

CITY OF ONTARIO

Agenda Report
July 7, 2026

SECTION:
PUBLIC HEARINGS

Department: Utilities
Prepared By: Dennis Mejia
Staff Member Presenting: Scott Burton, Utilities
General Manager
Reviewed By: Dennice Raygoza, Courtney
Jones, Michael Sigsbee
Approved By: 

Submitted To: Council/OHA
Approved: _____
Continued To: _____
Denied: _____
Item No: 15

SUBJECT: A PUBLIC HEARING TO CONSIDER ADOPTING A RESOLUTION APPROVING A MITIGATED NEGATIVE DECLARATION IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), AND ADOPTING A RELATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE EUCLID AVENUE RECYCLED WATER SYSTEM PROJECT, AND APPROVING THE PROJECT; AWARD CONSTRUCTION CONTRACT TO ALL CITIES ENGINEERING, INC., A PROFESSIONAL SERVICES AGREEMENT WITH ARDURRA GROUP, INC., AMENDMENTS TO THE PROFESSIONAL SERVICES AGREEMENTS WITH AKM CONSULTING ENGINEERS, INC., AND SMITH-EMERY LABORATORIES, INC., FOR THE EUCLID AVENUE RECYCLED WATER SYSTEM PROJECT

RECOMMENDATION: That the City Council take the following actions:

- A. Conduct a Public hearing on the Mitigated Negative Declaration in accordance with the California Environmental Quality Act and adopting a Related Mitigation Monitoring and Reporting Program for the Euclid Avenue Recycled Water System Project, and Approving the Project.
- B. Consider and adopt a Resolution approving a Mitigated Negative Declaration in accordance with the California Environmental Quality Act and adopting a Related Mitigation Monitoring and Reporting Program for the Euclid Avenue Recycled Water System Project, and Approving the Project.
- C. Approve the plans and specifications and award Contract No. UT1072 to All Cities Engineering, Inc., of Riverside, California, for the construction of the Euclid Avenue Recycled Water System Project, in the amount of \$11,778,501 plus a 15% contingency of \$1,766,775, for a total not-to-exceed amount of \$13,545,276, a term of 450 calendar days after issuance of notice to proceed, and authorize the City Manager, or his designee, to execute all documents required for the completion of the project including, but not limited to agreements, assessments, easements, lot line adjustments, reduction of retention accounts, contracts and contract amendments within the authorization limits, and filing a notice of completion at the conclusion of all construction related activities to the project.
- D. Approve and authorize the City Manager, or his designee, to execute a Professional Services

Agreement for construction engineering services with Ardurra Group, Inc., of Newport Beach, California, for a total not-to-exceed amount of \$936,902 and a term from July 7, 2026 to December 31, 2029.

- E. Approve and authorize the City Manager, or his designee, to execute Amendment No. 3 to the On-Call Construction Management and Inspection Agreement with AKM Consulting Engineers, Inc., of Irvine, California, increasing the Agreement amount by \$622,422 for a new total revised not-to-exceed amount of \$2,875,952 and a term from June 4, 2024 through June 4, 2029.
- F. Approve and authorize the City Manager, or his designee, to execute Amendment No. 3 to the On-Call Geotechnical and Material Testing Services Agreement with Smith-Emery Laboratories, Inc., of Los Angeles, California, increasing the Agreement amount by \$124,095 for a new total revised not-to-exceed amount of \$584,260 and a term from May 2, 2023 through May 2, 2028.
- G. Reject the bid protest from Norstar Plumbing & Engineering, Inc., against All Cities Engineering, Inc., and Big Ben Engineering as without merit.

THE FOLLOWING COUNCIL GOALS ARE BEING ACHIEVED:

Operate in a Businesslike Manner

Invest in the Growth and Evolution of the City's Economy

Invest in the City's Infrastructure (Water, Streets, Sewers, Parks, Storm Drains and Public Facilities)

FISCAL IMPACT: The recommended Contract award to All Cities Engineering, Inc., is for \$11,778,501 plus a 15% contingency of \$1,766,775, for a total not-to-exceed amount of \$13,545,276. Proposed Professional Services Agreement with Ardurra Group, Inc., is for a total not-to-exceed amount of \$936,902. Proposed Amendment No. 3 to AKM Consulting Engineers, Inc., increases the agreement by \$622,422, for a new total revised not-to-exceed amount of \$2,875,952. Proposed Amendment No. 3 to Smith-Emery Laboratories, Inc., increases the agreement by \$124,095, for a new total revised not-to-exceed amount of \$584,260. The total cost for the recommended action is \$15,228,695.

If approved, additional appropriations will be included in the Water Capital fund at a future Quarterly Budget Update Report to City Council. There is no impact on the General Fund.

In 2023, the City was awarded \$10 million in grant funding through the State Water Resources Control Board (SWRCB) Division of Financial Assistance through the California General Fund (AB-179) for the Euclid Avenue Recycled Water Project. Qualifying grant related expenses will be reimbursed through the State on a regular basis.

BACKGROUND & ANALYSIS: The City's adopted 2020 Urban Water Management Plan (UWMP) identifies expansion of the recycled water system as a key strategy to reduce reliance on imported potable water and maintain a long-term sustainable supply. The City currently relies on imported water to irrigate and maintain portions of its infrastructure; transitioning to recycled water will reduce this dependence and provide a more drought-resilient supply. The Recycled Water Master Plan includes a Capital Improvement Program (CIP) to expand service to parks and other facilities

and to enhance the system for irrigation and approved industrial uses. Consistent with priorities established in the UWMP, CIP, and Recycled Water Master Plan, the UT1072 Euclid Avenue Recycled Water System Project will expand recycled water service within the Euclid Avenue corridor and extend service along Riverside Drive to support irrigation demands in these areas.

The project consists of installation of recycled water mains at multiple locations, including Euclid Avenue between Holt Boulevard and 4th Street with short branches along F Street, Flora Street, B Street, C Street, and E Street, as well as Riverside Drive between Euclid Avenue and Vineyard Avenue. Improvements include approximately 3,200 linear feet of 8-inch PVC recycled water main along Flora Street, Vine Avenue, and F Street; 5,200 linear feet of 8-inch PVC along Euclid Avenue; 500 linear feet of 8-inch PVC along B, C, and E Streets; and approximately 11,200 linear feet of 24-inch cement mortar lined and coated welded steel pipe along Riverside Drive (Exhibit "A"). The work will also include pavement repair and street restoration.

On March 17, 2026, fourteen (14) bids were received for the UT1072 Euclid Avenue Recycled Water System Project through the City's electronic bid management system in response to Bid No. 1978. The bids ranged from a low bid amount of \$11,778,501 to a high bid amount of \$19,015,900. The lowest four (4) bids are summarized below.

Bidder	Location	Amount
All Cities Engineering, Inc.	Riverside, CA	\$11,778,501
Big Ben Engineering	Irvine, CA	\$12,316,322
Norstar Plumbing & Engineering, Inc.	Alta Loma, CA	\$12,392,682
T.E. Roberts	Irvine, CA	\$14,006,617

On March 30, 2026, the City received a formal bid protest from the third-lowest bidder, Norstar Plumbing & Engineering Inc., alleging that the bids submitted by All Cities Engineering, Inc., and Big Ben Engineering were non-responsive due to non-compliance with California public works contracting requirements. On April 16, 2026, the City issued a written determination denying the protest. In its evaluation, the issue raised pertained to the bidder's responsibility, which refers to the bidder's trustworthiness, quality, fitness, capacity, and experience to satisfactorily perform the public works contract. Staff concluded that All Cities Engineering, Inc., demonstrated these attributes and denied the protest as to the balance as moot.

City denial of the bid protest accompanies this report (Exhibit "B"). After it was issued, the protester filed with the City a document characterized as an "appeal", which also accompanies this report (Exhibit "C"). The "appeal" is improper, because the provision of the Municipal Code it attempts to cite (section 1-4.01 et seq of the Municipal Code) is limited to administrative decisions rather than legislative actions such as contract awards (Cf. Mike Moore's 24-Hour Towing v. City of San Diego (1996) 45 Cal.App.4th 1294, 1303 (contract awards and acts leading up are legislative subject to traditional mandamus), Code of Civil Procedure section 1085 (traditional, legislative mandamus), and Code of Civil Procedure section 1094.5 (administrative mandate), but is addressed below. The protest invites the City to reject the two lowest bids and award its author a contract for an additional approximately \$500,000 in taxpayer funds.

The appeal lacks legal or factual merit. It is undisputed that each subcontractor actually has an active registration with the Department of Industrial Relations. It is undisputed that the bidder and each subcontractor actually have an active certification with the California Air Resources Board. It is undisputed that the bidder actually has the licensure necessary to self-perform welding work, which includes a general engineering or general building license. The protester's arguments that the bid be rejected despite that lacks merit because such issues are responsibility determinations rather than responsiveness determinations as a matter of constitutional due process law (*City of Inglewood-L.A. County Civic Center Auth. v. Superior Court* (1972) 7 Cal.3d 861; *Great West Contractors, Inc. v. Irvine Unified School Dist.* (2010) 187 Cal. App. 4th 1425; *D.H. Williams Construction, Inc. v. Clovis Unified School Dist.* (2007) 146 Cal.App.4th 757), and therefore can, and indeed must, be determined by considering evidence not appearing on the face of the bid. (*Great West Contractors, Inc. v. Irvine Unified School Dist.* (2010) 187 Cal. App. 4th 1425). Even if this were not the case, the result would be the same under responsiveness, because whether government records reflect licensure is subject to legislative notice as much as it is subject to judicial notice. (*Murphy v. People of State of California* (1912) 225 U.S. 623, 629; *Azevedo v. Jordan* (1965) 237 Cal.App.2d 521, 528) ;Cf. Evidence Code section 452).

Staff reviewed the apparent lowest bid and determined that All Cities Engineering, Inc., met the requirements for recommendation as the lowest responsive and responsible bidder.

Support services will be required during construction of the Euclid Avenue Recycled Water System Project. Ardurra Group, Inc., will provide construction engineering services as they are the Engineer of Record for the Project and have developed the project plans and specifications. AKM Consulting Engineers, Inc., will provide construction management and inspection services. The City first contracted with AKM Consulting Engineers, Inc., on June 4, 2024, after an extensive Request for Proposal selection process for on-call project management and inspection services. Smith-Emery Laboratories Inc. will provide geotechnical and material testing services. The City first contracted with Smith-Emery Laboratories, Inc., on May 2, 2023, after an extensive Request for Qualification selection process for on-call geotechnical and material testing services.

ENVIRONMENTAL REVIEW: The application is a project pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) (CEQA"), and an initial study has been prepared to determine possible environmental impacts. On the basis of the initial study, which indicated that all potential environmental impacts from the Project were less than significant or could be mitigated to a level of no significance, a Mitigated Negative Declaration was prepared pursuant to CEQA, the State CEQA Guidelines, and the City of Ontario Local CEQA Guidelines. Furthermore, to ensure that the mitigation measures are implemented, a Mitigation Monitoring and Reporting Program has been prepared for the Project pursuant to CEQA Guidelines Section 15097, which specifies responsible agencies/departments, monitoring frequency, timing, and method of verification and possible sanctions for non-compliance with mitigation measures. The mitigation measures are separated into nine categories: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Noise, and Transportation/Traffic. Implementation of the proposed project will require compliance with the mitigation measures.