CITY OF

NEWPORT BEACH

City Council Staff Report

October 14, 2025
Agenda Item No. 10

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Balboa Yacht Basin Maintenance Dredging – Award of Contract No. 9944-1 (26H13)

ABSTRACT:

The City of Newport Beach received a construction bid for the Balboa Yacht Basin Maintenance Dredging project as part of the Fiscal Year 2025-26 Harbor and Beaches Master Plan. Staff requests City Council approval to award the construction contract to Pacific Dredge and Construction, LLC of San Diego. This project involves dredging the access channels within the Balboa Yacht Basin marina and disposing that material within the Port of Long Beach's Pier G Slip Fill Project.

RECOMMENDATIONS:

a) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15304 Class 4 (Minor Alterations to Land – Maintenance Dredging) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because this project has no potential to have a significant effect on the environment;

b) Approve the project plans and specifications;

c) Approve Budget Amendment No. 26-033 appropriating $2,049,344 in increased expenditures in Account No. 10101-980000-26H13 from the Tidelands Capital Fund unappropriated fund balance;

d) Award Contract No. 9944-1 to Pacific Dredge and Construction, LLC for the total bid price of $3,543,949 for the Balboa Yacht Basin Maintenance Dredging project, and authorize the Mayor and City Clerk to execute the contract; and

e) Establish a contingency of $354,395 (10% of total bid) to cover the cost of unforeseen work not included in the original contract.

DISCUSSION:

In mid-2024, the City and the Port of Long Beach (POLB) began discussing the concept of transporting dredged sediment from Newport Harbor that is unsuitable for open-ocean disposal to be used as fill material in the POLB's upcoming Pier G Slip Fill Project (Pier G). In January 2025, the City Council approved and executed a Memorandum of Agreement (MOA) with POLB to accept dredged material specifically from the Lower Bay main channel dredging project.

In December 2024, recognizing the unique disposal opportunity presented by the Pier G project, the City quickly initiated plans to dredge the City-owned Balboa Yacht Basin marina (BYB) as a stand-alone project separate from the federal Lower Bay dredging project. Because BYB sediments are unsuitable for open-ocean disposal, the POLB Pier G project offers what may be the City's only opportunity to dredge the marina in the foreseeable future.

Therefore, the City prioritized project planning in 2025 to meet the POLB's narrow disposal window. Within a compressed nine-month timeframe, the City developed plans and specifications, performed sediment characterization, received agency concurrence, applied for and received regulatory permit approvals, negotiated an amendment to the POLB MOA to include BYB material, and advertised the project for bid.

Project Description

The BYB, at 829 Harbor Island Dr., was constructed in 1985 with approximately 172 slips. Accumulated sediment has slowly built up over time. The depth is now above design specifications, though not yet at critical levels. Staff recommends dredging now, while a disposal option is available, rather than waiting for an unknown disposal opportunity to materialize in the future.

Dredging will occur within the four access channels. Dredging will not occur directly under the floating marina nor within the individual slips -- unless the slip tenants voluntarily vacate their slips during their phase of the project. For those tenants who vacate their slips, the City will offer a temporary, no-charge offshore mooring or a Marina Park slip if available.

The primary goal of this dredging project is to utilize the unique POLB disposal opportunity within the limited timeframe while minimally impacting BYB tenants. Therefore, the City will encourage, but not require, vessel tenants to vacate their slips during dredging.

Within the next two years, the City will be replacing the BYB marina with a new marina in a nearly identical configuration. In normal circumstances and to maximize efficiency, both the marina reconstruction and dredging projects would occur simultaneously. However, given the sediment constraints, coupled with a limited POLB disposal window, staff recommends prioritizing the dredging project separate from the marina construction project.

At 10 a.m. on September 17, 2025, the City Clerk opened and read the following bid for this project:

	BIDDER	TOTAL BID AMOUNT
Low	Pacific Dredge and Construction, LLC	$ 3,543,949

During the bidding process, staff reached out to the five local, west coast dredging contractors to alert them of this advertisement. Of this group, most are larger companies that tend to focus on higher volume dredging projects. The medium-sized contractors are more likely to specialize in the BYB's smaller volume dredging project. Staff anticipated at least two contractors would submit bids, including the firm now contracted with the U.S. Army Corps of Engineers for the Lower Bay main channel project. However, that contractor chose to focus its energy and resources on the larger Lower Bay project and therefore did not submit a BYB bid.

Pacific Dredge and Construction, LLC was the sole bidder for this project. The business holds a California State Contractor's License Classification "A" as required by the project specifications. Staff is familiar with this contractor's previous dredging efforts in Newport Harbor and is confident it can successfully perform the work required. In addition, the contractor owns an appropriately sized platform dredge barge and two smaller disposal scows that are critical for maximum efficiency in the BYB's confined access channels. In addition, Pacific Dredge and Construction, LLC will be dredging for the Linda Isle Community Association (inner lagoon and 26 private residential docks) this fall/winter, creating potential synergy between the two projects.

This City hosted a voluntary pre-bid job walk on August 26, 2025. A substantial number of detailed pre-bid questions were submitted, indicating serious contractor project interest. Pacific Dredge and Construction, LLC's bid is 5.7% above the Engineer's Estimate of $3,353,915.

Pursuant to the Contract Specifications, the contractor will have 80 consecutive working days to complete the project. Dredging is anticipated to commence within the December 2025 or January 2026 timeframe.

FISCAL IMPACT:

When the project was identified in the Harbor & Beaches Master Plan, a placeholder budget allocation was included until more details could be fully developed. Upon approval of the proposed Budget Amendment and with the adopted FY 2025-26 Capital Improvement Program budget, sufficient funding is available for this contract.

Tidelands revenue is generated from the operation of the City's tidelands and includes rent from moorings, piers, and leases, as well as income from parking lots. Currently the operating expenditures of the Tidelands fund exceeds revenues, and therefore is subsidized by the General Fund.

The Tidelands Capital Fund was created to allow for the sequestration of incremental increases from the tidelands rent adjustments solely to finance critical in-harbor capital improvements like seawall repairs, dredging, piers and other important amenities.

The following funds will be expended:

Account Description	Account Number		Amount
Tidelands Capital	10101-980000-26H13	$	3,899,344
	Total:	**$**	**3,899,344**

Proposed fund uses are as follows:

Vendor	Purpose		Amount
Pacific Dredge and Construction, LLC	Construction Contract	$	3,543,949
Pacific Dredge and Construction, LLC	Construction Contingency	$	354,395
Various	Printing and Incidentals	$	1,000
	Total:	**$**	**3,899,344**

Staff recommends establishing $354,395 (10% of total bid) for contingency purposes and unforeseen conditions associated with construction. The Budget Amendment appropriates $2,049,344 in increased expenditure appropriations from the Tidelands Capital Fund unappropriated fund balance, which has over $45 million in reserves.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15304 Class 4 (Minor Alterations to Land – Maintenance Dredging) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it 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).

ATTACHMENTS:

Attachment A – Budget Amendment
Attachment B – Location Map