



CITY OF

NEWPORT BEACH

City Council Staff Report

September 23, 2025
Agenda Item No. 14

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Award of Lifeguard Rescue Vessel Refurbishment Project

ABSTRACT:

The City owns a fleet of three Lifeguard Rescue Vessels (Rescue Boats) that are used to conduct marine rescue and patrol operations. The Rescue Boats were originally built in 1985 (Seawatch III), 2003 (Seawatch I), and 2007 (Seawatch II) by the Crystaliner Corporation (Crystaliner). Seawatch III has been in operation well beyond its original service life of 25 years per City Council Policy F-9. Staff recently completed a procurement process to conduct a complete refurbishment and repower of Seawatch III. Staff now requests award of the project to South Coast Shipyard, Inc. of Newport Beach, California, including optional bid items for the purchase and installation of new powertrain units for Seawatch I and II.

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;
- b) Award the Lifeguard Rescue Vessel Refurbishment Project to South Coast Shipyard Inc. for the total base bid amount of \$466,020, plus Optional Bid Items No. 1 and No. 2, for a total award amount of \$646,020;
- c) Establish a contingency of \$46,600 (approximately 10% of the Base Bid amount) to cover the cost of any unforeseen work that may be required during the refurbishment process;
- d) Approve an agreement on a form approved by the City Attorney to provide a complete refurbishment and repower of Seawatch III, including the purchase and installation of replacement powertrains on Seawatch I and II; and
- e) Authorize the City Manager and City Clerk to execute the agreement.

DISCUSSION:

The Fire Department, through its Lifeguard Operations Division, operates three 29.5-foot, solid fiberglass hulled, twin-engine Rescue Boats manufactured by the Crystaliner Corporation.

These boats are used to conduct marine rescue and patrol operations along the City's coastline, and are crucial resources in incidents involving missing swimmers, vessels in distress, mass rescues, recovery efforts, dive team operations, and any other incident requiring swift response in an ocean environment. The Crystaliner design is still in use by a number of coastal California agencies, including Huntington Beach, Laguna Beach, and California State Parks Lifeguards.

Seawatch III was manufactured in 1985 and was one of the City's two original Crystaliner Rescue Boats. Seawatch I was built in 2003 and increased the City's fleet of two Rescue Boats to three. Seawatch II was approved for purchase by Council in 2006 and built in 2007; this boat replaced the City's first Crystaliner Rescue Boat built in 1977.

Large emergency boats have an expected replacement schedule of 25 years per City Council Policy F-9. The Crystaliner design has proven to be incredibly durable; regular maintenance, coupled with engine maintenance performed by Public Works Department mechanics, have extended the boats' lifespans. However, aging engines and parts availability are beginning to create challenges to these efforts.

Callsign	Build Date	Original Purchase Price	Approx. Years in Service
Seawatch III	1985	N/A	40 years
Seawatch I	2003	\$257,921.18	23 years
Seawatch II	2006	\$317,862.50	19 years

In early 2024, Fire Department staff began discussions with the Finance Department's Purchasing Division and the Public Works Department on the possibility of replacing Seawatch III with a newly built unit. Staff reached out to Willard Marine, Inc. (Willard Marine) who had acquired the rights to manufacture the Crystaliner Rescue Boat design after Crystaliner Corporation went out of business in 2012.

The City of Huntington Beach awarded a sole source purchase to Willard Marine for two Rescue Boats at a total cost of \$600,003 per unit in 2022; it was anticipated that the City could purchase a new Rescue Boat via a similar sole/single source method, or piggyback off the Huntington Beach contract (as allowed by the City's Administrative Policy AP-001) for a similar price.

However, the quote for one vessel (approximately \$1,100,000) was nearly double the original 2022 price offered to the City of Huntington Beach. Due to cost and unexpected production delays experienced by the City of Huntington Beach, staff determined that the refurbishment and repower (with modern engines) of Seawatch III was a more viable option that could extend its service life for up to ten years. Although Seawatch III previously underwent an overhaul, a survey of Seawatch III was performed in October 2024. The survey noted that the vessel showed signs of good maintenance practices and regular care.

Fire Department staff worked with the Public Works and Finance Departments to prepare a scope of services and bid package. The bid documents included minimum qualifications requirements, a breakdown of the services and items requested, a new engine specification (or approved equivalent), and a maximum distance requirement (30 miles) to mitigate transportation costs to the repair facility. Optional items for the purchase of additional engines, or the purchase of engines with installation costs, were included for Seawatch I and II; both vessels are still under their 25 year replacement schedule but are also powered by the same aging Crusader 8.1 liter engines as Seawatch III.

Request for Bid (RFB) 26-06 was posted on July 28, 2025 to the City's public bidding portal, PlanetBids. 170 vendors were automatically notified of the bid; 11 prospective bidders viewed and/or downloaded the bid documents, and four vendors attended the mandatory pre-bid meeting. Three vendors submitted bids by the August 28, 2025 due date. South Coast Shipyard, Inc. (SCSY) was the lowest qualified bidder (as based on the lowest base bid amount).

Vendor	Base Bid <i>(Award based on lowest base bid amount)</i>	Optional Bid Item 1 (2 engines plus installation on Seawatch I)	Optional Bid Item 2 (2 engines plus installation on Seawatch II)	Total
South Coast Shipyard, Inc.	\$466,020.00	\$90,000.00	\$90,000.00	\$646,020.00
Kozwel Boatworks, Inc.	\$625,916.47	\$219,190.63	\$219,190.63	\$1,064,297.73
Finco Fabrication	\$934,500.00	No Bid Provided	No Bid Provided	\$934,500.00

SCSY is a local, Newport Beach based shipyard originally founded in 1938. SCSY first built vessels for the United States Navy during World War 2; the current owner took control in 1979 and the current facility (which was part of the original shipyard) has been in use since 1995. SCSY most recently completed a complete restoration and repower of all six of the City of Long Beach's rescue vessels, as well as a complete refit and repower of a privately owned Crystaliner Rescue Boat (former City of Long Beach vessel.)

SCSY has also provided on-call and annual maintenance services for the City's Rescue Boat fleet over the last several years under an on-call agreement.

Staff recommends that City Council award the refurbishment project to SCSY, including Optional Bid Items 1 and 2, for a total cost of \$646,020.00. A contingency of approximately 10% of the base bid amount (\$46,600) is also recommended to cover any unforeseen costs that may be incurred during the refurbishment process. The refurbishment of Seawatch III will take place following Council approval and award and is expected to be completed on or before May 1, 2026 (prior to the start of the summer season.)

The repower of Seawatch I and II will be staggered to maintain operational readiness and limit the number of vessels that are out of service at any one time.

FISCAL IMPACT:

Sufficient funding is available for this project in the Rolling Equipment Fund, Account No. 7529032-911016. As part of the Fiscal Year 2024–25 annual budget process, \$1,100,000 was appropriated from the Equipment Internal Service Fund (752) reserves to purchase a new Rescue Boat. Of this amount, \$692,620 was carried over into Fiscal Year 2025–26 to fund the project. The remaining \$407,380 in budget savings will be returned to the Equipment Internal Service Fund reserves.

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 – Refurbishment Requirements and Cost File
Attachment B – Survey of Seawatch III