



Honorable Mayor and Members of the Hermosa Beach City Council

APPROVE THE ACCEPTANCE OF DONATION TO SUPPORT UPGRADES TO THE BASKETBALL COURT EQUIPMENT AND APPROVE THE INCREASE OF PROJECT CONTINGENCY TO CIP 619 – KELLY COURTS RENOVATION PROJECT

(City Engineer Saad Malim)

Recommended Action:

Staff recommends City Council:

1. Accept into the CIP 619 – Kelly Courts Renovation Project budget a donation of funds from The Hermosa Beach Youth Basketball League in the amount of \$14,224 for the upgrade of basketball court equipment. **(Attachment 2)**;
2. Add estimated revenue of \$14,224 at Account # 301-3908-4201 in the Capital Improvement Project (CIP) Fund 301 for the donation; and
3. Authorize the Director of Public Works to increase the total project contingency amount on the Kelly Courts Improvement project to \$244,942 and to approve contract change orders up to the amount of the approved project contingency.

Executive Summary:

On September 30, 2025, City Council awarded a construction contract **(Attachment 1)** to All-American Construction Solutions (AACS) in the amount of \$825,999, with a project contingency of \$124,000. The Kelly Courts Renovation Project is currently under construction, and the City has received a generous donation commitment from The Hermosa Beach Youth Basketball League (HBYB) to cover the cost difference between the equipment scoped in the project's construction documents and the higher-quality equipment requested by HBYB.

Installation of the enhanced basketball equipment would require a contract change order and would work against the \$124,000 contract contingency balance that had been set aside for unforeseen conditions or additional work required during construction. The ongoing construction of the Kelly Courts project has resulted in a number of unforeseen site conditions, which has required the use of approximately 94 percent of the available project contingency to date. The remaining Council approved contingency on the project is anticipated to be insufficient for any additional unforeseen conditions while also accommodating the change order for the upgraded basketball equipment.

Staff is requesting that City Council authorize the Director of Public Works to increase the total project contingency amount to \$244,942 and to approve contract change orders up to the amount of the approved project contingency.

Background:

On September 30, 2025, City Council awarded a construction contract (**Attachment 1**) to All-American Construction Solutions (AACS) in the amount of \$825,999, with a project contingency of \$124,000, for a comprehensive renovation of the Kelly Courts. The project scope includes resurfacing and restriping the courts; replacing walls and fencing; installing windscreens; upgrading lighting to meet current standards; replacing basketball infrastructure; and constructing an ADA-compliant access path from the adjacent parking lot. The project will provide a revitalized recreational hub with four pickleball courts, one tennis court, and two basketball courts—safe, accessible, and compliant with modern standards.

Construction commenced on November 17, 2025, and has progressed in accordance with the approved plans and specifications.

During construction, City staff was contacted by Hermosa Beach Youth Basketball (HBYB) with the request to install upgraded basketball equipment at Kelly Courts beyond what had been planned for in the construction documents. HBYB has generously offered to donate the \$14,224 cost difference between the equipment scoped in the project's construction documents and the higher-quality equipment requested by HBYB. The project had planned to install new commercial grade mega-duty basketball systems with standard rims at a cost of \$3,047 each and the HBYB request would enhance this equipment with an Ultimate basketball system with clear polycarbonate backboards and breakaway rims which are \$6,603 each.

Installation of the enhanced basketball equipment would require a contract change order for the increased amount to install the enhanced equipment and would work against the \$124,000 (or approximately 15 percent) contract contingency balance that had been set aside for unforeseen conditions or additional work required during construction.

The ongoing construction of the Kelly Courts project has already resulted in a number of unforeseen site conditions, which has required the use of approximately 94 percent of the available project contingency to date. During construction the actual site conditions varied in the field, on several contract items, from what was anticipated in the construction drawings as the City had limited as-built information for the existing facility and design modifications were required. The remaining Council approved contingency is anticipated to be insufficient to address any additional unforeseen needs, while also accommodating the change order for the upgraded basketball equipment.

Past Council Actions

Meeting Date	Description
City Council: September 30, 2025	The City Council Awarded a construction contract for Capital Improvement Program (CIP) Project 619–Kelly Courts Improvements to All-American Construction Solutions in the amount of \$825,999.

Discussion:

Staff recommends City Council approve the increase in the contract contingency by \$120,942, which will bring the total project contingency to \$244,942. The increase in project contingency will accommodate the additional cost of the upgraded basketball equipment, while providing the necessary flexibility to address any additional unforeseen conditions during construction without causing project delay.

The change in the basketball equipment is not expected to impact the overall schedule as the materials are readily available and the installation will be completed concurrently with other ongoing construction activities.

Fiscal Impact:

The total increase of the project contingency is \$120,942. City Council previously approved \$949,999 in spending authority for the construction of the project, including \$825,999 for AACS’ construction contract and a \$124,000 contract contingency.

Staff recommends increasing the project contingency by \$120,942 to \$244,942. This will cover funding for necessary change orders, including the desired upgraded basketball equipment and unforeseen site conditions. The total revised spending authority with AACS will be \$1,070,941.

Acceptance of the \$14,244 donation will cover the cost difference for the enhanced basketball equipment. Sufficient funds are available in the Capital Improvement Fund to cover the \$120,942 increase in contingency. No additional appropriation is required.

Agreement Modification Request				
Agreement	Current Authorized Amount	FY 2025-26 Budget Dept. Account #	Modified Request Amount	Total Revised Contract Amount
All-American Construction Solutions	\$250,000	122-8619-4201		\$250,000
	\$310,000	125-8619-4201		\$310,000
	\$265,999	301-8619-4201		\$265,999
Project Contingency	\$124,000	301-8619-4201	\$120,942	\$244,942
Total	\$949,999		\$120,942	\$1,070,941

Attachments:

1. All-American Construction Solutions fully executed Contract
2. Draft Donation Agreement

Respectfully Submitted by: Kristian Alarcon, Assistant Engineer

Concur: Randy Nguyen, Senior Engineer

Concur: Saad Malim, City Engineer

Concur: Joe SanClemente, Public Works Director

Noted for Fiscal Impact: Brandon Walker, Administrative Services Director

Legal Review: Jason Baltimore, Interim City Attorney

Approved: Steve Napolitano, City Manager