



NEWPORT BEACH

City Council Staff Report

October 28, 2025
Agenda Item No. 15

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Amendment No. Three to Services Agreement with Harbor Pointe Air
Conditioning & Control Systems for Heating, Ventilation and Air
Conditioning of City Facilities (Contract No. 9669-1)

ABSTRACT:

The City of Newport Beach (City) has over 100 separate heating, ventilation and air conditioning systems (HVAC) located throughout the City facilities (i.e. City Hall, Recreation Facilities, Fire Stations, etc.) that require regular preventive maintenance, testing and as-needed repair services. The HVAC systems are managed by the Public Works Municipal Operation Division with the assistance of a specialty contractor.

Recently Public Works assumed the direct responsibility for nine additional City recreation and library facilities. For the City Council's consideration is a third amendment to the existing service agreement with Harbor Pointe Air Conditioning & Control Systems. The amended agreement will allow up to \$700,000 in additional services through the remaining agreement term which expires July 24, 2029.

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. Three to On-Call Maintenance/Repair Services Agreement with Harbor Pointe Air Conditioning & Control Systems, Inc. for On-Call HVAC Maintenance and Repair Services to increase the contract amount by \$700,000, and authorize the Mayor and City Clerk to sign the amendment.

DISCUSSION:

The Public Works Department utilizes the assistance of contractors to service and repair HVAC systems at various City facilities, including the Civic Center, corporation yards, police and fire stations, community centers and library branches. These systems require quarterly and annual preventive maintenance to ensure they remain in good working order.

On June 23, 2024, following a competitive selection process, an agreement for HVAC Maintenance and Repair Services was awarded to Harbor Pointe for a five-year \$600,000 term.

During the first year of the agreement, two amendments were required:

- October 2024: The agreement was amended by \$75,000 to include the Junior Lifeguard Headquarters.
- May 2025: A second amendment was approved to add the Balboa Library, Corona del Mar Library and Jetty Restaurant.

Beginning in July 2025, Public Works Maintenance Operations Division assumed the additional responsibility of nine Recreation and Senior Services Department buildings. Harbor Pointe worked with staff to visit each site, develop an inventory of equipment, assess overall system conditions, and provide a proposal for scheduled maintenance and regular inspections. The proposed annual cost for HVAC services at these nine buildings is approximately \$100,000. In addition to routine maintenance, Harbor Pointe will continue to support unexpected repair needs and provide installation of replacement HVAC units when required. In previous years, annual costs for unplanned repairs ranged between \$22,000 and \$48,000.

The expected service life of industrial HVAC equipment is 10–15 years. The City's marine environment contributes to the corrosion of our HVAC systems. As systems age and reach the end of their useful life, staff anticipate an increase in both unforeseen repairs and replacement of critical components such as electronics, compressors, high-pressure lines and blower fans. Staff estimate these additional costs at approximately \$50,000 annually.

The Fire Department has also requested additional service capacity to address various repair needs for its eight stations and two lifeguard facilities. Recent examples include the replacement of corroded HVAC system lines at Fire Station 3, evaporator coil repairs at Fire Station 8, and planned replacements of rusted exhaust fans and ducts at the Lifeguard headquarters building. The department has also temporarily increased preventative maintenance efforts at several facilities to mitigate recurring HVAC system issues.

The existing agreement with Harbor Pointe has a remaining term of 3.75 years. Staff recommends the existing term remain and requests City Council approval to increase the agreement's expenditure allowance by \$700,000. This would bring the total not-to-exceed compensation amount to \$1,375,000.

FISCAL IMPACT:

The adopted budget includes sufficient funding for this service. It will be expensed to the Maintenance and Repair Building accounts in the Public Works Department, 0108041-851031 and 0108041-851016. Additional funding for this contract may be expensed to the department(s)' facility maintenance and repairs budgets.

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).

ATTACHMENT:

Attachment A – Amendment No. Three to the Maintenance and Repair Services Agreement