital Projects Fund (Fund 74).
  - \$11,000 Sewer Enterprise Fund (Fund 47) from Project 51419 Annual Sewer Replacement Program to Project 44087 Pacific – Wanda – Louise – Walnut Street Rehabilitation within the Capital Projects Fund (Fund 47).
3. Reject apparent low bidder, Nieves General Engineering, Inc., due to non-responsiveness.

4. Award a \$548,970.10 construction contract for Pacific – Wanda – Louise – Walnut Area Street Rehabilitation Project to R.J. Noble Company and authorize City Manager, or designee, to execute and administer the contract, in a form approved by the City Attorney.
5. Authorize Public Works Director, or designee, to approve any future change orders for construction and professional engineering construction support services within the approved project budget.

#### ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Reject all bids
- Other options brought by City Council.

#### STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

#### CITY MANAGER REMARKS

None.

#### PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Infrastructure and City Assets.

#### FISCAL IMPACT

The Fiscal Year 2025-26 Adopted Capital Improvement Program (CIP) Budget has sufficient funding for the project provided from Community Development Block Grant (CDBG) Funds (Fund 35), General Funds (Fund 10) and Sewer Enterprise Funds (Fund 47). Staff recommends the following budget transfers and appropriation:

- \$350,000 CDBG Funds from Project 44400 Street Program to Project 44087 Pacific – Wanda – Louise – Walnut Street Rehabilitation within the Capital Projects Fund (Fund 74)
- \$325,000 General Funds from Project 44400 Street Program to Project 44087 Pacific – Wanda – Louise – Walnut Street Rehabilitation within the Capital Projects Fund (Fund 74)
- \$11,000 Sewer Enterprise Fund (Fund 47) budget transfer and appropriation from Project 51419 Annual Sewer Replacement Program to Project 44087 Pacific – Wanda – Louise – Walnut Street Rehabilitation within the Capital Projects Fund (Fund 47).

Staff attached a Budget Data Sheet / Summary of Bids and the Contractor Bid Schedule for reference (Attachments 1 and 2).

## DISCUSSION AND BACKGROUND

This project rehabilitates 0.4 miles of deteriorated residential streets and one alley, located adjacent to Pacific Drive Elementary School and Pacific Drive Park. The street system does not make alley rehabilitation a priority, however, staff recommends including alley work with this project as the alley segment has a short length, involves a minimal two-inch grind and overlay and would address the entire street system within this small neighborhood.

The scope of work includes repairing deteriorated and damaged curbs, gutters and sidewalks, installing ADA access ramps, reconstructing alley approaches and reconstructing the Pacific Drive Park parking lot driveway. Street pavement rehabilitation would use four-inch asphalt concrete pavement grind and overlay on each street. Staff opted for this method based on multiple factors including pavement conditions, traffic volume, existing pavement section, construction operations and available budget. The pavement condition index (PCI) scores, shown in Attachment 3, range from 11 to 28 (Very Poor condition) and would reset to 100 (Very Good condition) after completing improvements.

The City received ten bids on April 1, 2026, with Nieves General Engineering, Inc. of Santa Ana submitting the apparent lowest base bid totaling \$528,318.50. However, staff and City Attorney reviewed the bid and determined the bid as non-responsive due to a failure to comply with the Disadvantaged Business Enterprise (DBE) and Women / Minority Business Enterprise (W/MBE) Good Faith Effort (GFE) requirements.

Project specifications and federal requirements state all bidders must take affirmative steps to ensure these enterprises have an equal opportunity for utilization whenever possible. Bidders must submit documented evidence of these efforts including copies of advertisement, letters of solicitation, telephone logs, rejected quotes, etc. to demonstrate compliance. The bid process deems submitting the form without such documentation as insufficient. Failure to enforce these GFE requirements would constitute a violation of federal guidelines, potentially jeopardizing City eligibility for current and future CDBG grant funding.

The bid from Nieves General Engineering, Inc. directly conflicted with these requirements. The bidder claimed they intended to self-perform 100% of the work as justification for not performing any DBE or W/MBE GFE outreach. However, their subcontractor list contradicted this as it named Chrisp Company to perform signing and striping. The bidder later characterized the subcontractor as a "backup", however, the City Attorney determined that proposing a subcontractor triggers the GFE requirement. Failing to provide a rationale for why outreach would not apply to a "backup" constitutes a failure to meet the material terms of the bid package.

The City cannot waive the GFE requirement as an "inconsequential" irregularity as doing so would imply the GFE process is optional, which impacts the ability to make fair bid comparisons and may have affected the final bid amounts. California law requires deeming a bid non-responsive if it fails to promise exactly what the bidding instructions demand.

R.J. Noble Company submitted a bid protest claiming the Nieves General Engineering, Inc. bid failed to meet the project requirements, failed to meet the W/MBE good faith efforts requirements and that Nieves General Engineering, Inc. does not have the correct contractor license to perform the electrical portion of the project. The license claim is not substantiated as staff confirmed with the Contractors State License Board that Nieves General Engineering, Inc. has an acceptable license for the scope of work.

R.J. Noble Company of Orange submitted the next lowest responsible base bid totaling \$548,970.10. The bid submitted is approximately 15.14% lower than the \$647,000 engineers estimate. Staff reviewed the bid and found it acceptable. The Contractor would execute the standard City CIP Agreement.

Staff scheduled construction during the Pacific Drive Elementary School summer recess. Staff would notify impacted residents and businesses of upcoming project construction and potential impacts.

Staff prepared an environmental assessment in accordance with California Environmental Quality Act Guidelines and determined that the project is categorically exempt.

Attachments:

- Attachment 1 – Budget Data / Summary of Bids
- Attachment 2 – Bid Schedule
- Attachment 3 – Project Location Map

cc: City Manager Eddie Manfro