

Response to City of Manhattan Beach – Letter dated December 5, 2025

Date: December 08, 2025

To:

Eduardo Pech, P.E.
Senior Civil Engineer
City of Manhattan Beach
Public Works – Engineering Division
epech@manhattanbeach.gov

From:

Zusser Company, Inc.
528 Palisades Drive, Suite 504
Los Angeles, CA 90272

Subject: Revised Clarification Regarding Contractor's Statement – Questions #14 and #15

Dear Mr. Pech:

Zusser Company, Inc. ("Zusser") provides this revised response incorporating the City's comments contained in the annotated Contractor's Statement letter. This letter supersedes and replaces our earlier submission.

RESPONSE TO QUESTION #14

(Arbitrations, claims, lawsuits, settlements within the past five years)

Zusser answered "None" to Question #14 because we understood the question to apply strictly to matters occurring within the past five years — disputes arising from conduct or violations that occurred within that timeframe.

The MWD / LADWP Lagoon Refurbishment Project classification dispute arose from events occurring between 2015 and 2017, which are more than eight years old and fall outside the five-year disclosure period. Although DIR issued its administrative decision in 2022 and the Superior Court issued its ruling in 2024, the underlying events giving rise to the dispute did not occur within the last five years.

14(a) – Names, Addresses, and Telephone Numbers of Contact Persons

California Department of Industrial Relations (DIR) – DLSE / PW Unit
Director (at time of decision): Katrina S. Hagen
1515 Clay Street, Oakland, CA 94612
Phone: (510) 622-0960

California Attorney General's Office (Counsel for DIR)
300 S. Spring Street, Los Angeles, CA 90013
Phone: (213) 269-6000

Zusser Company, Inc.
528 Palisades Drive, Suite 504
Los Angeles, CA 90272

14(b) – Summary of Parties’ Claims and Defenses

DIR Position:

DIR alleged that certain workers on the 2015–2017 MWD Lagoon Refurbishment Project should have been classified as Industrial Pipefitters instead of Pipelayers, based on DIR’s interpretation that lagoon drainage piping ultimately connected several miles away to a water-treatment facility.

Zusser Defense:

This was a good-faith classification disagreement. Zusser maintained:

- All workers received full prevailing wages for the Pipelayer classification.
- Work involved trenching, laying pipe, and drainage structure connections—standard Pipelayer tasks.
- Work occurred in open lagoon basins, not industrial facilities.
- Contract documents did not indicate industrial or mechanical classifications.
- The remote pipeline connection was not reasonably foreseeable to trigger Industrial Pipefitter classification.

The issue was a technical jurisdictional dispute, not wage avoidance. The Superior Court’s 2024 order did not find wrongdoing, only that DLSE’s interpretation would apply.

14(c) – Tribunal, Matter Number, and Outcome

Administrative Tribunal:

DIR Public Works Division

Case No.: 19-0134-PWH

Outcome: Civil Wage and Penalty Assessment affirmed.

Judicial Tribunal:

Los Angeles County Superior Court

Case: Zusser Company, Inc. v. Katrina S. Hagen, Director of DIR

Case No.: 22STCP03452

Outcome: Petition denied (Order dated April 2, 2024).

Why Question #14 Was Answered “None”:

Zusser believed in good faith that Question #14 required disclosure of matters arising within the past five years. The underlying conduct occurred in 2015–2017, outside the required window.

RESPONSE TO QUESTION #15

(Termination of contract by owner or agency)

Zusser responded “No” because the Perris Valley Channel Sediment Removal Project was terminated for convenience, not for cause.

On June 10, 2025, the Riverside County Flood Control District executed a Termination for Convenience agreement with Zusser. The termination resulted from seasonal constraints, vegetative regrowth, changed conditions, and the District’s decision to re-advertise the revised project. The District permitted Zusser to rebid, confirming no adverse responsibility finding.

Why Question #15 Was Answered “No”:

Industry practice and the Questionnaire’s structure indicate Question #15 refers to terminations for cause. Because this termination was for convenience only, Zusser believed “No” was the correct answer.

FINAL STATEMENT

Zusser appreciates the City's review and reaffirms:

- All answers were provided in good faith based on the five-year disclosure period.
- Legal proceedings extending into 2024 do not change the fact that the MWD matter arose from events in 2015–2017.
- The Perris Valley termination was purely for convenience.
- Zusser maintains a strong record of compliance and responsible performance.

Sincerely,

ZUSSER COMPANY, INC.

By: 

Name: Mikhail Fyodorov

Title: CFO/Secretary

Martha Alvarez, MMC

From: Martha Alvarez, MMC
Sent: Wednesday, December 10, 2025 7:48 PM
To: City Clerk
Subject: FW: [EXTERNAL] City of MB 2025 12 02 City Council Mtg agenda - Stefan Kampe feedback



MARTHA ALVAREZ, MMC

ASSISTANT CITY CLERK

(310) 802-5059

malvarez@manhattanbeach.gov

CITY OF MANHATTAN BEACH 1400 Highland Avenue Manhattan Beach, CA 90266
Office Hours: M-Th 8:00 AM-5:00 PM | Fridays 8:00 AM-4:00 PM | Not Applicable to Public Safety

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From: Stefan Kampe <stefan.a.kampe@gmail.com>
Sent: Monday, December 1, 2025 10:47 PM
To: David Lesser <dlessler@manhattanbeach.gov>; Joe Franklin <jfranklin@manhattanbeach.gov>; Amy Thomas Howorth <ahoworth@manhattanbeach.gov>; Nina Tarnay <ntarnay@manhattanbeach.gov>; Steve S. Charelian <scharelian@manhattanbeach.gov>
Cc: Talyn Mirzakhianian <tmirzakhianian@manhattanbeach.gov>
Subject: [EXTERNAL] City of MB 2025 12 02 City Council Mtg agenda - Stefan Kampe feedback

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

City of MB Council Members –

I hope everyone had enough time off to enjoy Thanksgiving with family and friends. We do have so much to be thankful for.

After returning from our Thanksgiving on the east coast, I was able to review the amended 2025 12 03 City Council Regular Meeting agenda and particularly **item 9**, which is essentially staff's request for **approval on their recommended contractor selections for the 28th Street Stormwater Infiltration Project**. This project has a large cost and deserves a thorough vetting of contractors to ensure the contractor providing the best value is selected. Based on the information provided in the agenda packet I do not support approving the proposed contractors until further information is provided. Here are my specific concerns:

1. **What is the specific request being made?** - The agenda item outlines the request. The PowerPoint simply jumps into the material. It would be good to be clear in the presentation.
2. **Primary Contractor Recommendation:** The PowerPoint implies that the contractor being recommended is based on lowest price. Although cost is a primary criteria it is not the only criteria. It is important that staff share all of

the key selection criteria and how the different contractors scored against these criteria - - even better, it would be best if the City Council could hear the recommended criteria from staff and then define the relative importance of each of those criteria. For example, the criteria might include:

- a. Cost: This needs to be the total cost for the project inclusive of bid adds to ensure that each bid received is based on the same scope of work.
- b. Warranty of services: to what extent does the contractor warrant their services and how is this warranty guaranteed.
- c. Experience/expertise in performing this scope of work:
- d. References
- e. City of MB Staff confidence in contractor's ability to work with City of MB Staff

Other criteria to consider: 1) strength of company – it is important to go with a contractor the City has confidence to perform and the contractor has not legal issues of concern, , 2) proposed staffing – has City of MB staff met the people who lead the project, are these people committed to lead the project, and does staff have confidence in their abilities, 3)

Attached is an option on how this type of contractor selection can be done. This shows the list of criteria, their relative importance (suggest staff makes a recommendation on relative importance for the city to approve), how the contractor scores against the criteria with an explanation. The total at the bottom then summarizes the information. This type of selection approach takes out the emotional side of the selection process and can include all of the critical selection criteria (not just cost).

3. Proposed contract with Zusser:

- a. Section 2.0, Scope of Services, refers to a document “28th Street Stormwater Project” which describes the scope of services. This document was not included in the agenda packet. This is the most crucial document to understand what is being contracted.
- b. Schedule – did not see any schedules tied to the contract
- c. General comment: the contract shared covers only some basic items. I hope there is someone in the City independent from the negotiating team reviewing the contract to ensure it is complete and correct. Suggest this question be asked.

4. Construction Management and Inspection Contractor recommendation – same comments as above for primary contractor. In addition:

- a. No comparison of any sort of the 4 bids received. Only the comment “Transtech Engineers Best Met City's Needs.” Who defined these needs and what are they?
- b. If Transtech Engineers is or has been preferred contractor for these services how will this look to the outside world if the evaluation against the other contractors proposing is not transparent? If a key criteria is “Proven Track Record working with the City of MB” that could support the recommendation.

5. City Staffing: There is no discussion on what level of staffing is required from the City of MB. Even with a Construction Management and Inspection Contractor overseeing the project there is a clear need for City day-to-day involvement.

- a. What is the expected City of MB involvement? Who is planned for these roles. For example, 1) City of MB contract administration, 2) Field Supervision, 3) community relations (this is an important and critical role), 4) accounting, and what/who else?
- b. Does the city have the capacity to provide these roles?
- c. Is this cost attributable to the overall project cost?

6. Progress Reporting to City Council: A project of this size and complexity will require periodic status reporting to the City Council. What are the expectations for this reporting? Who is responsible for preparing/presenting this? Will there be a steering committee created to oversee the project and will that committee include one or more member of the City Council?

7. Design Support Amendment

- a. Page 9 states “Includes an additional \$167,491 to complete the design phase.” What has not been completed and how does that affect the scope of work the primary contractors and project management contractors bid on?
- b. The proposed addendum 2 has an additional task O(14) for Geotechnical support to “assess soil conditions and the feasibility/performance of the drywell.” This appears to be a task that needs to be completed prior to starting any significant work.

- c. I did not have time to go through all of the other items.

8. Contingency

- a. Page 11 shows that a 10% contingency has been included in the total cost. Is this a reasonable % to have at this time? What has the city experienced in past projects for cost overruns, scope expansion, etc.?
- b. Page 11 includes contingency for the Primary Contractor only. Contingency needs to be applied to all of the cost components (primary contractor, construction management, and design). If city staff time is included in the budget then contingency needs to be included for staff time.

9. Project Budget:

- a. Does page 11 include all costs attributable to the project? i.e., is City of MB staff time overseeing the project included, are design costs to date included?
- b. The total projected cost with the proposed contractors comes under the Total Available Funds. That would be great if the project is executed to the projected cost. What happens if the cost does go over the Total Available Funds?

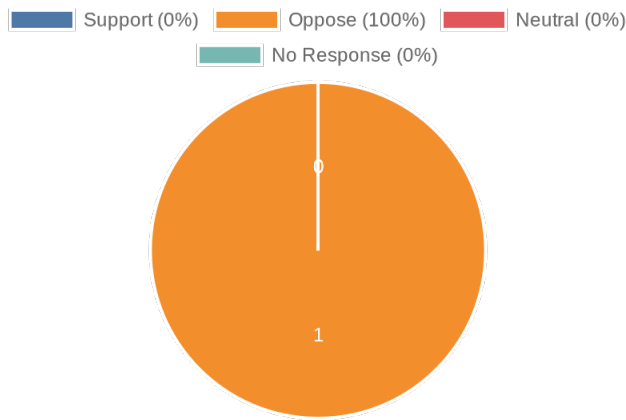
I look forward to the discussion Tuesday evening.

Stefan

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Agenda Item: eComments for 9. 25-0425 Consideration of Resolutions Awarding a Construction Agreement to Zusser Company, Inc. in the Amount of \$27,839,691, including Contingency; Approving the Professional Services Agreement with Transtech Engineers, Inc. in the Amount of \$1,095,755 for Construction Management and Inspection Services; and Approving Amendment No.2 to the Professional Services Agreement with CWE in the Amount of \$521,380 for Additional Design Services for the 28th Street Stormwater Infiltration Project (Budgeted) (Interim Public Works Director Semaan).
(Estimated Time: 1 Hr.)
ADOPT RESOLUTION NOS. 25-0135, 25-0136, AND 25-0137

Overall Sentiment



Kelly Sultemeier

Location:
Submitted At: 11:05am 12-02-25

Please vote NO on the 28th St storm water filtration project.

Martha Alvarez, MMC

From: Cindystokes33 <cindystokes33@yahoo.com>
Sent: Tuesday, December 2, 2025 11:58 AM
To: List - City Council
Subject: [EXTERNAL] 28th St Storm drain

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Please vet all contractors.

Cindy

Martha Alvarez, MMC

From: Lucia La Rosa <larosa_lucia@yahoo.com>
Sent: Tuesday, December 2, 2025 11:56 AM
To: List - City Council
Subject: [EXTERNAL] 28th street storm water filtration project

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Dear City Council,

I respectfully request that the City conduct a thorough vetting of the contractor selected for the above-referenced project. It appears that the current lowest bidder, Zusser Company, has been found guilty by the Department of Industrial Relations of committing fraud against its own workers. In light of this, I urge the Council to reconsider the merits of the present bidding process and ensure that only responsible and compliant contractors are awarded public work.

Thank you very much for your attention to this important matter.

Kind regards,

Lucia La Rosa Ames

Martha Alvarez, MMC

From: Courtney Rice <courtneyrice@rocketmail.com>
Sent: Tuesday, December 2, 2025 11:27 AM
To: List - City Council
Subject: [EXTERNAL] Agenda item #9 - please vote NO on the 28th street stormwater filtration project

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Hello,

As a resident of Manhattan Beach, I am asking the city council not to select Zussler Company and fully vet the second lowest vendor before final approval. The city cannot risk awarding this project to a contractor who has defrauded their very own workers. It creates huge liability and is financially risky for our city.

Sincerely,

Courtney Rice

Martha Alvarez, MMC

From: Tiffany Barbara <seden_lynne@hotmail.com>
Sent: Tuesday, December 2, 2025 11:23 AM
To: List - City Council
Subject: [EXTERNAL] Resolution Regarding Zusser: Oppose

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I am concerned that Zusser may have lied on their application about not having any litigation. Case No. 19-0134-PWH(Civil Wage and Penalty Assessment – LADWP Lagoon Refurbishment Project). DIR's Division of Labor Standards Enforcement audited Zusser's work on a public-works job (the LADWP lagoon refurbishment for Metropolitan Water District), found underpayment/misclassification, and issued a Civil Wage and Penalty Assessment. After review, the DIR Director: 1) Found unpaid wages of \$171,476.08 and unpaid training contributions of \$1,725.32 2) Imposed various statutory penalties and liquidated damages 3) For a total of \$653,177.48 owed, plus interest. The case was opened March 11, 2019 (assessment issued) and decided August 18, 2022, prior to their application being submitted to MB.

Sincerely,
Tiffany Barbara
213-500-1433

Martha Alvarez, MMC

From: Kelly Sulzemeier <kellysulzemeier@gmail.com>
Sent: Tuesday, December 2, 2025 11:17 AM
To: List - City Council
Subject: [EXTERNAL] agenda item #9

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

City Council,

Please vote NO on the 28th street storm water filtration project.

Is this project necessary? If so, is Zussler the right company for the job just because they are the cheapest?

Kelly Sulzemeier

Martha Alvarez, MMC

From: Erica Exberger <eheibel@gmail.com>
Sent: Tuesday, December 2, 2025 11:08 AM
To: List - City Council
Subject: [EXTERNAL] AGENDA ITEM #9- PLEASE VOTE NO ON THE 28TH STREET STORMWATER FILTRATION PROJECT

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Dear City Council,

I ask you to please vote no on the 28th Street Stormwater Filtration Project.

The City can't risk using this contractor who has defrauded their VERY OWN WORKERS! Haven't we seen enough waste and corruption in California? This creates a HUGE liability and is a financial waste for our community.

Please don't select Zussler and fully vet the second lowest bidder before final approval.

Sincerely,

Erica Exberger

Martha Alvarez, MMC

From: Julie Muer <j_muer@yahoo.com>
Sent: Tuesday, December 2, 2025 10:44 AM
To: List - City Council
Subject: [EXTERNAL] Fwd: Agenda Item #9 - Please Vote NO on the 28th Street Stormwater Filtration Project

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Begin forwarded message:

From: Julie Muer <j_muer@yahoo.com>
Date: December 2, 2025 at 10:42:11 AM PST
To: List - City Council <CityCouncil@manhattanbeach.gov>
Subject: Agenda Item #9 - Please Vote NO on the 28th Street Stormwater Filtration Project

Manhattan Beach City Council,

Please vote NO on the 28th Street Stormwater Filtration Project! The Zusser Company should not be selected due to the prior defrauding of their own workers! They were fined \$653,177. This vendor does not have the quality or character for our City Project. Please choose the next lowest bidder. We should engage with a reputable company without a history of fraud as the Zusser company has. Make the right choice. Vote NO on Agenda #9!

Thank you...

Julie Muer
MB Homeowner for 28 years

Martha Alvarez, MMC

From: Julie Muer <j_muer@yahoo.com>
Sent: Tuesday, December 2, 2025 10:42 AM
To: List - City Council
Subject: [EXTERNAL] Agenda Item #9 - Please Vote NO on the 28th Street Stormwater Filtration Project

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Manhattan Beach City Council,

Please vote NO on the 28th Street Stormwater Filtration Project! The Zusser Company should not be selected due to the prior defrauding of their own workers! They were fined \$653,177. This vendor does not have the quality or character for our City Project.

Please choose the next lowest bidder. We should engage with a reputable company without a history of fraud as the Zusser company has.

Make the right choice. Vote NO on Agenda #9!

Thank you...

Julie Muer
MB Homeowner for 28 years

Martha Alvarez, MMC

From: Joy Friend <joydfriend@yahoo.com>
Sent: Tuesday, December 2, 2025 10:19 AM
To: List - City Council
Subject: [EXTERNAL] Agenda item #9 - 30M 28th Street Stormwater Filtration Project

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Dear MB Mayor David Lesser & Manhattan Beach City Council,

We oppose the approval of the \$30,000,000 taxpayer funded 28th Street Stormwater Filtration Project.

Respectfully,
Joy & Scott Roberts, 30 year MB residents

Martha Alvarez, MMC

From: AUDREY RITTERMAN <are@aol.com>
Sent: Tuesday, December 2, 2025 8:55 AM
To: List - City Council
Subject: [EXTERNAL] Zusser should not get the contract and why do we have to do this storm drain at all?

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Good morning, honorable mayor and city Council members

Zusser was found by California Department of Industrial Relations (DIR) / Division of Labor Standards Enforcement (DLSE) to owe unpaid prevailing wages, fringe benefits, and wage-law penalties for work on a public-works project. whether the city should award them a large new contract, I'd treat the wage-theft history as a major !!!!!

Dous our procurement rules allow or require disqualification of contractors with wage-law violations?

I know we can put this money to better use like the proposal to make our city has safetyregulations in place regarding the Chevron refinery

Thank you for your attention on this matter

Sincerely

Audrey Ritterman-Estes

Sent from my iPhone

Martha Alvarez, MMC

From: CJHver <charjarhar@verizon.net>
Sent: Monday, December 1, 2025 6:19 PM
To: List - City Council
Subject: [EXTERNAL] ITEM #9- PLEASE VOTE NO ON THE 28TH ST STORMWATER FILTRATION PROJECT

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Martha Alvarez, MMC

From: Michaela Coats <mcoats@surfrider.org>
Sent: Monday, December 1, 2025 1:27 PM
To: City Clerk
Cc: Mary Simun
Subject: [EXTERNAL] Comment: 28th St Infiltration Project
Attachments: Letter of Support - 28th St Stormwater Infiltration Project.pdf

EXTERNAL EMAIL: Do not click links or open attachments unless you trust the sender and know the content is safe.

Hello,

On behalf of Surfrider Foundation's South Bay Chapter, I am writing to formally submit a comment letter in support of awarding a construction agreement to Zusser Company Inc. for the 28th Street Stormwater Infiltration Project (agenda item #9). The online comment field is limited to 1000 characters, so the letter can be found attached to this email.

Thank you!

--



Michaela Coats

Southern California Regional Manager

Direct: 949.516.6838 Office: 949.492.8170

mcoats@surfrider.org

[The Ocean Needs More Friends](#)



City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

Subject: Letter of Support for the 28th Street Stormwater Infiltration Project

Dear Honorable Mayor and Council Members,

On behalf of the Surfrider Foundation South Bay Chapter, we are writing to express our strong and continued support for the City of Manhattan Beach's 28th Street Stormwater Infiltration Project.

As a grassroots nonprofit dedicated to the protection and enjoyment of the world's oceans, waves, and beaches, Surfrider South Bay actively advocates for solutions that improve local water quality, enhance coastal resilience, and protect community health. The proposed stormwater infiltration system aligns directly with these goals by capturing and treating 60% of the city's urban runoff before it reaches the beach and ocean — reducing pollution and supporting compliance with regional water quality standards.

Our chapter's volunteer-led, middle and high school student-run Teach & Test Blue Water Task Force program regularly monitors *Enterococcus* bacteria levels at South Bay beaches. Data from our sampling sites, including [Manhattan Beach at 27th Street](#), show that high bacteria levels are associated with stormwater runoff, conditions that can put children, families, and other beachgoers at increased risk of illness (Figure 1). Our chapter's beach cleanup program similarly collects hundreds of pounds of trash off South Bay beaches each year, underscoring the need for systemic pollution prevention efforts.

In addition to its intrinsic community and ecological benefits, the project will help the City meet Total Maximum Daily Load (TMDL) waste load allocations for trash, debris, and bacteria as required by the Los Angeles Regional Water Quality Control Board. Meeting these targets is critical for improving coastal water quality and protecting public health—key outcomes that align with Surfrider's vision of ensuring all coastal waters are safe for recreation without risk of illness or infection.

We commend the City for its leadership in prioritizing stormwater infrastructure projects that safeguard our coast. The 28th Street Stormwater Infiltration Project represents a necessary investment in cleaner water and healthier beaches in Manhattan Beach.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mary Simun".

Mary Simun, Vice Chair and Teach & Test Director, South Bay Chapter

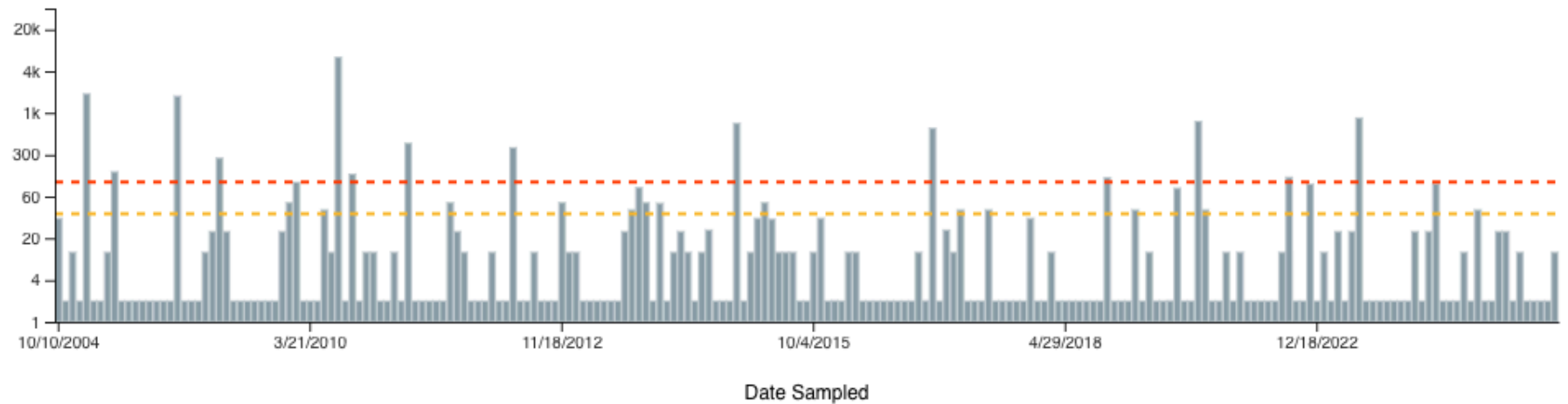


Figure 1. Concentration of *Enterococcus* bacteria (MPN/100mL) found in water samples collected in Manhattan Beach, 27th Street. The yellow dotted line indicates medium bacteria levels (36-104 MPN/100mL) and the red dotted line indicates high bacteria levels (> 104 MPN/100mL) as set by the California State Water Resources Control Board.