



NEWPORT BEACH

City Council Staff Report

April 14, 2026
Agenda Item No. 9

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Award of On-Call Vessel Removal, Storage and Disposal Services Agreements with Core Water Systems, Inc., Pacific Towing LLC, Perry's Trucking & Equipment Repair LLC, and South Waterfront Construction Corporation

ABSTRACT:

At the October 28, 2025, Council Meeting, the City Council accepted a grant from the State of California (State) Division of Boating and Waterways for the Surrendered and Abandoned Vessel Exchange (SAVE) Program. The funding provided by the grant supplements existing City of Newport Beach (City) funds dedicated toward the removal of abandoned or surrendered nuisance vessels in Newport Harbor. Staff recently issued a request for proposals for the professional service of removing, storing and disposing of these vessels and is requesting the City Council's approval to enter into four separate on-call professional services agreements.

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; and
- b) Approve four separate on-call Professional Services Agreements with Core Water Systems, Inc., Pacific Towing LLC Doing Business as TowBoatUS Newport Beach, Perry's Trucking & Equipment Rental, and South Waterfront Construction Corporation for Vessel Removal, Storage and Disposal Services at a not-to-exceed amount of \$250,000 per agreement and authorize the Mayor and City Clerk to execute the agreements.

DISCUSSION:

In September 2025, the City was awarded \$100,000 for the SAVE grant program. The SAVE grant allows for the City to process and demolish surrendered and abandoned vessels. The grant reimburses the City 90% of the invoiced amount for the removal and

destruction of abandoned and surrendered vessels. Per the agreement, the City must contribute the remaining 10% of the invoiced amount.

The City currently has abandoned and surrendered vessels on the program waitlist and does not have the internal capability to remove and demolish those vessels in Newport Harbor. These services are provided through on-call agreements with qualified vessel removal and demolition contractors. To continue expeditiously processing and demolishing vessels, staff is requesting approval of four separate on-call professional services agreements with Core Water Systems, Inc., Pacific Towing LLC, Perry's Trucking & Equipment Repair LLC and South Waterfront Construction Corporation for vessel removal, storage and disposal services at a not-to-exceed amount of \$250,000 per agreement. Each agreement would have a three-year term, with an option for two additional one-year renewals, consistent with the State's SAVE Grant program cycle.

The City's existing practice is to informally receive a proposal or quote for each vessel's removal and demolition from the vendors under contract. The lowest cost proposal is awarded the demolition. Each demolition varies in price due to vessel size and the materials that need to be destroyed. By awarding the four separate on-call professional services agreements, the City can continue bidding out each vessel for demolition and spending the lowest amount possible for the removal and destruction of each vessel. This ensures the State's SAVE Grant funds are spent in a fiscally responsible manner.

RFP No. 26-15 was published on November 19, 2025, and closed on January 15, 2026. Four proposals were received and evaluated based on the following criteria:

- The contractor's qualifications, experience, subject matter expertise and ability to provide vessel removal, storage and disposal services, particularly for government agencies and/or maritime clients; and
- Proposed project costs.

An evaluation panel, consisting of three staff members, reviewed and rated each proposer's technical qualifications using the metrics described above. All four of the proposals earned the minimum of 70% of the technical score in order to advance in the selection process to have their costs reviewed, as described in the RFP. The following table illustrates the results of the evaluation process:

Proposer	Technical Score (1800 Max Points)	Cost Ratio Score (1200 Max Points):	Aggregate Score (3000 Max Points):	Overall Rank
Perry's Trucking & Equipment Repair, LLC	1520.00	1200.00	2720.00	1
South Waterfront Construction Corporation	1620.00	837.21	2457.21	2

Pacific Towing, LLC	1620.00	800.00	2420.00	3
Core Water Systems, Inc.	1460.00	295.08	1755.08	4

Upon completion of these evaluations and rankings, the Harbor Department requests approval to enter into four separate on-call vessel removal, storage and disposal services agreements. The agreements will be with Core Water Systems, Inc (Attachment A), Pacific Towing, LLC (Attachment B), Perry's Trucking & Equipment Repair, LLC (Attachment C) and South Waterfront Construction Corporation (Attachment D)

FISCAL IMPACT:

The adopted budget includes sufficient funding for these on-call agreements. Services provided by these agreements will be expensed to the Abandoned Watercraft Abatement CIP expenditure account, 13501-980000-25H13 (90% grant contribution) and 1001-980000-25H13 (the City's 10% contribution).

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 – Agreement with Core Water Systems, Inc.
- Attachment B – Agreement with Pacific Towing, LLC
- Attachment C – Agreement with Perry's Trucking & Equipment Repair, LLC
- Attachment D – Agreement with South Waterfront Construction Corporation