Agenda Report

Fullerton City Council

MEETING DATE:	**JUNE 16, 2026**
TO:	**CITY COUNCIL / SUCCESSOR AGENCY**
SUBMITTED BY:	**STEPHEN BISE, PUBLIC WORKS DIRECTOR**
PREPARED BY:	**DAVID GRANTHAM, CITY ENGINEER** **KAREN CHUNG, SENIOR ADMINISTRATIVE ANALYST**
SUBJECT:	**PURCHASE ORDER NOT TO EXCEED $500,000 WITH ARDURRA GROUP, INC. FOR ON-CALL CONSTRUCTION INSPECTION AND MANAGEMENT SERVICES**

SUMMARY

Request to authorize additional purchase order with Ardurra Group, Inc. not to exceed $500,000 to support continued on-call construction inspection and management services for the SiFi Fiber Optic Network Project, ensuring project continuity through FY 2026-27 project completion.

PROPOSED MOTION

1. Authorize Director of Administrative Services, or designee, to issue one additional purchase order to Ardurra Group Inc not-to-exceed $500,000 for reimbursable on-call construction inspection and management services for SiFi Fiber Optic Network Project completion.
2. Authorize City Manager, or designee, to appropriate expenditures and revenues reimbursed by SiFi per fiscal year (cost-neutral impact) for on-call construction inspection and management services for the SiFi Fiber Optic Network Project.
3. Authorize City Manager, or designee, to approve change orders in an amount not-to-exceed 15% of the approved Purchase Order limit or up to $75,000 to accommodate unforeseen project delays that may extend project completion, provided all associated costs are fully reimbursable.

ALTERNATIVE OPTIONS

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

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Infrastructure and City Assets.

FISCAL IMPACT

The City can bill and recover 100% of costs associated with the on-call construction inspection and management services provided by Ardurra Group, Inc. (Ardurra) for the SiFi Fiber Optics Network Project. The City covers upfront costs for work performed by Ardurra Group, Inc. by billing monthly and receives reimbursement from SiFi Networks, resulting in a cost-neutral impact to the City General Fund (Fund 10).

The current $500,000 Ardurra purchase order, PO# B256292, will run out of funds by mid-June 2026, due to numerous delays beyond the City's control. The project nears completion, however, staff anticipates it will extend into FY 2026-27 and requests one additional purchase order not to exceed $500,000 for the remaining inspection and close out services for project completion. Staff requests an additional 15% contingency for change orders for any unforeseen circumstances.

BACKGROUND AND DISCUSSION

City Council approved several "On-Call" professional services agreements on September 19, 2023 to provide as-needed professional engineering services, including the Ardurra Group, Inc. in the Staff Augmentation category. Staff solicited proposals and selected Ardurra Group, Inc. to perform inspection and management services for the SiFi Fiber Optic Network Project in an amount not-to-exceed $200,000 annually. Staff included the Ardurra Agreement (Attachment 1) for reference.

City Council approved a change order for Ardurra on May 7, 2024 to increase the annual purchase order not-to-exceed limit to $500,000 due to increased SiFi project activities. City Council also approved two additional annual purchase orders to Ardurra Group Inc. with $500,000 not-to-exceed limits for continued engineering and project management services for the SiFi Project through FY 2025-26.

The SiFi work has taken longer than anticipated due to several factors beyond the City's control, extending the project duration and expected completion into FY 2026-27. The current PO # B256292 does not have sufficient funding to support the continued Ardurra inspection and management services. Staff requests an additional purchase order with a not-to-exceed $500,000 limit to continue providing services through project completion in FY 2026-27.

Staff requests retaining and maintaining Ardurra construction inspection and management services to support ongoing SiFi activities through project completion. The inspectors have full familiarity with the project scope, technical requirements and exclusively inspect SiFi related construction activities to ensure compliance with approved standards and materials. Their continued involvement helps SiFi maintain its citywide

fiber optic network rollout while alleviating the work for in-house inspectors who already manage a heavy workload.

SiFi would fully reimburse Ardurra on-call services, resulting in no fiscal impact to the City or the General Fund. Transitioning to another on-call firm at this stage of the project is not feasible as introducing new inspectors requires onboarding and familiarization with the extensive project history and technical requirements, resulting in inefficiencies and potential completion delays.

Staff recommends issuing an additional purchase order in an amount not-to-exceed $500,000, with 15% contingency for change orders as needed to Ardurra Group, Inc. Their extensive knowledge of the fiber optic network and familiarity with the project history makes this the most practical and efficient approach to ensure consistent oversight and timely project completion.

Attachments:

- Attachment 1 – Ardurra Group Inc. Professional Services Agreement

cc: City Manager Eddie Manfro