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NEWPORT BEACH

City Council Staff Report

January 13, 2026
Agenda Item No. 6

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Amendment to On-Call Services Agreement with Vortex Services,
LLC, for Pipe Lining Services

ABSTRACT:

The Utilities Department operates, maintains and repairs the City of Newport Beach's sewer and storm drain systems and a specialty contractor is retained on an as-needed basis for trenchless pipe lining services. Vortex Services, LLC was selected as the service contractor through a competitive process for a five-year term. Over the last two and a half years, most of agreement compensation has been utilized and staff is requesting City Council approval for a \$750,000 increase to the existing agreement.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve Amendment No. One to the On-Call Maintenance/Repair Services Agreement with Vortex Services, LLC, for On-Call Pipe Lining Services, and increase the contract amount by \$750,000, and authorize the Mayor and City Clerk to execute the Agreement.

DISCUSSION:

The City maintains hundreds of miles of wastewater and storm drain pipelines and laterals. As part of the Utilities Department's routine cleaning and video inspection process, certain pipes require repairs or minor rehabilitation short of complete replacement. Inspections may reveal sea water infiltration, joint separation, root intrusion and pipe corrosion in one or more locations within an aging pipe segment.

One of the most cost-effective repair methods for pipelines is using a trenchless rehabilitation method known as Cured-In Place Pipe (CIPP). A fiberglass and polyester, cloth-like material is pulled through a damaged pipe and then expanded into a rigid plastic-like inner pipe. These liners last for decades, provide minimal disruption to residents in the area, and bring the best value to the City by avoiding open trenching to replace pipelines. Not all pipelines can be lined but, when possible, this method has been

found to be a cost-effective and reliable alternative to a full pipeline replacement. This method of repair is especially effective for work in easements where digging is difficult and disruptive to residents. This contractor is utilized as-needed by both the Utilities and Public Works Departments. Recently, the contractor also performed a custom installation on a water main running in between homes.

On June 13, 2023, the City Council approved a five-year agreement for on-call pipe lining services with Sancon Technologies, which has been subsequently acquired by Vortex Services, LLC. The original agreement was then assigned to Vortex Services, LLC in April 2025. This selection was based a competitive request for proposals (RFP) process.

Over the last two and a half years, various pipe lining projects have exhausted a majority of the authorized agreement compensation. Staff is requesting an amendment to increase Vortex's agreement by \$750,000. The total 5-year as-needed agreement amount will increase from \$750,000 to \$1.5 million. The additional amount will allow future pipe lining projects and needed contingencies to continue as-needed over the next 30 months. Lower priority repairs and larger-scale lining projects are assembled and bid separately by the Public Works Department under the Capital Improvement Program. On-call agreements do not guarantee any specific amount of business for the contracted company.

FISCAL IMPACT:

The adopted budget includes sufficient funding for pipe lining services. These services are funded from annual maintenance and repair accounts from the wastewater and storm drain programs as well as the Public Works Department's Capital Improvement accounts. Actual expenses vary from year to year. A typical lining repair project is approximately \$30,000 and approximately \$600,000 has been spent to date over the last two and a half years.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

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 – Amendment No. One to the Services Agreement with Vortex Services, LLC, for On-Call Pipe Lining Services