CITY OF

NEWPORT BEACH

City Council Staff Report

June 23, 2026
Agenda Item No. 9

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Fire Station No. 2 HVAC Retrofit – Notice of Completion for Contract No. 9959-1 (25R02)

ABSTRACT:

On November 18, 2025, the City Council awarded Contract No. 9959-1 for the Fire Station No. 2 Heating, Ventilation, and Air Conditioning (HVAC) Retrofit project to MEP Fusion, Inc. of Studio City. The project involved retrofitting the existing central HVAC system with a Dedicated Outdoor Air System (DOAS) unit that will improve air quality and reduce indoor humidity levels at Fire Station No. 2. The work is now complete and staff requests City Council acceptance and closeout of the contract.

RECOMMENDATIONS:

a) Determine this action exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c), Class 1 (maintenance of existing public facilities involving negligible or no expansion of use) of the CEQA Guidelines, because this project has no potential to have a significant effect on the environment; and

b) Accept the completed work and authorize the City Clerk to file a Notice of Completion for the project.

DISCUSSION:

Overall Contract Cost/Time Summary

Awarded Contract Amount	Final Total Contract Amount	Total Contract Change Amount	Percent Contract Cost Change
$126,000	$117,000	$0	-7.14%

Allowed Contract Time + Approved Extensions (Days) =	15	Actual Time Used (Days)	15

Peninsula Fire Station No. 2, located at 2807 Newport Boulevard, was constructed in 2022. For the last few years, the Fire Department staff has been experiencing issues associated with high indoor humidity within the building. In 2025, the City contracted with

IDS Group to evaluate the indoor humidity issues in the building. Their analysis revealed moisture resulting from two sources: 1) unconditioned moist outside air entering through the central HVAC system as well as open windows and doors; and 2) internal moisture from showers, wet clothes and staff. The HVAC retrofit project added a DOAS unit. The DOAS preconditions outside air before entering the building, removing excess moisture and air pollutants ahead of and separately from the main heating and cooling system. It is designed to work in conjunction with the existing equipment.

Following the installation of the new system, noticeable improvement has been substantiated. Prior to the DOAS installation, indoor humidity was noted by HVAC service technicians ranging from 70% to 75%. Outside air humidity on the peninsula varies day to day and hour by hour but typically ranges from 60% to 90%. After the installation of the DOAS unit, the Fire Department has been monitoring humidity levels for the past few months and has documented an average outside humidity of approximately 70%, and average inside the building humidity of 60% in the common areas (kitchen, dayroom, etc.); a 10+% decrease from pre-DOAS installation.

While the DOAS unit has demonstrated decrease in the indoor humidity of the building, the humidity levels, particularly within the individual bedrooms, are still above recommended ranges. The Fire and Public Works Departments are continuing to work with HVAC professionals to investigate means and measures to further reduce the indoor humidity levels and are in the process of reviewing/discussing additional operational and engineering solutions. While these additional solutions are being reviewed and may result in future work at the station, this particular construction contract work (installing the DOAS) has been completed to the satisfaction of the Public Works Department.

A summary of the contract construction cost is as follows:

Original Bid Amount:	$	126,000
Actual Cost of Bid Items Constructed:	$	117,000
Total Change Orders:	$	0
Final Contract Cost:	**$**	**117,000**

The total contract amount was $117,000, which is approximately 7% less than the original bid amount. Savings were realized due to not having to retrofit the existing HVAC units to accept the DOAS installation.

A summary of the project schedule milestones is as follows:

Estimated Start of Construction per Annual Baseline Schedule	March 2, 2026
Actual Start of Construction Per Notice to Proceed	March 2, 2026
Estimated Completion Per Annual Baseline Schedule	April 10, 2026
Substantial Completion Date Inclusive of Extra Work	March 20, 2026

FISCAL IMPACT:

The Fire Station No. 2 HVAC Retrofit project was included within the Fiscal Year 2025-26 Capital Improvement Program budget. Funds for the construction contract were expended from the following account:

Account Description	Account Number		Amount
Facilities Maintenance Master Plan (FMMP)	57101-980000-26F02	$	117,000
	Total:	**$**	**117,000**

The FMMP includes a comprehensive condition assessment of all City of Newport Beach facilities and prioritizes capital repairs and/or major maintenance based on a variety of factors including current condition and age of facilities. This program funds a variety of capital repair and maintenance projects and is funded by the General Fund.

ENVIRONMENTAL REVIEW:

On November 18, 2025, the City Council found this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c), Class 1 (maintenance of existing public facilities involving negligible or no expansion of use) of the CEQA Guidelines, because this project 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 – Location Map