



CITY OF

NEWPORT BEACH

City Council Staff Report

June 24, 2025
Agenda Item No. 9

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Corporation Yard Improvement Project - Award of Contract No.
7876-2

ABSTRACT:

The City of Newport Beach received construction bids for the Corporation Yard Improvement Project. Staff requests City Council approval to award the construction contract to Legion Contractors, Inc. of Los Angeles. This project involves making various improvements to the City's Corporation Yard at 592 Superior Avenue including the removal and replacement of the unleaded gasoline fuel system, relocation of the wash rack, installation of a new restroom building, expansion of the existing tipping floor for the refuse transfer station, installation of a truck weighing scale, and installation of a slow-fill compressed natural gas (CNG) fueling system.

RECOMMENDATIONS:

- a) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) 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. 25-077 appropriating \$770,296 in increased expenditures in Account 14201-980000-20F14 from the AQMD Fund unappropriated fund balance, and appropriating \$270,000 in increased expenditures in Account No. 16001-980000-20F14 from the Environmental Liability Fund unappropriated fund balance;
- d) Award Contract No. 7876-2 to Legion Construction, Inc. for the total bid price of \$7,188,000 for the Corporation Yard Improvement Project, and authorize the Mayor and City Clerk to execute the contract;
- e) Award Contract No. 7876-3 to Clean Energy, Inc. for the total bid price of \$280,656 for the relocation of the fast fill compressed natural gas dispensers, and authorize the Mayor and City Clerk to execute the contract;
- f) Authorize the purchase through cooperative bidding site Sourcewell of a new prefabricated restroom building from Public Restroom Company for the price of \$228,058, and
- g) Establish a contingency of \$718,800 (approximately 10% of total bid) to cover the cost of unforeseen work not included in the original contract.

DISCUSSION:

The City's Corporation Yard (Yard) located at 592 Superior Avenue is an approximately 8-acre site that serves as the primary operating center for the Public Works Department's Municipal Operations Division. Among the Yard's many functions, it serves as the primary refueling site for the City's vehicle fleet. A portion of the Yard also includes a refuse transfer station where garbage from the City's waste haulers is sorted into large transfer trailers for transport to a landfill, recycling center, or organic composting facility.

The permit for the existing tank is expiring and the tank is ineligible for renewal due to the tank's single-wall design. All new underground tanks are required to have multiple levels of redundancy and monitoring to prevent underground fuel leaks. This project removes the existing underground unleaded fuel tank and replaces it with an above-ground fuel tank. The new tank and fuel pump will be placed in a new fuel island near the existing diesel fuel pump further back in the yard. This will consolidate the fueling activities within the Yard into one location for improved operations and oversight.

The existing fast-fill CNG pump, currently located at the same fuel island as the unleaded pumps, will be relocated in the same current location, towards the wall surrounding the existing fast-fill equipment. This CNG fueling station is used by both the City and the public at-large. It is the only CNG fueling location in Newport Beach and is used frequently by trash trucks, school buses, and other outside agencies for their fueling needs. The City's existing Memorandum of Understanding with the CNG operator, Clean Energy, allows for the relocation of the pumps provided the City bear the cost. It is recommended that the City agree to fund the relocation of the pumps to keep the CNG fast-fill available for both City vehicles and the public.

As part of the relocation and consolidation of the new unleaded gasoline island, the existing vehicle wash rack (used to clean large City vehicles such as street sweepers, garbage trucks, and construction equipment) and the dilapidated, stand-alone staff restroom facility located just behind the wash rack will also be rebuilt. In order to replace the restroom building, staff solicited a new prefabricated restroom from the cooperative and competitive bid platform Sourcewell. This provides pricing certainty and guarantees that the City will receive the restroom facilities needed without substitution. As part of this action, it is recommended that Council approve the purchase and delivery of the prefabricated staff restroom. The installation and utility connection of the restroom will be handled by the project's contractor.

To further improve the City's fleet fueling needs, the project also installs CNG slow-fill fueling stanchions in an existing parking lot. These fueling spaces will allow City vehicles to fill up with CNG fuel while parked overnight.

This slower, lower pressure fueling allows for a more complete fill of the vehicle's tanks, providing more range per fill-up. The overnight filling also ensures that the vehicles will be filled and ready in the morning when City employees come to work or if there is a need to access the vehicle off hours for an emergency.

In addition to the fueling improvements, the project also addresses the City's transfer station. The City's refuse contractor brings waste to this transfer station and sorts it into larger trucks for off-site disposal.

Recent modifications to the State regulations surrounding waste disposal require organic material (green waste) now be separated from the general waste stream. To accommodate the additional organic waste stream, the project will expand the existing tipping floor of the transfer station to add a third collection shoot. This will allow the trucks hauling organic materials to dump them into the appropriate truck for transport to a mulching or composting facility. The work also installs a truck scale in the Yard that allows for accurate weighing and recording of the City's waste tonnage export. This scale could also allow for the acceptance and cost charging of municipal waste collected by other haulers.

At 2 p.m. on May 1, 2025, the City Clerk opened and read the following bids for this project:

	<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
Low	Legion Contractors, Inc.	\$7,188,000
2 nd	Archico Design Build, Inc.	\$7,979,000
3 rd	Horizons Construction Company Int'l, Inc.	\$8,652,910
4 th	FEC Future Contractors and Engineers, Inc.	\$8,997,000
5 th	R2Build	\$9,155,043
6 th	Environmental Construction, Inc.	\$9,208,925

The City received six bids for this project. The low bidder, Legion Contractors, Inc., possesses a California State Contractor's License Classification "A", as required by the project specifications. A review of references for Legion Contractors, Inc. shows satisfactory completion of contracts for other public agencies including the City of Santa Ana, La Habra, Placentia and Long Beach.

Legion Contractors' bid was approximately 11% above the engineer's estimate of \$6,460,000. The difference in bids versus the estimate was primarily due to the cost of the fueling improvements. The bids were consistently about double the predicted cost. Pursuant to the contract specifications, the contractor shall have 365 consecutive calendar days to complete the project. Work is scheduled to start in fall 2025.

The project plans and specifications will be available for review at the June 24, 2025, City Council meeting or upon request.

FISCAL IMPACT:

Upon approval of the proposed Budget Amendment, the adopted Capital Improvement Program budget includes sufficient funding for the award of this contract. The following funds will be expended:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
General Fund	01201925-980000-20F14	\$ 97,317
Environmental Liability	16001-980000-20F14	\$ 270,000
Facilities Financing Plan (FFP)	51201-980000-20F14	\$ 7,286,068
AQMD Subvention Funds	14201-98000-20F14	\$ 786,615
Total:		\$ 8,440,000

Proposed fund uses are as follows:

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
Legion Contractors, Inc.	Construction Contract	\$ 7,188,000
Legion Contractors, Inc.	Construction Contingency	\$ 718,800
Clean Energy	Relocation of CNG dispenser	\$ 280,656
Public Restroom Company	Prefabricated restroom	\$ 228,058
Harrington Geotechnical	On-Call Geotechnical	\$ 24,486
Total:		\$ 8,440,000

The Environmental Liability fund is used for fees collected from the City's franchised haulers. These fees can only be used to offset or mitigate the liability created by the commercial haulers that pay into it. Additionally, these fees cannot be used for residential solid waste. The funds will be used for constructing the truck scale and modifications to the transfer station that will then allow for future commercial refuse to be transferred at the station. This, in turn, reduces the number of collection truck trips to the recycling centers and landfill.

AQMD (Air Quality Management District) Subvention Funds are funded by an additional motor vehicle registration fee, imposed by SCAQMD (South Coast Air Quality Management District), to finance the implementation of mobile source air pollution reduction programs necessary to attain State and Federal ambient air quality standards. These funds will be used toward expansion of the CNG fueling system.

The City's FFP is a comprehensive master facilities replacement schedule that projects the timing of construction of facility projects; projects the schedule of any planned debt issuance; includes all relevant revenue sources and expenditures on a yearly, project-by-project basis; and determines the long-term "level funding" annual budget commitment that is required to support the program.

Staff recommends establishing \$718,800 (approximately 10% of total bid) for contingency purposes and unforeseen conditions associated with construction.

The project plans and specifications will be available for review at the June 24, 2025, City Council meeting or upon request.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) 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).

ATTACHMENT:

Attachment A – Budget Amendment