



# STAFF REPORT

DATE: 12/04/2024  
TO: Honorable Mayor and City Council Members  
FROM: Public Works Department

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**2024-184**

## REQUEST FOR CITY COUNCIL ACTION

### SUBJECT:

CONSTRUCTION CONTRACT WITH R2BUILD, A CALIFORNIA CORPORATION, IN THE AMOUNT OF \$4,515,720 FOR THE SOUTH MALL PARKING LOT, MAIN AND 6<sup>TH</sup> STREETS, CAPITAL IMPROVEMENT PROJECT NO. ST-2025-07; NOTICE INVITING BIDS 25-029-CA

### EXECUTIVE SUMMARY:

This staff report asks the City Council to approve the Construction Contract with R2BUILD, a California Corporation, for the South Mall Parking Lot Rehabilitation, Capital Improvement Project No. ST-2025-07. The project includes the rehabilitation of the “South Mall” parking lot on the Southeast corner of Main and 6<sup>th</sup> Streets and the reconstruction of the existing traffic signal at the intersection of Stan Reynolds Parkway and Main Street.

### RECOMMENDED ACTION:

That the City Council:

- a. Adopt Plans and Specifications for the South Mall Parking Lot, Main and 6<sup>th</sup> Streets, Capital Improvement Project No. ST-2025-07, Notice Inviting Bid 25-029-CA.
- b. Award Notice Inviting Bids 25-029-CA to R2BUILD, a California Corporation, the lowest responsive, responsible bidder, for the total bid amount of \$4,515,720, and

waive all minor irregularities in the bidding document as submitted by the said bidder.

- c. Approve the Construction Contract with R2BUILD for the South Mall Parking Lot, Main and 6<sup>th</sup> Street, Capital Improvement Project No. ST-2025-07 in the amount of \$4,515,720.
- d. Authorize the City Manager, or his designee, to execute the Construction Contract with R2BUILD in the amount of \$4,515,720, including any non-substantive extensions, change orders, purchase orders, and amendments up to 10%, which is equivalent to \$451,572.
- e. Authorize a budget reduction in the amount of \$476,475.83 from American Rescue Plan Act Fund 413 in CIP No. ST-2025-07 South Mall Parking Lot, Main and 6<sup>th</sup> Street Project.
- f. Authorize a cash transfer in the amount of \$476,475.83 from the American Rescue Plan Act Fund 413 to Measure X Fund 120 as a reimbursement for City Park Revitalization Project costs.
- g. Authorize an appropriation in the amount of \$677,358.53 from the Measure X Fund 120 to the South Mall Parking Lot Rehabilitation, Capital Improvement Project No. ST-2025-07.

**BACKGROUND & HISTORY:**

The South Mall Parking Lot, Main and 6th Street, Project No. ST-2025-07 includes the rehabilitation of the City-owned “South Mall” parking lot on the Southeast corner of Main Street and 6<sup>th</sup> Street, as well as reconstruction of the existing traffic signal at the west entrance to the parking lot at the intersection of Stan Reynolds Parkway and Main Street. See Exhibit 1 for the project location. The total project area is approximately 2.32 acres.

On April 5, 2023, the City entered into a Cost Sharing Agreement with Rest Area, LLC for funding the design of project plans for the redevelopment of the “South Mall” parking lot. KES Technologies, Inc. the developer’s civil engineering consultant, developed the plans with City Staff oversight.

The project is part of the Downtown Revitalization Plan and will contribute to further improvements and economic activity within the City's downtown core.

Work includes but is not limited to reconstruction of asphalt pavement, sidewalks, drainage features, planting and landscaping, new LED overhead lighting within the parking lot, ADA accessibility improvements, trash enclosures, utility relocations, new signal poles, realignment of crosswalks, striping, and various other improvements.

Construction is tentatively scheduled to start in January 2025, with completion anticipated in April 2025.

**ANALYSIS:**

The Plans and Specifications for the project were completed and reviewed by City staff and are ready for adoption and award. As specified in the bid package, the City shall award the contract for the Project to the lowest responsive, responsible bidder as determined from the lowest total for the Bid Schedule.

The project was advertised on October 16, 2024, soliciting bids, pursuant to Corona Municipal Code section [3.08.110](#), public project formal bidding procedure, and purchasing policy through the City’s PlanetBids bidding portal. Seventy-one (71) prospective bidders were notified of the project, and on November 14, 2024, the City received five (5) bids through the PlanetBids bidding service.

No.	Contractor	Location	Bid Total
1	Horizons Construction Company	Orange	\$4,093,327.10
2	R2BUILD	Laguna Hills	\$4,515,719.47
3	All American Asphalt	Corona	\$4,632,236.40
4	Nationwide Contracting Services	Huntington Beach	\$4,992,552.30
5	Hillcrest Contracting	Corona	\$5,021,194.98

On Friday, November 15, 2024, the apparent low bidder, Horizons Construction Company, submitted a letter formally requesting to withdraw their bid, citing a mathematical calculation error on their Bid Schedule sheet.

City staff has reviewed all bids and recommends awarding the contract to R2BUILD, a California corporation, as the lowest responsive, responsible bidder based on the Bid Schedule for a total contract amount of \$4,515,720. City staff has also reviewed and verified all licenses and references for R2BUILD, and all other documentation is in order.

City staff will perform the construction management, and a contract consultant will perform the inspection services, materials testing, and labor compliance. Construction is tentatively scheduled to commence in early January 2025, with completion anticipated in April 2025.

**FINANCIAL IMPACT:**

American Rescue Plan Act (ARPA) funds have been appropriated for use for this project. ARPA requirements state that all funds must be encumbered or under contract prior to December 31, 2024, or they must be returned. Eligible costs include this construction contract in the amount of \$4,515,719.17 to R2BUILD, a California corporation, for consideration of award before the deadline. To ensure all ARPA funds are encumbered prior to the deadline, the remaining ARPA balance of \$476,475.83 is recommended to be removed from the South Mall Parking Lot, Capital Improvement Project No. ST-2025-07. Those funds will be processed as a cash transfer to Measure X Fund 120 as a reimbursement for City Park Revitalization Project costs. To cover construction contingency and support costs, such as inspection, materials testing, labor compliance,

and staff time for project management that may not meet the ARPA funding deadline, staff requests an appropriation of \$677,359 from Measure X Fund 120.

Should the City Council approve the budgetary adjustments and cash transfers, funding for the South Mall Parking Lot, Main, and 6<sup>th</sup> Street Project will be available in Capital Improvement Project No. ST-2025-07, with a balance of \$4,515,719.17 in Fund 413 and \$677,358.83 in Fund 120.

The estimated project costs are outlined as follows:

Construction.....		
.....\$4,515,720		
Contingency		
(10%).....		\$451,57
2		
Construction		Support
(5%).....	\$225,786	
<b>Total</b>	<b>Construction</b>	<b>Cost</b>
.....	<b>\$5,193,078</b>	

Staff recommends budgetary adjustments and cash transfers as shown in the following tables.

**Budgetary Adjustments**

Project No.	Fund	Current Balance	Requested Adjustments	Revised Balance
ST-2025-07 South Mall Pkg Lot Rehab	American Rescue Plan Act Fund 413	\$4,992,195.30	\$(476,475.83)	\$4,515,719.47
ST-2025-07 South Mall Pkg Lot Rehab	Measure X Fund 120	\$0.00	\$677,358.53	\$677,358.53
<b>Totals</b>		\$4,992,195.30	\$200,882.70	\$5,193,078.00

**Cash Transfers**

Fund	Transfer In	Transfer Out
Measure X Fund 120	476,475.83	
American Rescue Plan Act Fund 413		(476,475.83)
<b>Total</b>	<b>\$476,475.83</b>	<b>(\$476,475.83)</b>

**ENVIRONMENTAL ANALYSIS:**

These actions are categorically exempt pursuant to Section 15301(c) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project which consists of minor repairs and maintenance to existing facilities does not have a significant impact of the environment and is therefore exempt from CEQA. This action involves minor repairs, maintenance, and alteration of existing highways, streets, sidewalks, or similar

features involving negligible or no expansion of use beyond that currently existing from the requirements of CEQA. A Notice of Exemption will be filed prior to the start of construction.

**PREPARED BY:** KEEGAN OLDS, CIP SUPERVISOR

**REVIEWED BY:** SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

**ATTACHMENTS:**

1. Exhibit 1 – Location Map
2. Exhibit 2 – Construction Contract