



## Legislation Text

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**File #:** 25-0425, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Talyn Mirzakhanian, City Manager

**FROM:**

Ted Semaan, Interim Public Works Director  
Gilbert Gamboa, Acting City Engineer  
Eduardo Pech, Senior Civil Engineer

**SUBJECT:**

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**

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**RECOMMENDATION:**

Staff recommends that the City Council:

1. Adopt Resolution No. 25-0135:
  - a. Awarding Construction Contract to Zusser Company, Inc. in the amount of \$25,308,810 for the 28<sup>th</sup> Street Stormwater Infiltration Project (28<sup>th</sup> Street Project); and
  - b. Authorizing the City Manager to execute the contract and authorizing the City Manager and/or his/her designee to approve an extra work contingency up to \$2,530,881.
  
2. Adopt Resolution No. 25-0136:
  - a. Approving a Professional Services Agreement with Transtech Engineers, Inc. in the amount of \$1,095,755 for Construction Management and Inspection Services for the 28<sup>th</sup> Street Project through June 30, 2028, with two optional one-year terms at the City Manager's sole discretion; and
  - b. Authorizing the City Manager and/or his/her designee to execute the agreement.
  
3. Adopt Resolution No. 25-0137:
  - a. Approving Amendment No. 2 to the Professional Services Agreement with CWE for additional design services for the 28<sup>th</sup> Street Project in the amount of \$521,380 for a

- new Maximum Compensation of \$ 1,757,430 and extending the term through June 30, 2028; and
- b. Authorizing the City Manager and/or his/her designee to execute the agreement.

**FISCAL IMPLICATIONS:**

Sufficient funds of \$29,456,826 are currently available for the 28<sup>th</sup> Street Stormwater Infiltration Project. The project budget consists of \$31,181,610.38 within the Measure W Fund and \$59,252.62 in the Storm Drain Fund. The remaining Measure W Funds will be fully offset by a \$17,569,298 disbursement from the Safe Clean Water Program (Measure W), \$8,535,000 reimbursement from the State Waterboard (Prop 1), and \$4,936,566 reimbursement from the CA Natural Resources Agency (Prop 68).

Staff has also submitted a request to the Safe Clean Water Program for additional Regional Measure W Grant funds to assist with additional Project preferences, like project capacity enhancements, offsetting staff time, Envision Certification, etc. The Safe Clean Water Program will notify the City in Spring 2026 of the results of the request for additional funding. A Project Budget and Expenditures Summary is attached.

**BACKGROUND:**

Stormwater discharges in Manhattan Beach are regulated by the Municipal Separate Storm Sewer System (MS4) Permit issued by the Los Angeles Regional Water Quality Control Board. Under this permit, the City is required to monitor and report water quality and adhere to strict limits on bacterial discharges into Santa Monica Bay. To fulfill these requirements, the cities of Manhattan Beach, Hermosa Beach, Redondo Beach, Torrance, and the Los Angeles County Flood Control District (LACFCD) developed the Beach Cities Watershed Management Program (WMP). The WMP identifies priority capital improvement projects aimed at reducing pollutants from stormwater discharges.

The 28<sup>th</sup> Street storm drain system, SMB-5-02, as identified in the WMP, collects stormwater run-off from a tributary area of approximately 1,520 acres, approximately 60 percent of the City of Manhattan Beach's stormwater flows. The tributary area also contains a small contribution from the cities of Redondo Beach and Hermosa Beach.

Long-term monitoring data indicate that the 28<sup>th</sup> Street storm drain contributes to bacteria detection, which has been surpassing the Total Maximum Daily Load (TMDL) limits set by the Water Board 11 out of the past 20 years. Starting July 2024, State regulation only allows 17 days of bacteria exceedance per year (November 1 to October 31) beyond the established TMDL limits. Every day over the 17 days of allowed bacteria exceedance, the City faces a minimum penalty of \$10,000 per exceedance per day. The penalty could increase by \$10 per gallon of discharge that is out of compliance. For reference, the 28<sup>th</sup> Street outfall discharges approximately 25 million gallons for a 1-inch storm.

Due to its large drainage area and compliance risks, the WMP identified the 28<sup>th</sup> Street Stormwater Infiltration Project as the top priority for reducing bacteria, trash, and debris discharges into South Santa Monica Bay.

The 28<sup>th</sup> Storm Drain is owned by the County of Los Angeles, and storm drain system work related to diverting flows can only be performed between April 15 and October 15. A critical compliance factor

that contributes to construction implementation and duration of the Project.

On April 20, 2020, City Council approved a contract with CWE, a civil engineering firm specializing in water resources, to conduct a feasibility study of potential project sites. Three locations were evaluated: Polliwog Park, the 26th Street Parking Facility, and a beachfront site near the Marvin Braude Bike Trail. Polliwog Park soils were considered less suitable, and the 26th Street Parking Facility was chosen as the preferred site because of its feasibility and infiltration capacity. In March 2022, CWE was awarded a contract to design the system for this site.

Since CWE was awarded the contract in April 2020 and prior to March 2025, Staff has presented the project sixteen times at various City Council, Parking and Public Improvements Commission (PPIC), and Community & Stakeholder meetings and events.

Compliance with the Mitigation Monitoring and Reporting Program (MMRP) is a requirement for the grants. Additionally, the Safe Clean Water Program grant, administered by Los Angeles County Flood Control, requires compliance with the Los Angeles Targeted Worker Hire Program and the Community Business Enterprise (CBE) Program.

### **Prequalification of Contractors**

Staff issued a Request for Qualifications (RFQ No. E1304-25Q) in accordance with applicable State and City procurement requirements to ensure that the contractor selected for this project possesses the requisite experience and capabilities. The RFQ was published on June 23, 2025, and the City received 11 submittals. Following a comprehensive evaluation of the proposals in comparison to the established selection criteria, nine contractors were determined to be qualified. The list of prequalified contractors was published on August 13, 2025, and includes:

1. Boudreau Pipeline Corp
2. Clarke Contracting Corporation
3. Environmental Construction, Inc.
4. Mike Bubalo Construction Co., Inc.
5. Mladen Buntich Construction Company, Inc.
6. Reyes Construction
7. Stacy and Witbeck
8. Toro Enterprises, Inc.
9. Zusser Company, Inc.

### **Parking and Public Improvements Commission**

On October 23, 2025, Staff provided an update on the 28th Street Project to the Parking and Public Improvements Commission (PPIC). The PPIC made the following six recommendations for staff's consideration:

1. Permit Parking (Coastal Commission Parking Permit)  
The Commission suggested that staff explore implementing a temporary permit parking program for residents during the construction period. Staff advised that any implementation of residential permit parking within the coastal zone would be subject to the Local Coastal Plan. Staff will follow up regarding the possibility of a temporary residential permit parking program during preconstruction activities of the 28th Street Project.

2. Working Group (Subcommittee)

The Commission suggested establishing a working group or subcommittee, including residents, to review parking and construction-related impacts. Staff will work with residents, contractors, and impacted stakeholders to resolve traffic-related issues that come up during construction. Efforts include the dissemination of information ahead of potential traffic impacts due to construction and the presentation of the latest contractor schedule during the construction outreach meetings. Staff will schedule a construction outreach meeting two to three weeks before the start of any major construction activity or phase, such as the diversion structure. A tentative outreach schedule will be developed and disseminated once a construction schedule is established with the contractor.

3. Lift Street Sweeping Restrictions

The Commission suggested that Staff explore temporarily lifting street sweeping restrictions on certain streets to increase available parking during construction. Staff will evaluate opportunities to provide temporary relief from street sweeping restrictions enforcement along the impacted streets to maximize parking availability during construction.

4. Bring Parking Issue Back in Two to Three Months

The Commission suggested revisiting parking and traffic issues within two to three months after construction begins. Staff agrees and will present an update to the PPIC within two to three months after construction starts to review the status of parking and traffic conditions and make adjustments as needed.

5. Parking Enforcement

The Commission suggested that Staff ensure that parking regulations are actively enforced during the construction period. Staff will coordinate with the Police Department and Code Enforcement on violations of parking regulations within the project area. Public Works inspectors will ensure that the Project Contractors will adhere to parking regulations per City permit requirements and project contract documents.

6. Additional Comments and Clarifications

PPIC Comment 1 - A question was raised about the failsafe mechanism for the project design. Staff confirmed that the system includes a built-in failsafe feature, where flows that exceed the designed 85<sup>th</sup> percentile storm capture will bypass the infiltration system and discharge the excess to the ocean, not allowing system overflow. An additional built-in failsafe feature occurs during a power outage includes shutting the diversion gate and discharging through the original storm drain pipe directly to the ocean.

PPIC Comment 2 - A question was raised about project timing and regulatory requirements. Staff noted that the project is funded through grants with specific deadlines and timelines. Staff report includes the project schedule, grant timelines, and potential short-term impacts to parking meter and enforcement revenues, as well as highlighting the long-term benefits of the project.

**DISCUSSION:**

In August 2025, the 28<sup>th</sup> Street Project completed the final design and approval. The Project is intended to reduce pollutant exceedances by intercepting the existing 28th Street storm drain at Manhattan Avenue. Flow volume equal to the 85<sup>th</sup> percentile storm will be diverted into an

underground pump station, screened through a trash removal device, and routed through sedimentation chambers. From there, stormwater will be directed to a system of up to 40 drywells for infiltration into the ground instead of being discharged directly into the ocean. Flow volume exceeding the proposed infiltration wells and lift station design volume will bypass the system and continue to discharge at the 28<sup>th</sup> Street outfall.

### **Construction Components**

Stormwater infrastructure elements include:

- **Diversion Structure:** A 50-foot-deep pit will be excavated at the intersection of 28th Street and Manhattan Avenue to intercept the existing storm drain.
- **Conveyance Pipe:** A pipeline will connect the diversion structure to the pump station. This line will be installed beneath the 2700 block of Manhattan Avenue, between 28th Street and 27th Street, by a horizontal boring method to minimize open excavation.
- **Pump and Treatment Facilities:** Subsurface concrete chambers will house pump equipment, a trash capture device, and sedimentation chambers.
- **Drywell Arrays:** Eight drywells beneath Bruce's Beach Park and a minimum of thirteen and up to thirty-two within the 26th Street Parking Lot will provide infiltration capacity.

Current operation and maintenance costs of the stormwater infrastructure elements to City are estimated at \$220,000 annually. Staff intends to cover the additional cost through Measure W local returns funds, and the City's Storm Drain Measure. This aligns with the intent of covering any additional O&M costs for all storm drain system improvements within the City.

In addition to stormwater infrastructure, the 26th Street Parking Lot will be reconstructed and modernized with the following improvements:

- Replacement of deteriorated perimeter retaining walls;
- Installation of a pervious concrete surface to support infiltration;
- Improved circulation of the upper and lower parking lots by revising striping of the easterly/upper parking lot;
- Addition of Americans with Disabilities Act (ADA) compliant parking spaces;
- Removal of existing staircases between parking tiers; and
- Construction of accessible pedestrian routes to sidewalks along 26th and 27th Streets.

The 26<sup>th</sup> Street Parking Lot generated \$303,127 in meter parking revenue during fiscal year 2024-2025, and \$135,962 in revenue through September 2025. Based on this information, Staff estimates a potential revenue loss of approximately \$352,000 to \$440,000 for a 12-to-15-month construction closure. Furthermore, the current O&M costs are estimated at approximately \$20,000 annually. Other revenue-generating items like parking citations and permits are expected to remain the same during construction, as those activities will continue in some form.

The current state of the 26<sup>th</sup> Street Parking Lot requires reconstruction within the next few years. The 28<sup>th</sup> Street Project has incorporated the reconstruction of the parking lot with modern enhancements like permeable concrete, pay stations, EV charging, etc., thereby relieving the future cost burden from the City. The estimated cost of reconstructing the parking lot outside of the Project is estimated at \$5M.

### **Construction**

Bids for the 28<sup>th</sup> Street Project were solicited on a competitive basis following the provisions of the

California Public Contract Code at the end of August 2025. The Project was advertised on The Beach Reporter and on the City of Manhattan Beach Public Works Department Bid Opportunities webpage and the City’s Bid Portal with OpenGov (an online service that connects vendors, suppliers, and contractors to government procurement opportunities). In addition, staff conducted a mandatory pre-bid meeting on September 20, 2025 for the prequalified contractors and subconsultants.

Four bids were received and opened on October 21, 2025, as follows:

<b><u>Contractor</u></b>	<b><u>Total Bid Amount</u></b>
Zusser Company, Inc.	\$26,830,510.00
Stacy and Witbeck, Inc.	\$30,490,218.25
Mike Bubalo Construction Company, Inc.	\$37,091,855.00
Environmental Construction, Inc.	\$39,628,105.00

All bid packets were analyzed by staff for arithmetical errors, completeness, accuracy, etc. Staff reviewed the bid, contractor’s license, and references for the apparent low bidder, Zusser Company, Inc. (Zusser). The bid and license are in order.

Representatives from agencies where Zusser has or is currently performing comparable work have indicated that Zusser’s work was satisfactory to them. For example, representatives for the City of Baldwin Park’s Barnes Park Multi-Benefit Stormwater Capture Project, at a construction bid cost of \$19.65M and similar in scope to the 28<sup>th</sup> Street Project, indicated their satisfaction with the drainage work, which has been completed. The 28<sup>th</sup> Street Project was discussed with representatives of Zusser, and they expressed confidence in their bid and a desire to perform the work in a timely and acceptable manner.

The original bid included five additive bid items. The basis for the low bid included the base bid items plus the additive bid items. However, Additive Bid Item 97 “Slurry Backfill at Pump Station and Diversion Structure” was intended to be a lower-cost alternative than the mechanical compaction method embedded in the base bid. Zusser indicated that it would cost them more to perform the slurry backfill than the mechanical compaction method. Therefore, Staff will not award Additive Bid Item 97. In addition, Additive Bid Items 100 (Slurry Plug) and 101 (Steel Casing for Drywell Installation) are additional items that may or may not be needed by the contractor to install the drywells at the site. Staff have determined that recent drywell construction in the area has not shown the slurry plug method to be effective. Therefore, staff is recommending awarding additive bid item 101 since it has been to be effective in recent drywell construction in the area and based on the design depths of the project drywells.

Accordingly, staff recommends that the City Council award a construction agreement to Zusser Company, Inc. for \$25,308,810, including the recommended additive bid items 98 (Drywells), 99 (Manholes at Drywells), and 101 (Steel Casing for Drywell Installation) and authorize the City Manager and/or his or her designee to approve contingency for unforeseen work up to \$2,530,881 (10% of construction contract cost), if necessary.

The Notice to Proceed to fulfill preconstruction requirements and order materials will be issued as soon as the construction agreement is executed. Construction is anticipated to start in February 2026 and in the Summer of 2027. Allowable construction hours are from 7:30 AM to 4:30 PM, Monday through Friday, with reduced hours during lane closures for work in the roadway. The contractor shall

provide stamped traffic control plans for city traffic engineer approval before the implementation of any lane closures or detours by the contractor.

### **Construction Management and Inspection Services**

The City issued a Request for Proposals on August 14, 2025, for construction management and inspection services for the 28<sup>th</sup> Street Project. The scope of work includes:

- Ensuring the contractor complies with the plans, specifications and applicable standards;
- Performing field project oversight;
- Documenting the daily work performed by the contractor;
- Verifying the completed work; monitoring, providing supporting documentation and inspecting any additional work performed; and
- Preparing a list of items for correction.

A total of four proposals were received on September 18, 2025. Proposals were evaluated and ranked by an evaluation committee of City staff according to the following selection criteria:

- Demonstrated understanding of the scope of services;
- Firm qualification and experience performing similar work;
- Project/Construction management methods and quality control/assurance;
- Qualifications and experience of key personnel; and
- Consultant's familiarity with local (sensitivity) conditions

Based on the selection criteria, Transtech Engineers, Inc. submitted the most responsive and comprehensive proposal that best meets the City's needs. The assigned staff has excellent experience on similar projects, identified and understood the key project issues, and proposed an appropriate level of staffing for the size and complexity of the Project. Transtech Engineers, Inc.'s methodology for executing the scope of work was clear and organized. Therefore, Staff recommends that City Council award a construction management and inspection services agreement in the amount of \$1,095,755 to Transtech Engineers, Inc., for the 28<sup>th</sup> Street Project.

### **Amendment to the Design Professional Services Agreement**

As the project enters the construction phase, design professional services are needed to support construction. Additional geotechnical recommendations were required, along with the preparation of progress and expenditure reports submitted to the Grant administrators. These reports are critical to maintaining current and future funding, as they ensure compliance with the terms and conditions outlined in the grant agreements. Furthermore, an operations and monitoring manual must be coordinated and devised once construction is complete.

Staff recommends that the City Council approve Amendment No. 2 with CWE in the amount of \$521,380. As the designer of the project, their continued assistance during the course of construction is estimated at approximately 15-18 months once it commences in winter or early spring of 2026. In addition, CWE's services will be necessary for the close-out of the Project, including the grant funding agreements. Therefore, staff also recommends that the contract be extended to June 30, 2028.

### **PUBLIC OUTREACH:**

### **Previous Meetings and Outreach**

In September 2020, community meetings were held during the development of the project's feasibility study.

On July 26, 2023, Public Works staff presented the project concept to the Los Angeles County Beach Commission. A similar presentation was given to the Manhattan Beach Parking and Public Improvement Commission (PPIC) on October 26, 2023. Both public meetings were properly noticed in compliance with state law. Additionally, postcards were mailed to residents near the project to inform them about the PPIC meeting, and the meeting was listed on the events calendar on the city's website.

During the project design phase, an on-site event was held on October 10, 2023, to discuss the project with interested community members. Additionally, a community meeting took place at the Manhattan Heights Community Center on February 15, 2024. Both events were announced during City Council meetings, on social media platforms, on the City's website, and through direct mailings to nearby residents.

On February 6, 2025, a community outreach meeting was held at the Manhattan Heights Community Center. Postcards were mailed to residents living near the project to inform them about the meeting. Additionally, the meeting was listed on the events calendar on the City's website and shared on social media platforms.

On March 18, 2025, a comprehensive update was presented to the City Council, and a public hearing was held to gather input from residents and stakeholders. The City Council reviewed and approved the construction plans and specifications for the project.

On October 7, 2025, a project update was presented to the City Council, and a public hearing was held to gather input from the public. The City Council received and filed the project update.

On October 21, 2025, the Project's Traffic Control Plan was presented to the Parking and Public Improvement Commission. The PPIC provided six recommended actions to staff, including bringing the parking issue back in two or three months

### **Future Meetings and Outreach**

A community meeting will be scheduled after the construction contract is awarded and the timeline is refined by the construction contractor. This meeting will provide residents with an overview of the approved scope and expected timeline.

The project team will organize a coordination meeting with essential stakeholders and City departments, including the Manhattan Beach Unified School District, Los Angeles County Lifeguards, City Code Enforcement, Parking Enforcement, the City's Residential Construction Officer, and the Police and Fire Departments. The purpose of this meeting is to communicate important resident concerns, clarify roles and responsibilities, present and address logistical matters, project schedule milestones, and ensure that everyone is aligned before construction begins.

A final community meeting will be scheduled during the first couple of weeks of January 2026, before the anticipated start of construction in February. This meeting will address neighborhood impacts, construction phases, road closures, detours, and mitigation strategies. Contact information for

designated project representatives will be provided, so residents will know whom to reach out to with any questions or concerns.

**ENVIRONMENTAL REVIEW:**

The proposed project was reviewed for compliance with CEQA pursuant to State Public Resources Code Division 13 (Environmental Quality). Environmental analysis was conducted through an Initial Study/Mitigated Negative Declaration (IS/MND), which determined that all potential impacts could be reduced to less-than-significant levels with mitigation. A Mitigation Monitoring and Reporting Plan (MMRP) was also developed to ensure compliance during construction. On May 21, 2024, the City Council adopted the Mitigated Negative Declaration under CEQA and approved a Coastal Development Permit, clearing the way for project implementation.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

**ATTACHMENTS:**

1. Resolution No. 25-0135
2. Agreement - Zusser Company, Inc.
3. Resolution No. 25-0136
4. Agreement - Transtech Engineers, Inc.
5. Resolution No. 25-0137
6. Amendment No. 2 - CWE
7. Agreement and Amendment No. 1- CWE
8. Location Map
9. Budget and Expenditure Summary Report
10. PowerPoint Presentation