



Honorable Mayor and Members of the Hermosa Beach City Council

ADOPT A RESOLUTION APPROVING THE CONSTRUCTION OF CIP 630 COMMUNITY CENTER GAS REPAIRS PROJECT AND AWARD CONSTRUCTION CONTRACT TO NEW POWER CONTRACTING FOR BUILDING MECHANICALS

CEQA: The Project is exempt under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15301 (Existing Facilities) and section 15302 (Replacement and Reconstruction)
(Public Works Director Joe SanClemente)

Recommended Action:

Staff recommends City Council:

1. Award a construction contract for Capital Improvement Program (CIP) Project 630–Community Center Gas Repairs to New Power Contracting for Building Mechanicals in the amount of \$233,000 (**Attachment 1**);
2. Authorize the Director of Public Works to establish a project contingency amount of \$46,600 and to approve contract change orders up to the amount of the approved project contingency;
3. Adopt Resolution approving the Construction of CIP 630–Community Center Gas Repairs Pursuant to Government Code Section 830.6 and establishing a project payment account (**Attachment 2**);
4. Authorize the Mayor to execute the construction contract and the City Clerk to attest, subject to approval by the City Attorney; and
5. Authorize the Director of Public Works to file a Notice of Completion following final completion of the project.

Executive Summary:

CIP 630–Community Center Gas Repairs includes, but is not limited to abandoning and replacement of a portion of the existing gas piping, to restore gas service, at the City of Hermosa Beach Community Center Building located at 710 Pier Avenue.

Background:

On March 23, 2024, Public Works staff responded to a complaint regarding a strong odor from the south wing of the Community Center. Public Works staff detected a natural gas smell and immediately contacted the Southern California Gas Company (SoCalGas) who confirmed a gas leak after conducting tests. As a safety measure the main gas line was shut off and SoCalGas returned for a thorough follow up inspection. The SoCalGas leak

detection inspectors were unable to pinpoint the leak's location as it appeared to be underground and advised City staff that the location of the gas leak could not be completed by SoCalGas. Public Works staff attempted to trace the line to find the leak without success and hired a plumbing contractor who also could not locate the leak. A leak detection company was brought on to assist, however they similarly were unable to identify the source of the leak as line runs under the building and is largely encased in concrete and inaccessible. Following the multiple investigations without success, Public Works staff determined the best course of action would be to abandon the old gas line and replace it with a new gas main line connecting from the roof of the Community Center that would allow for better future maintenance. CIP 630 Community Center Gas Repairs was created as a CIP in the FY 24-25 midyear budget.

The project includes:

- Abandoning existing gas lines;
- Replacing an existing 4-inch gas main line and extending the new main line inside an existing building chase and through the roof;
- Running new gas lines on the building's roof;
- Extending the new gas lines through the roof and into different areas of the building to feed and connect to various existing appliances and equipment;
- Installing new valves;
- Properly patching and sealing all roof penetrations;
- Paint new piping to match surrounding wall finish; and
- Patch, finish, replace ceiling tiles as necessary and paint to match existing ceiling.

The proposed improvements aim to restore gas service throughout the Community Center building for heating and use of various appliances.

Analysis:

On July 7, 2025, staff issued Notice Inviting Bids 25-004 inviting experienced and qualified construction firms to submit a bid for construction of the project through a competitive process. The notice was advertised in the Easy Reader, on the City's website, the City's online bidding platform, PlanetBids, and in relevant construction trade journals. During the advertisement period, five prospective bidders downloaded the project documents from PlanetBids, including general contractors and subcontractors. Staff held a pre-bid site walk on July 22, 2025, attended by 4 participants.

On August 14, 2025, the City received a total of two bids, which were opened and read aloud by the City Clerk. The bid results are provided in **Attachment 3** and summarized below.

Bid Results

BIDDER	BID AMOUNT
New Power Contracting for Building Mechanicals	\$233,000.00
ACCO Engineered Systems, Inc.	\$254,916.00

Both bids are within the available funding for the project identified in the Fiscal Year 2025–26 budget. Staff reviewed the bids received and found that the lowest bidder, New Power Contracting for Building Mechanicals, to be the lowest responsible and responsive bidder with a bid in the amount of \$233,000 (**Attachment 4**). Staff confirmed New Power Contracting for Building Mechanicals’ contractor license is active and in good standing with the Contractor’s State License Board. Staff contacted New Power Contracting for Building Mechanicals references and confirmed their competency through completion of recent projects of similar scope of work within the past three years as well as work experience internationally prior to that. Past clients include the California State University Northridge, City of Needles, and MUPU Elementary School District. All reviewed projects were completed on time and within budget. Overall, staff finds New Power Contracting for Building Mechanicals to be a qualified contractor to complete the proposed work for the subject project and recommends City Council award the construction contract to New Power Contracting for Building Mechanicals (**Attachment 1**).

If awarded, staff would provide construction management and inspection services during construction. Staff anticipates construction to start as soon as October 2025, with an anticipated completion date in December 2025.

Environmental Analysis

The Project is exempt under CEQA pursuant to CEQA Guidelines Section 15301 (Existing Facilities). The proposed work is a minor alteration of existing public structures or facilities involving negligible or no expansion of existing use. Further the Project is exempt pursuant to CEQA Guidelines Section 15302 (Replacement and Reconstruction) as the proposed work consists of reconstruction of existing court structures where the new courts will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. No exceptions to the CEQA exemption apply.

Fiscal Impact:

CIP 630 Community Center Gas Repairs is budgeted in the FY 2025–26 Adopted Budget and funded with the Capital Improvement Fund (301) with a total budget of \$350,000. The lowest responsible and responsive bidder, New Power Contracting for Building Mechanicals, submitted its bid at \$233,000. Staff recommends establishing a contingency of \$46,600 to cover any unforeseen conditions or additional work required during construction for a total construction contract budget not to exceed \$279,600.

Sufficient funds are available in the Capital Improvement Fund to cover construction costs for CIP 630 Community Center Gas Repairs. The funds would cover the full construction costs for the project.

Agreement Request			
Contract	Request Amount	FY 2025-26 Budget Dept. Account #	Total Contract Amount
New Power Contracting for Building Mechanicals	\$233,000	301-8630-4201	\$233,000
20 Percent Project Contingency	\$46,600	301-8630-4201	\$46,600
Total	\$279,600		\$279,600

Attachments:

1. Draft Construction Agreement
2. Draft Resolution
3. Bid Opening Log
4. Bid Documents for New Power Contracting for Building Mechanicals
5. CIP 630 Project Plans
6. CIP 630 Project Specifications

Respectfully Submitted by: Saad Malim, City Engineer

Concur: Joe SanClemente, Public Works Director

Noted for Fiscal Impact: Henry Chao, Finance Manager

Concur: Brandon Walker, Administrative Services Director

Legal Review: Todd Leishman, Interim City Attorney

Approved: Steve Napolitano, Interim City Manager