



NEWPORT BEACH

City Council Staff Report

May 12, 2026
Agenda Item No. 4

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Fire Station No.2 HVAC Retrofit – Notice of Completion for Contract
No. 9959-1 (25R02)

ABSTRACT:

On November 18, 2025, the City Council awarded Contract No. 9959-1 for the Fire Station No. 2 Heating, Ventilation and Air Conditioning (HVAC) Retrofit project to MEP Fusion, Inc. of Studio City. The project involved retrofitting the existing HVAC system with a Dedicated Outdoor Air System (DOAS) unit that will improve air quality and reduce indoor humidity levels at Fire Station No. 2. The work is now complete and staff requests City Council acceptance and closeout of the contract.

RECOMMENDATIONS:

- a) Determine this action exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c), Class 1 (maintenance of existing public facilities involving negligible or no expansion of use) of the CEQA Guidelines, because this project has no potential to have a significant effect on the environment; and
- b) Accept the completed work and authorize the City Clerk to file a Notice of Completion for the project.

DISCUSSION:

Overall Contract Cost/Time Summary

Awarded Contract Amount	Final Total Contract Amount	Total Contract Change Amount	Percent Contract Cost Change
\$126,000	\$117,000	\$0	-7.14%
Allowed Contract Time + Approved Extensions (Days) =		15	Actual Time Used (Days) 15

Peninsula Fire Station No. 2, located at 2807 Newport Boulevard, was constructed in 2022. The building has had issues with high indoor humidity. In 2025, the City of Newport Beach contracted with IDS Group to evaluate the humidity issues. The firm’s analysis

revealed moisture resulting from two sources, unconditioned moist outside air entering through the HVAC system as well as open windows and doors; and internal moisture from showers, wet clothes, and staff activities. The HVAC retrofit added a DOAS unit. The DOAS preconditions outside air before entering the building, removing excess moisture and air pollutants ahead of and separately from the main heating and cooling system. It is designed to work in conjunction with the existing equipment. The contracted work has been completed to the satisfaction of the Public Works Department.

Following the installation of the new system, noticeable improvement has been substantiated. Prior to the DOAS installation, humidity had been noted by HVAC service technicians ranging from 70% to 75%. The Fire Department staff has been monitoring the building’s humidity level and found an average outside humidity of 70% and an average inside humidity of 60%, a 10 percentage point decrease. Furthermore, a review of the manufacturer’s start-up report shows an intake humidity and discharge humidity 86.1% and 71.7%, respectively, or a 14.4 percentage point reduction.

A summary of the contract construction cost is as follows:

Original Bid Amount:	\$	126,000
Actual Cost of Bid Items Constructed:	\$	117,000
Total Change Orders:	\$	0
Final Contract Cost:	\$	117,000

The total contract amount was \$117,000, which is approximately 7% less than the original bid amount. The savings was from not having to retrofit the existing units to accept the construction.

A summary of the project schedule milestones is as follows:

Estimated Start of Construction per Annual Baseline Schedule	March 2, 2026
Actual Start of Construction Per Notice to Proceed	March 2, 2026
Estimated Completion Per Annual Baseline Schedule	April 10, 2026
Substantial Completion Date Inclusive of Extra Work	March 20, 2026

FISCAL IMPACT:

The Fire Station No. 2 HVAC Retrofit project was included within the Fiscal Year 2025-26 Capital Improvement Program budget. Funds for the construction contract were expended from the following account:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
FMMP	57101-980000-26F02	\$ 117,000.00
	Total:	\$ 117,000.00

The Facilities Maintenance Master Plan (FMMP) includes a comprehensive condition assessment of all City of Newport Beach facilities and prioritizes capital repairs and/or major maintenance based on a variety of factors including current condition and age of

facilities. This program funds a variety of capital repair and maintenance projects and is funded by the General Fund.

ENVIRONMENTAL REVIEW:

On November 18, 2025, the City Council found this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c), Class 1 (maintenance of existing public facilities involving negligible or no expansion of use) of the CEQA Guidelines, because this project has no potential to have a significant effect on the environment.

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).

ATTACHMENT:

Attachment A – Location Map