



STAFF REPORT

11/13/2025

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: GABINO C. LUNA
DEPUTY DIRECTOR - PUBLIC WORKS**

**SUBJECT: PUBLIC WORKS CONTRACT WITH OAK HOLLOW RESTORATION,
INCORPORATED FOR EXTERIOR VERTICAL WALL REPAIR AND INSTALLATION
OF RETROFIT STEEL WINDOWS AT CITY HALL**

Summary:

On November 12, 2024, the City Council awarded the City Hall Interior Renovation Project to Estate Design & Construction (EDC). After the execution of all contract documents and the relocation of City staff to a temporary location, construction activities commenced on November 25, 2024. The project has reached a critical point, where a significant milestone requires coordinated work, including specialized materials and a general contractor with a background in historical building retrofit and repair. Specifically, the repair of the exterior shell, primarily composed of gunite, a material commonly used in the late 1800s to early 1900s, was required. In contrast, modern construction typically utilizes stucco, fiber cement, or concrete. The repair became necessary following the removal of existing windows and installation of new ones, which required additional steel framing and partial removal of the exterior shell. This work was not included in the original project scope, as the existing window framing and related structural conditions were not visible at the time of bid or contract award in November 2024.

To ensure a proper installation process and meet project deadlines, the City has contacted a limited pool of general contractors capable of performing the required scope of work for the repair of the vertical walls and the installation of steel windows. Staff engaged in several discussions with Thirtieth Street Architects (TSA), the City's historical architectural consultant, whom the City retained explicitly to retrofit new windows while preserving the historical appearance of City Hall. Due to the specialized nature of the work, TSA recommended that the City hire Oak Hollow Restoration, Incorporated, a general contractor specializing in historical restoration and construction.

With several other trades coordinated, the critical path moving forward is to secure the right historical restoration contractor to ensure the timely completion of the City Hall Renovation Project. Staff recommends the City Council award a Public Works Contract to Oak Hollow Restoration,

Incorporated for a not-to-exceed amount of \$486,974 and authorize a 10% contingency for a total construction budget of \$535,671.40.

Staff also requests supplemental funding to cover the related incidentals needed to complete this work. These costs include third-party material testing, special inspections, and abatement activities necessary to rebuild the openings correctly and ensure compliance with structural, safety, and historical-preservation standards. When added to the construction contract and contingency, these incidentals bring the total funding request to \$660,412. If approved by City Council, Oak Hollow Restoration, Incorporated would immediately mobilize to meet project milestone deadlines and position the City to reopen this essential public facility in February 2026.

Strategic Plan Goal(s):

- Goal No. 4 Infrastructure: Maintain and improve the City's physical infrastructure, water system, and recreational spaces.
- Goal No. 5 High-Functioning Government: Strengthen internal communication, recruitment, retention, systems, and processes to increase the effectiveness and efficiency of City services.

Recommendations:

1. Authorize the City Manager, or his designee, to enter into a Public Works Contract with Oak Hollow Restoration, Incorporated, for the exterior vertical wall repair and installation of energy-efficient steel windows at City Hall for a term of 60 working days and a not-to-exceed contract amount of \$486,974 in a form approved by the City Attorney.
2. Authorize a contingency of 10% or \$48,697.40 and up to a 15-working-day extension to accommodate additional scope of work, changes, or any unforeseen conditions, to be utilized if approved by the Public Works Director, for a total construction budget of \$535,671.40.
3. Adopt a Resolution, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA
AWARDING A CONTRACT FOR THE CITY HALL RENOVATION -WINDOW INSTALLATION
PROJECT.

4. Adopt a Resolution, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA,
AMENDING THE ADOPTED BUDGET AND AUTHORIZING BUDGET APPROPRIATIONS
FOR FISCAL YEAR 2025-26.

Fiscal Impact:

Project (Project No. 90.19004) is funded by the 400-40-5896 CIP Fund, with a total project budget of

\$2,850,000. Of this amount, \$1,241,395.34 has been expended to date. The proposed contract with Oak Hollow Restoration, Incorporated, covers exterior vertical wall repairs and the installation of energy-efficient steel windows at an estimated cost of \$486,974. Including a 10% contingency of \$48,697.40, the contract's not-to-exceed amount totals \$535,671.40.

The specialized work needed to repair the window openings and install the new steel windows, as outlined in the agreement with Oak Hollow Restoration, extends beyond the scope of the original renovation contract. This work also requires the City to perform additional material testing, special inspections, and abatement activities to properly reconstruct the openings and ensure compliance with structural, safety, and historical preservation requirements. These additional tasks, combined with the remaining exterior wall repairs and installation needs, result in a total additional budget appropriation need of \$660,412 necessary to complete the renovation.

The proposed budget adjustment accounts for the following items:

Account	Description of Work	\$ Total
400-40-5896	Exterior Wall Repair/Window Installation	\$535,671.40
400-40-5896	Material Testing (Third Party Testing)	\$35,000.00
400-40-5896	Unforeseen Abatement Costs	\$65,000.00
400-40-5896	Special Inspection, Reviews, RFI Support	\$24,740.60
Total		\$660,412.00

To support this funding request, staff recommends transferring the remaining \$660,412 from the Civic Center Master Plan Reserve to support the timely completion of the City Hall Renovation Project, which is part of the Civic Center Master Plan - Phase 1. This funding request would also cover unforeseen costs associated with the window installation work described above.

Staff has identified potential savings that would result in a reduction in the proposed budget adjustment from \$660,412 to \$440,412. The savings include \$100,000 from a revised IT replacement schedule and an anticipated reduction of approximately \$120,000 from the prime contractor's remaining window installation scope and associated materials. If the City Council approves the contract with Oak Hollow Restoration, City staff would apply any realized savings and reconcile the project budget before completion, and document all expenditures and savings when presenting the Notice of Completion in Spring 2026.

Completion of the City Hall remodel will not only modernize our facilities but also demonstrate our commitment to progress and responsiveness to the community's needs, laying a strong foundation for future developments that ultimately benefit all residents.

Background:

Originally built in 1934, City Hall has undergone periodic improvements to maintain its functionality and appearance. Major renovations in 1986 and 1991 addressed essential needs, including exterior coatings, electrical and air-conditioning upgrades, interior repainting, new furnishings, enhanced lighting, and ceiling grid replacements. In recent years, the City has completed limited maintenance

items, including partial carpet replacements, a condenser unit replacement, and security access control upgrades. However, prior to this renovation effort, the building had not undergone substantial interior improvements for over 28 years. Office layouts remained essentially unchanged, furniture reached the end of its useful life, and routine wear and tear diminished the overall building condition. Several electrical components, including fluorescent lighting, also became outdated and inefficient.

On September 26, 2023, the City Council adopted the 2023-2028 Strategic Plan, which identifies the City Hall Renovation Project as a key initiative to enhance the building's appearance, functionality, and infrastructure, thereby better supporting public services. The project focuses on upgrading outdated facilities through the installation of energy-efficient windows, new paint, improved lighting, refurbished flooring, and enhanced front-counter security. These improvements support a more efficient, functional, and welcoming environment for staff and visitors.

The City released a competitive bid through PlanetBids on September 27, 2024, and received three bids. On November 12, 2024, the City Council awarded a Public Works Contract to Estate Design and Construction, Inc. (EDC) for a total construction budget of \$1,087,680. The construction phase commenced on November 25, 2024, for a 150-calendar-day project duration, slated for completion in May 2025. During demolition in December 2024, City staff and EDC uncovered an unusual wall system consisting of a vertical steel truss embedded between two six-inch-thick gunite layers mixed with glued wood chips. The use of this type of framing and insulation is more commonly found in structures from the late 1800s and early 1900s, requiring specialized carpentry and metalwork expertise. EDC explored several retrofit options; however, the complexity of the conditions prompted the City to seek expert guidance.

City staff contacted multiple firms and ultimately selected TSA, a firm experienced in historic building repair and previously involved in the 1980s renovation of Signal Hill City Hall. After several months of investigation and a detailed review of material submittals for steel windows, the City and TSA finalized and issued an approved submittal package to EDC on June 4, 2025. Follow-up meetings addressed plan interpretation, installation sequencing, and field measurements. EDC placed the steel-window order on August 15, 2025, with an estimated lead time of 13 to 15 weeks. The complexity of the remaining work prompted staff to assess the specialized expertise required for the next stage of construction.

Analysis:

The remaining repairs require specialized equipment, skilled carpenters, and a unique application of materials. Based on these needs, staff contacted the limited pool of contractors capable of performing this type of work. TSA recommended Oak Hollow Restoration, Incorporated, a general contractor with expertise in historic restoration and a strong understanding of the project timeline, application methods, and similar projects.

Staff conducted reference checks on Oak Hollow Restoration, Incorporated, which demonstrated the capability, experience, and workforce capacity to perform the required work within the necessary timeframe and submitted a complete proposal. Oak Hollow Restoration initially proposed a cost of \$522,964. After multiple rounds of negotiation with the Public Works Department, staff refined the scope and confirmed that all required tasks were included. Staff determined that the final not-to-exceed cost of \$486,974 is reasonable, competitive, and consistent with the City's engineering

estimate for the anticipated work.

Given these findings, staff evaluated the appropriate procurement path for this phase of the project. Consistent with the City's Purchasing Guidelines, contracts above a certain threshold require City Council approval. Staff also reviewed the procurement exceptions outlined in SHMC Section 3.20.120 and determined that a best-interest procurement is appropriate for this phase of work. The time-sensitive nature of the project and the significant operational risks associated with additional delays support the use of this procurement method.

Staff recommends best-interest procurement for the following reasons:

1. Protection of City Facilities

City Hall remains temporarily boarded with limited waterproofing. As the project approaches the winter season, prolonged exposure to the elements increases the risk of water intrusion and property damage. Advancing the window installation prevents deterioration of the building envelope and avoids additional repair costs.

2. Impacts to the construction schedule and public services

City Hall operations continue to operate from multiple temporary locations. Additional schedule delays could increase temporary setup costs, hinder workflow efficiency, and further affect staff's ability to serve residents and businesses. Advancing this work supports continuity of City operations and minimizes further disruption.

3. Coordination and cost impacts to the broader project

Window installation is the most critical task milestone in the sequencing process. Several trades cannot proceed until this work is complete. Re-mobilization or time extensions could significantly increase project costs and disrupt coordination with other trades.

The conditions outlined above, combined with the complexity of the remaining repairs, support a finding that awarding the work through an alternative procurement method serves the best interest of the City and the public. SHMC Section 3.20.120 authorizes the City Council to approve contract awards outside standard procurement methods when doing so protects the public interest or supports public health, safety, or welfare.

Beyond the construction work assigned to Oak Hollow Restoration, this phase also requires focused oversight and quality-control measures to ensure long-term performance of the reconstructed wall assemblies and steel-window frames. These measures include material testing to assess the condition of the historic gunite walls, special inspections to verify steel-frame installation, and limited abatement activities linked to rebuilding the window openings. Staff incorporated these services, together with the construction contract and contingency, into the total funding request of \$660,412.

Recommendation:

Staff recommends the award of contract to Oak Hollow Restoration, Incorporated in the amount of

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\$486,974 for a term of 60 working days; staff also recommends authorizing a 10% contingency as part of the project. In addition, staff also recommends approving the supplemental funding for incidentals, including material testing, special inspections, and abatement activities, bringing the total funding request for this phase of work to \$660,412.

Upon the City Council's approval, staff would immediately issue a Notice to Proceed and begin coordinating with the contractor. If approved, construction of the project is expected to commence on December 1, 2025, with completion anticipated by early February 2026.

Reviewed for Fiscal Impact:

Siamlu Cox
Administrative Services Officer/Finance Director

Attachments:

- A. Agreement
- B. Resolution
- C. Budget Resolution