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# **NEWPORT BEACH**

## **City Council Staff Report**

December 9, 2025  
Agenda Item No. 7

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** Mark Vukojevic, Utilities Director - 949-644-3011,  
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**TITLE:** Amendment No. One to On-Call Service Agreements with GCI Construction, Inc. and T.E. Roberts, Inc. for Water, Wastewater and Storm Drain Services

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### **ABSTRACT:**

The Utilities Department utilizes on-call contractors for the City's water, wastewater and storm drain systems. Over the last few years, these contractors have been used for on-call tasks, repair projects and emergencies of various complexities. Staff is requesting City Council approval of amendments to increase the agreement amount of both GCI Construction, Inc. and T.E. Roberts, until their agreements expire in 2028.

### **RECOMMENDATIONS:**

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Authorize the Mayor and City Clerk to execute Amendment No. One to the On-Call Maintenance and Repair Services Agreement with GCI Construction, Inc. to increase the agreement amount by \$1,000,000, for a total not-to-exceed amount of \$2,500,000; and
- c) Authorize the Mayor and City Clerk to execute Amendment No. One to the On-Call Maintenance and Repair Services Agreement with T.E Roberts, Inc. to increase the agreement amount by \$1,000,000, for a total not-to-exceed amount of \$2,500,000.

### **DISCUSSION:**

The Utilities Department maintains hundreds of miles of water, wastewater and storm drain pipelines and appurtenant facilities such as pump stations, pressure stations, reservoirs, treatment facilities, well sites, fire hydrants, valves, manholes and communication equipment. The maintenance and operation of these systems are administered by licensed City staff. At times, the Utilities Department requires the assistance from contractors to provide supplemental manpower, backlog reduction, expertise, equipment, special repairs, supplemental capital improvements and emergency services. Examples include deep excavations that require specialized

shoring, storm damage repairs, dewatering, pipe welding, heavy and specialized equipment, emergency pipe repairs, utility locating/pothole services, and complex utility situations requiring several days of work.

Decisions to use these contractors are typically based on the size and complexity of the repair or emergency, availability of staff and contract resources, shoring needs, expected duration of the repair and anticipated costs. When using contract resources, City staff oversees the repair. Typically, staff also provide supplemental services to save costs and expedite repairs.

On May 23, 2023, City Council approved seven on-call agreements (following a Request for Qualifications process). Each contractor within their work specialty is asked to submit cost-competitive proposals and their availability to perform work. Over the last years, all seven of the contractors have been utilized for various City projects. GCI Construction, Inc. and T.E. Roberts, both earned the two highest rankings during the qualification process. They have demonstrated a proven track record of delivering the best pricing value, high quality work and reliability.

The higher than anticipated volume of projects has exhausted a high percentage of their authorized agreement compensation. Staff is requesting amendments to increase GCI Construction, Inc. and T.E. Roberts agreements by \$1 million each. Their total 5-year on-call agreement amounts will increase from \$1.5 million to \$2.5 million.

#### **FISCAL IMPACT:**

No additional General Funds are required. The adopted budget includes sufficient funding for these services. The agreements are funded from various annual maintenance and repair accounts in the water, wastewater, and storm drain budgets within the Utilities Department, as well as the Public Work's Department Capital Improvement project accounts. Over the past few years, the department averaged approximately \$800,000 to \$1 million in annual water, wastewater and storm drain repairs and emergencies across all contracted work and projects. A typical on-call project is approximately \$50,000. In the event of major repair projects or emergencies that exceed the annual budget appropriation, a budget amendment would be brought to City Council.

#### **ENVIRONMENTAL REVIEW:**

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

**NOTICING:**

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

**ATTACHMENTS:**

Attachment A – Amendment No. One to the On-Call Agreement with T.E. Roberts

Attachment B – Amendment No. One to the On-Call Agreement with GCI Construction