

**FILE NUMBER: 2025-155**

**DATE:** Friday, June 6, 2025

**SUBJECT: CST Staging Lot Improvements at 1550 W Palm St Project**

**DESCRIPTION: Resolution 1) Finding the Board Action Exempt Under the California Environmental Quality Act (CEQA) Guidelines Sections 15301, 15302, 15303 and 15304 , 2) Approving Plans and Specifications and Awarding Contract No. 2024-20 to Montano Pipeline in the Amount of \$229,000.00 for the CST Staging Lot Improvements at 1550 W Palm St Project, San Diego, CA Project, as Authorized by the Board in the FY 2025 Other Capital Projects Appropriation.**

**EXECUTIVE SUMMARY:**

Cruise terminal operations require a permanent truck staging area to comply with US Coast Guard screening requirements, which are mandatory for conducting cruise homeport operations. The existing lot at 1550 W. Palm, previously utilized by a former tenant, is currently unsuitable for accommodating the 53-foot trucks essential for cruise operations.

The proposed modifications will transform the existing lot into a functional truck staging area that meets all security and operational requirements. These improvements are necessary to maintain compliance with Coast Guard regulations and ensure continued homeport operations at the cruise terminal.

The plans and specifications define the contract work, which includes but is not limited to the following:

- Base Bid Schedule A: General construction and other activities such as selective demolition (removal of the existing security booth, landscaped areas, and trash enclosure), pavement repairs, installation of an ADA-compliant ramp, restriping to delineate truck drive aisles and worker parking, and installation of two gates sized to accommodate 53-foot trucks.
- Additive Bid Schedule B & C: Provide for the furnishing of one (1) 4' x 6' and one (1) 6' x 8' modular security booth to support screening operations.

Staff recommends that the San Diego Unified Port District (District) Board of Port Commissioners (Board) approve the plans and specifications and authorize the award of the construction contract to Montano Pipeline Inc. in the amount of \$229,000.00 for the CST Staging Lot Improvements at 1550 W. Palm St.

**RECOMMENDATION:**

Adopt a Resolution 1) Finding the Board Action Exempt Under the California Environmental Quality Act (CEQA) Guidelines Sections 15301, 15302, 15303 and 15304, 2) Approving Plans and Specifications and Awarding Contract No. 2024-20 to Montano Pipeline, Inc in the Amount of \$229,000.00 for the CST Staging Lot Improvements at 1550

W Palm St Project, San Diego, CA Project, as Authorized by the Board in the FY 2025 Other Capital Projects Appropriation.

**FISCAL IMPACT:**

There is no fiscal impact caused by the approval of this action.

This project is included in the FY 2025 Other Capital Projects (OCP) budget. A budget amount of \$250,000 has been allocated for the project in the proposed FY 2026 Other Capital Projects Appropriation subject to Board approval. Approval of this agenda will authorize the District to enter into a Construction contract with Montano Pipeline Inc. in the amount of \$229,000 and will authorize the expenditure of \$229,000 for CST Staging Lot Improvements at 1550 W Palm St.

In addition, approval of this agenda item will authorize the expenditure of the construction bid and allow a 30% construction contingency pursuant to Board Policy No. 110 for a revised recommended total project budget of \$297,700. Funds from the FY 2025 Other Capital Contingency appropriation will supplement the remaining necessary funds to complete the proposed project.

The project funding sources are summarized in the table below:

<b>Source</b>	<b>Cost</b>
<b>Current Total Project Budget</b>	<b>\$250,000</b>
OCP Contingency	\$47,700
<b>Recommended Total Project Budget</b>	<b>\$297,700</b>

The construction contract is summarized in the table below:

<b>Description</b>	<b>Cost</b>
<b>Construction Contract Award Amount</b>	<b>\$229,000</b>
30% Contingency	\$68,700
<b>Recommended Total Construction Cost</b>	<b>\$297,700</b>

**COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.

**DISCUSSION:**

The lot at 1550 W. Palm St. was previously used by a former tenant and is now being utilized in a temporary and improvised manner to support cruise terminal operations. However, the lot is not properly configured to meet the operational and security requirements of U.S. Coast Guard (USCG) regulations. These regulations mandate that all vehicles delivering to, or servicing cruise vessels be screened off-site before accessing secure areas of the terminal.

To support continued and compliant cruise homeport operations, a properly designed and dedicated truck staging area is necessary. The 1550 W. Palm St. site is the most viable location due to its proximity to the terminal, its availability following the departure of the previous tenant, and the relatively limited improvements needed to bring it into compliance. The proposed project will reconfigure the site to support safe and efficient staging of 53-foot trucks while maintaining compliance with USCG regulations.

The scope of the public works contract includes several critical activities to better suit the lot for cruise ship homeport operations:

1. Demolition (Base Bid Schedule A): Removal of the existing security booth to widen the drive apron; removal of existing landscaped areas to accommodate truck staging lanes; removal of the existing trash enclosure.
2. Asphalt Repairs (Base Bid Schedule A): Pavement repairs in areas impacted by demolition to ensure a smooth and durable driving surface.
3. Gate Installation (Base Bid Schedule A): Installation of two new gates designed to accommodate 53-foot trucks and provide secure perimeter control.
4. Restriping (Base Bid Schedule A): Striping the lot to create designated truck drive aisles and worker parking spaces.
5. New Security Booths (Additive Bid Schedule B & C): Installation of modular and mobile security booths to support truck screening operations at the site, with the flexibility to deploy at other maritime locations as needed.

**Procurement Details:**

The Contract Documents (Attachment A), including Plans No. HI-2024-01 and Specifications No. 2024-20, were issued for advertisement on March 18, 2025. On May 1, 2025, eight (8) bids were received, ranging from \$39,560.00 to \$364,134.00. The bid amounts are as shown in the table below.

<b>Company</b>	<b>Total Bid for Contract</b>	<b>Location</b>
MB Pavement Services LLC	\$39,560.00	San Diego, CA
*Montano Pipeline Inc.	\$229,000.00	Chula Vista, CA
A. B. Hashmi, Inc.	\$233,000.00	San Diego, CA
Palm Engineering Construction Co., Inc	\$237,500.00	San Diego, CA
Fordyce Construction, Inc.	\$257,119.00	Santee, CA
Metis Builders Inc	\$297,900.00	Chula Vista, CA
New Century Construction, Inc.	\$316,500.00	Lakeside, CA
Griffith Company	\$364,134.00	San Diego, CA

\*Deemed the lowest responsive and responsible bidder.

MB Pavement Services LLC submitted a bid for Specification 2024-20 but later disclosed it could only perform pavement striping and lacked the appropriate license and capacity to complete the full scope of work. The firm requested to withdraw its bid, and the District consented to the withdrawal.

Based on a review of the remaining bids, the lowest responsive and responsible bid was determined to be submitted by Montano Pipeline Inc. at \$229,000.00. The engineer's construction cost estimate was \$250,000.

Representatives from the District's Procurement Department, Office of the General Counsel, and the Engineering-Construction Department conducted a review of bids. In accordance with the California Public Contract Code Section 10180, Port staff determined the lowest responsive and responsible bid was submitted by Montano Pipeline Inc in the amount of \$229,000. Review of Bid (Attachment B) contains the checklist used for bidding qualifications and informalities.

Upon Board authorization, construction is expected to commence in July 2025 and be completed by September 2025.

### **General Counsel's Comments:**

The Office of the General Counsel has reviewed this agenda sheet and attachments, as presented to it, and approves the same as to form a legality.

### **Environmental Review:**

The proposed Board action, including without limitation a Resolution Approving Plans and Specifications and Awarding Contract No. 2024-20 to Montano Pipeline in the Amount of \$229,000.00 for the CST Staging Lot Improvements at 1550 W Palm St Project, is categorically exempt pursuant to CEQA Guidelines Sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), 15303 (New Construction or Conversion of Small Structures) and 15304 (Minor Alterations to Land) and Sections 3.a., 3.b., 3.c., and 3.d. of the District's *Guidelines for Compliance with CEQA* because the project would consist of improvements to an existing vehicle storage lot to accommodate cruise terminal truck staging and screening that would involve a negligible expansion of use beyond that previously existing and would not result in a significant cumulative impact due to the continuation of the existing use, would consist of the reconstruction of an existing facility that would have substantially the same purpose and capacity, would consist of construction and location of new, small structures, and would result in no permanent effects on the environment. The District has determined none of the six exceptions to the use of a categorical exemption apply to this project (CEQA Guidelines Section 15300.2).

The proposed Board action complies with Section 87.(a)(1) of the Port Act, which allows for the establishment, improvement, and conduct of a harbor, and for the construction, reconstruction, repair, maintenance, and operation of wharves, docks, piers, slips, quays, and all other works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient, for the promotion and accommodation of commerce and navigation. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action is considered excluded development pursuant to Sections 8.a. (Existing Facilities), 8.b. (Replacement or Reconstruction), 8.c. (New Construction or

Conversion of Small Structures) and 8.d. (Minor Alterations to Land) of the District's Coastal Development Permit Regulations because the project would involve improvements to an existing vehicle storage lot to accommodate cruise terminal truck staging and screening that would involve a negligible expansion of use beyond that previously existing and would not result in a significant cumulative impact due to the continuation of the existing use, would consist of the reconstruction of an existing facility construction and location of new, small structures, and would result in no permanent effects on the environment. If the Board approves the action, District staff would notify California Coastal Commission (CCC) staff in accordance with Coastal Act Section 30717. The approval would become effective after the 10th working day after notification to CCC staff unless an appeal is filed with the CCC within that time frame.

**Diversity, Equity, and Inclusion Program:**

A 5% SBE goal was established for this opportunity. The achievement is 6.6%.

**PREPARED BY:**

Hector Arias  
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Attachment(s):  
Attachment A: Contract Documents  
Attachment B: Review of Bids