



CITY OF

NEWPORT BEACH

City Council Staff Report

August 26, 2025
Agenda Item No. 21

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Temporary Fire Station No. 1 Project – Award of Contract No. 8865-3 (23F12)

ABSTRACT:

The City of Newport Beach received construction bids for the Temporary Fire Station No. 1 Project. Staff requests City Council approval to award the construction contract to Premo Construction, Inc. of Irvine. The project involves preparing the site to receive and install a temporary fire station trailer; furnish and install an equipment storage box; install an Americans with Disabilities Act (ADA) compliant ramp, outdoor safety lighting, chain link security fencing with footings, privacy screens, and gates; make dry and wet utility connections; provide monthly inspections and as needed repairs; restore site to pre-trailer condition at the end of the project; and other improvements to make the temporary facility functional and operable for the contract term of 18 months with the option to extend the contract term on a monthly basis for no more than a total of 12 additional months.

RECOMMENDATIONS:

- a) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 under Class 3 (New Construction or conversion of small structures), Section 15304 under Class 4 (Minor Alterations to Land), and Section 15311 under Class 11 (Accessory Structures) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3 because this project has no potential to have a significant effect on the environment and the exceptions to these categorical exemptions under Section 15300.2 are not applicable;
- b) Approve the project plans and specifications;
- c) Find the bid submitted by VSI Technologies to be non-responsive;
- d) Award Contract No. 8865-3, including the additive bid item for potential lease extension to Premo Construction, Inc. for the total bid price of \$295,800 for the Temporary Fire Station No.1 Temporary Trailer Project, and authorize the Mayor and City Clerk to execute the contract; and
- e) Establish a contingency of \$29,500 (approximately 10% of total bid) to cover the cost of unforeseen work not included in the original contract.

DISCUSSION:

The Temporary Fire Station No. 1 Project (Project) will support the upcoming Balboa Branch Library and Fire Station No. 1 Project. To maintain operation of Fire Station No. 1 during demolition and the construction of the new station, a temporary fire station will be required for approximately 18 months from Fall 2025 to Spring 2027.

The East Ocean Front Parking Lot has nearby utilities along Palm Street, allowing connection to the City's water and sewer mains, as well as access to connect to Southern California Edison's electrical vault. The installation of the wet and dry utilities will be performed through a separate contract.

A limited term permit with a duration of greater than 90 days was approved by the City to allow the installation and operation of a temporary fire station. A public hearing was held on May 15, 2025. A notice of the time, place and purpose of the hearing was made public in accordance with the Newport Beach Municipal Code. Evidence, both written and oral, was presented to and considered by the zoning administrator at the hearing. The zoning administrator of the City-approved Limited Term Permit PA2025-0031, subject to the conditions outlined in Resolution No. ZA2025-027.

At 1 p.m. on July 3, 2025, the City Clerk opened and read the following bids for this project:

| | <u>BIDDER</u> | <u>TOTAL BID AMOUNT</u> |
|-----------------|----------------------------|-------------------------|
| Low | VSI Technologies* | \$138,500 |
| 2 nd | Premo Construction, Inc. | \$247,800 |
| 3 rd | TRA, Inc. | \$289,802 |
| 4 th | YMC | \$329,000 |
| 5 th | Elegant Construction, Inc. | \$458,000 |
| 6 th | MLC Constructors | \$671,742 |

*Non-responsive bid

The City received six bids. The apparent low bidder, VSI Technologies, was deemed non-responsive since its bid contained irregularities and did not conform to the Instructions to Bidders. These deficiencies included not having the required Department of Industrial Relations (DIR) registration and not having a valid Contractor's License. The second lowest bidder, Premo Construction Inc., is registered with the DIR and possesses a California State Contractor's License Classification "B", as required by the project specifications. A review of references for Premo Construction, Inc. shows satisfactory completion of contracts for other public agencies including the City of La Palma, City of Santa Ana, and the Anaheim Elementary School District.

Premo Construction's total bid amount was approximately 24% above the Engineer's Bid Estimate of \$200,000. The difference between the low bid and the Engineer's Estimate was primarily due to the cost of furnishing and installing the temporary trailer for the 18-month contract term.

If the temporary fire station is needed beyond the 18-month contract term, the cost to extend the use of the temporary fire station will be on a monthly basis and this is captured as an Additive Bid item. If the temporary fire station is not needed beyond the 18-month contract term, then no compensation for this item shall be provided to the contractor. Pursuant to the contract specifications, the contractor shall adhere to the performance milestones as time is of the essence in this contract. It is recommended that Council award the additive bid item to potentially extend the lease for an additional 12 months for a cost of \$48,000. This brings the total cost of the contract award to \$295,800.

The project plans and specifications will be available for review at the August 26, 2025, City Council meeting or upon request.

FISCAL IMPACT:

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> |
|---------------------------------|-----------------------|-------------------|
| Facilities Financial Plan (FFP) | 53201-980000-23F12 | \$ 325,300 |

Proposed fund uses are as follows:

| <u>Vendor</u> | <u>Purpose</u> | <u>Amount</u> |
|--------------------------|----------------------------|-------------------|
| Premo Construction, Inc. | Construction Contract | \$ 247,800 |
| Premo Construction, Inc. | Additional 12 months usage | \$ 48,000 |
| Premo Construction, Inc. | Construction Contingency | \$ 29,500 |
| Total: | | \$ 325,300 |

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 \$29,500 (approximately 10% of total bid) for contingency purposes and unforeseen conditions associated with construction.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 under Class 3 (New Construction or conversion of small structures), Section 15304 under Class 4 (Minor Alterations to Land), and Section 15311 under Class 11 (Accessory Structures) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3 because this project has no potential to have a significant effect on the environment and the exceptions to these categorical exemptions under Section 15300.2 are not applicable.

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