



NEWPORT BEACH

City Council Staff Report

October 28, 2025
Agenda Item No. 10

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: David A. Webb, Public Works Director - 949-644-3311,
dawebb@newportbeachca.gov

PREPARED BY: Tom Sandefur, Assistant City Engineer - 949-644-3321,
tsandefur@newportbeachca.gov

TITLE: Fiscal Year 2024-25 Playground Improvements Project - Award of
Contract No. 9753-1 to R.E. Schultz Construction, Inc. (25P01)

ABSTRACT:

The City of Newport Beach (City) received bids for the FY 2024–25 Playground Improvements Project. Staff requests City Council approval to award a construction contract to R.E. Schultz Construction, Inc. (Orange) to replace aging playgrounds at Spyglass Hill Park (1 Narbonne) and Bonita Canyon Sports Park (1990 Ford Road).

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) Find the bid submitted by Western State Builders Inc. to be non-responsive;
- d) Award Contract No. 9753-1 to R.E. Schultz Construction, Inc. for the total bid price of \$858,800 for the Fiscal Year 2024-25 Playground Improvements Project, and authorize the Mayor and City Clerk to execute the contract; and
- e) Establish a contingency of \$90,000 (approximately 10% of the total bid) to cover the cost of unforeseen work not included in the original contract.

DISCUSSION:

Staff identified the playgrounds at Spyglass Hill Park and Bonita Canyon Sports Park as needing refurbishment as part of the annual Playground Refurbishment Program. Both playgrounds are over 25 years old and show signs of deterioration. The full replacement of both playgrounds along with staff identified improvements to amenities in the surrounding parks will ensure a high level of public enjoyment, continued smooth operation, and enhanced safety and Americans with Disabilities Act (ADA) compliance.

At 2 p.m. on September 24, 2025, the City Clerk opened and read the following bids for this project:

	<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
Low	Western State Builders Inc. *	\$855,118
2 nd	R.E. Schultz Construction, Inc.	\$858,800
3 rd	Azas Engineering Inc	\$863,689
4 th	Micon Construction, Inc	\$873,592
5 th	ACC & Engineering LLC	\$894,423
6 th	ankor associates Inc.	\$899,620
7 th	Elegant Construction Inc.	\$918,000
8 th	Armstrong Cal Builders Inc.	\$928,775
9 th	Leonida Builders Inc.	\$975,000
10 th	diamond construction	\$987,727
11 th	JRH Construction, Inc.	\$1,059,965
12 th	AVA Builders, Inc.	\$1,062,995
13 th	Shiraz Construction	\$1,077,777
14 th	Environmental Construction, Inc.	\$1,146,413
15 th	Newman Midland Corp.	\$1,193,100
16 th	Crosby Plumbing Inc	\$1,241,038

*Non-responsive Bid

The City received 16 bids for this project. As part of the staff review of the bids, it was identified that the apparent low bidder, Western State Builders Inc., does not possess an “LSI Certified Installer” designation as required in the project specifications. The City also received a bid protest from the second low bidder claiming a deficiency in the apparent low bidder’s responsiveness, specifically that they did not possess the project specification required “LSI Certified Installer” designation. The apparent low bidder provided a response letter which was reviewed as part of the recommendation process. City staff reviewed and confirmed the lower bidder, Western State Builders Inc, did not have the required certification as required in the project specification and thus is being disqualified. The protest letter and response are included as attachments to this report.

Staff recommends awarding the project to the 2nd low bidder, R.E. Schultz Construction, Inc., which possesses all licenses and certifications outlined as required in the project specifications. A review of references for R.E. Schultz Construction, Inc. shows satisfactory completion of similar contracts for public agencies including the City, Rialto Unified School District, the City of Monterey Park, the City of Sierra Madre, the City of Riverside and the City of Santa Clarita.

R.E. Schultz Construction, Inc., bid came in at approximately 10% below the engineer’s estimate of \$950,000. The difference between the recommended low bid and engineer’s estimate reflects the extremely high level of interest in the project.

Pursuant to the project specifications, the contractor shall have 90 consecutive days for material and equipment procurement followed by 40 consecutive working days to complete the project. Work is scheduled to begin in the spring of 2026.

The project plans and specifications will be available for review at the October 28, 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 project will be expensed to the General Fund, Building Excise Tax (BET) fund and the Park Maintenance Master Plan (PMMP) fund.

The following funds will be expended:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
General Fund	01201929-980000-23P01	\$ 26,738
BET	14101-980000-24P01	\$ 102,309
General Fund	01201929-980000-25P01	\$ 148,489
PMMP	57001-980000-25P02	\$ 241,654
BET	14101-980000-25P01	\$ 132,810
BET	14101-980000-26P01	\$ 150,000
PMMP	57001-980000-26P01	\$ 150,000
		\$ 952,000

Proposed fund uses are as follows:

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
R.E. Schultz Construction, Inc.	Construction Contract	\$ 858,800
R.E. Schultz Construction, Inc.	Construction Contingency	\$ 90,000
Various	Printing & Incidentals	\$ 3,200
	Total:	\$ 952,000

The BET fund is used to account for property development taxes imposed on construction and occupancy of all residential, commercial, industrial units, and mobile home parks for which a building or construction permit is issued. BET funds can be used for acquiring, improving, expanding and equipping City fire stations, City libraries and City parks as provided by Chapter 3.12 of the Newport Beach Municipal Code.

The PMMP includes a comprehensive condition assessment of all City parks and prioritizes capital repairs and major maintenance based on a variety of factors including current condition and age of parks. This program funds a variety of capital repair and maintenance projects in an effort to keep City parks in good condition and is funded through the General Fund.

Staff recommends establishing \$90,000 (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 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).

ATTACHMENTS:

Attachment A - Location Map

Attachment B - Protest Letter (R.E. Schultz Construction Inc.)

Attachment C - Response to Protest (Western State Builders Inc.)