

**CITY OF SEBASTOPOL CITY COUNCIL****AGENDA ITEM REPORT FOR MEETING OF: September 15, 2026**

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To: Honorable Mayor and City Councilmembers
From: Oriana Hart, Public Works Director
Department: Public Works
Subject: Award of Contract for Sebastopol Library Building Rehabilitation Project

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RECOMMENDATIONS:

That the Council adopt a resolution to authorize the City Manager to execute a contract with DMR Builders for the Sebastopol Library Building Rehabilitation Project in the amount of \$74,250 and authorize the City Manager to approve change orders up to 20% of the contract award, or \$14,850, if needed.

PROCESS OF AGENDA ITEM:

- Presentation of Agenda item by the Requestor or Responsible Department
- Questions and Discussion from Councilmembers
- Public Comment Period
- Presentation Received

EXECUTIVE SUMMARY:

The City is proceeding with the reconstruction phase of the Sebastopol Library rehabilitation project following the discovery of moisture intrusion, microbial growth, and dry-rot conditions within portions of the building in June 2026. The City initiated emergency investigation and remediation work to determine the extent of concealed damage, protect library materials and occupants, and prevent further deterioration of the building. The investigation and remediation process required portions of the interior and exterior wall assemblies to be opened and removed, allowing the City and its contractors to evaluate concealed building conditions and identify the areas requiring repair.

The current phase will address the immediate structural and interior repairs necessary to restore the affected areas of the Library, including replacement of deteriorated framing, insulation, drywall, trim, and related interior finishes. The City is not proceeding with the previously contemplated waterproofing and moisture-proofing work as part of this phase. Based on the investigation, staff has determined that the appropriate long-term solution is a more comprehensive building-envelope project that addresses the building siding and moisture barrier, as well as grading and drainage around the building, to better prevent future moisture intrusion. This larger project will require a more thorough engineering review and assessment and will be developed as an upcoming Capital Improvement Program (CIP) project. Separating the immediate repairs from the larger building-envelope project will allow the City to prioritize returning the Library to operation as quickly as possible. The future building-envelope, siding, grading, and drainage improvements can be designed and completed as a separate CIP project while the Library is operational, rather than extending the current closure while the larger project is developed.

The City solicited bids for the revised reconstruction work, with bids due September 8, 2026. Staff recommends awarding the construction contract to DMR Builders in the amount of \$74,250 and authorizing a construction contingency of 20% or \$14,850. The Sonoma County Library previously contributed \$23,843.78 toward the City's initial emergency response and has now agreed to contribute an additional \$75,000 toward the overall Library rehabilitation project, including the mold remediation work completed during the subsequent phases.

BACKGROUND:

In June 2026, the Sebastopol Library was closed after City and Library staff observed peeling wallpaper and evidence of moisture intrusion within portions of the building, including the Staff Work Room and Teen Reading Area. The City initiated an investigation to determine the extent of the moisture intrusion and any concealed damage within the building. Environmental testing identified elevated moisture conditions and microbial contamination within portions



of the building, including *Stachybotrys* in the affected areas. Testing of common areas did not identify elevated airborne mold levels. The City retained qualified environmental and remediation professionals to evaluate the conditions and develop an appropriate response. Initial emergency work included environmental testing, containment, remediation of affected materials, moisture investigation, and examination of concealed building conditions.

As portions of the building were opened during the investigation, additional moisture-affected materials and deterioration were identified within the exterior wall assemblies. Portions of the interior and exterior wall assemblies were removed to allow the structural framing and other concealed components to be evaluated. Areas exhibiting microbial growth or deterioration were cleaned and remediated, and affected structural components were evaluated for replacement. The investigation identified areas of dry rot and structural deterioration, including portions of wood framing requiring removal and replacement. The City used the information obtained through the investigation and remediation process to better define the areas requiring repair.

As a precaution and out of an abundance of caution, the City also investigated the main City Hall building for evidence of moisture within its wall assemblies. No moisture was identified within the walls. Although the Library and City Hall are of a similar age, they were not constructed together and have different construction types. The Library is a stick-built structure, while City Hall is constructed of cinderblock. City Hall also does not experience the same drainage conditions around its foundation that contributed to the moisture issues identified at the Library. Based on this investigation, there is no reason to believe that the mold issue identified at the Library persists at City Hall.

DISCUSSION:

The City developed the reconstruction scope based on the conditions identified during the investigation, demolition, and remediation work. The current project will restore the affected portions of the building and address the immediate structural and interior repairs necessary to return the Library to service. The work includes repair and replacement of deteriorated wall framing, exterior brick veneer where required, insulation, drywall, trim, baseboard, and related interior finishes. The previously contemplated waterproofing and moisture-proofing work has been removed from this phase.

ServePro completed the Library remediation work, and post-remediation clearance testing was successfully completed on August 26, 2026. Based on the clearance testing, the affected areas of the Library have been remediated and the building has been cleared of mold contamination associated with the June 2026 incident. The investigation and remediation work encountered more moisture-affected areas than initially anticipated, resulting in additional work and extended contractor time. The City is currently working with ServePro to finalize the associated change orders and costs. The City had included a 20% contingency in the initial authorization for Phase II work; however, the final cost of the remediation work is still being determined, and it is not yet clear whether additional Council authorization will be required.

Based on the investigation, staff has determined that the appropriate long-term approach to addressing the building's moisture intrusion is a more comprehensive building-envelope project that includes evaluation and potential replacement of the siding and moisture barrier, as well as improvements to grading and drainage around the building. This work will require a more thorough engineering review and assessment and will be developed as a future Capital Improvement Program (CIP) project. Separating this work from the immediate reconstruction will allow the City to focus on completing the necessary repairs and returning the Library to operation as quickly as possible, while allowing the larger building-envelope project to be properly designed and ultimately completed while the Library is operational.

The City developed a bid package based on the conditions identified through the investigation, demolition, and remediation work. The solicitation included a detailed bid schedule, the City's Small Project Construction Agreement, and the City's insurance requirements. A mandatory job walk was held on August 31, 2026, with six contractors in attendance. Contractors were provided an opportunity to inspect the site and were required to familiarize themselves with the existing conditions prior to submitting bids. Five bids were received by the September 8, 2026 deadline.

**Table 1 – Project Bids**

Bidder	Base Bid
DMR Builders	\$74,250.00
Earthtone	\$95,514.76
Carr's Construction Services Inc	\$122,000.00
Pro-Ex Construction	\$241,312.75
Servepro	\$275,000.00

DMR Builders submitted the lowest responsive bid in the amount of \$74,250. Staff recommends awarding the construction contract to DMR Builders in the amount of \$74,250 and authorizing a 20% construction contingency of \$14,850, for a total construction authorization of \$89,100.

Table 2 – Estimated Project Costs

Description	Amount
Construction Contract Award	\$74,250
Construction Contingency (20%)	\$14,850
Total Estimated Project Cost	\$89,100

The anticipated construction duration is 45 days, with the contractor able to begin work as soon as practicable following contract award and completion of the required contract, insurance, and bonding requirements. The contractor will also be responsible for protecting Library materials and coordinating construction activities to maintain appropriate protection of the facility and its contents. The Library's closure has had a significant impact on the community, and there is strong community interest in seeing the facility restored and reopened. Proceeding with the immediate reconstruction work will allow the City to address the necessary structural and interior repairs and move toward returning the Library to the community as quickly as possible, while allowing the larger building-envelope, siding, grading, and drainage improvements to be addressed through a separate, properly engineered future CIP project.

The Project is funded through available Building, Facilities and Infrastructure Reserve:

Funding Sources	Amount
103 – General Fund	\$89,100
	\$89,100

STAFF ANALYSIS:

Staff's recommendation reflects what has been learned through the investigation and demolition work undertaken since the Library was closed. The City initially responded to an urgent building condition with the information available at the time. As walls were opened and concealed conditions were evaluated, it became apparent that the



moisture issue is better addressed as a building envelope and drainage project rather than through isolated waterproofing repairs.

This distinction is important because the immediate repairs and the long-term solution serve two different purposes. The current project repairs the damage that has already been identified and allows the Library to be restored for occupancy. The future CIP project will address the conditions that allow moisture to reach the building in the first place. Staff believes separating these efforts will result in a better long-term investment than proceeding with waterproofing work now without completing the engineering necessary to understand and address the entire building envelope. The approach also avoids unnecessarily extending the Library's closure. The City can complete the immediate structural and interior restoration work, reopen the facility, and then undertake the engineering and planning necessary for the larger building envelope project. The future work can be scheduled around Library operations rather than making reopening dependent upon completion of a substantially larger project.

Six contractors participated in the August 31 job walk, and five bids were received. DMR Builders' bid of \$74,250 provides a competitively established cost for the defined scope of work. Given the age of the building and the concealed conditions encountered during the investigation, staff recommends maintaining a 20% contingency to address conditions that may reasonably arise as the remaining areas are reconstructed. Staff believes the proposed approach strikes the appropriate balance between addressing the known damage, reopening an important community facility as quickly as possible, and taking the time necessary to develop a durable solution to the underlying building envelope and drainage issues.

CITY COUNCIL GOALS/PRIORITIES/AND OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

- Goal 3 – Infrastructure. Maintaining high quality infrastructure, facilities and services includes repairing/replacing outdated city facilities, improving streets, stormwater and wastewater infrastructure.

This agenda item represents the City Council General Plan Consistency (if applicable):

- Circulation CIR 1-11: Provide high quality regular maintenance for existing and future transportation facilities including streets, sidewalk, and paths.

PUBLIC COMMENT:

This agenda item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date. As of the writing of this staff report, the City has not received any public comment on this item. However, if staff receives public comment from interested parties following the publication and distribution of this staff report, such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of this item.

FISCAL IMPACT:

The City previously authorized \$47,687.55 for Phase I emergency environmental testing, containment, remediation, and investigation. The cost of Phase I was shared equally between the City and the Library, with the City responsible for \$23,843.78 and the Library responsible for the remaining \$23,843.77. The next remediation cost for the Phase II Library mold removal was \$173,196.22. The total amount previously authorized and funded by the City for the first two phases of the Library rehabilitation is therefore \$197,040. The current reconstruction phase (Phase III) is proposed at \$74,250, with authorization for change orders of up to 20% of the contract award, or \$14,850, if needed. This results in a maximum construction authorization of \$89,100. The Sonoma County Library has agreed to contribute \$75,000 toward the overall Library rehabilitation project, including the mold remediation work completed during the earlier phases.



The City's Building, Facilities and Infrastructure Reserve Fund (Fund 103) was previously projected to have approximately \$594,939 available after estimated interest revenue and planned FY 2026–27 expenditures. After accounting for the \$197,040 previously funded by the City for the Library rehabilitation, approximately \$397,899 remains available in the reserve prior to the current reconstruction phase. The Library's \$75,000 contribution will offset the City's overall project costs, including costs incurred for the mold remediation. If the full construction contract and 20% contingency are utilized, the remaining City reserve balance would be approximately \$383,799, assuming the full \$75,000 contribution is received and applied to the project.

RESTATED RECOMMENDATION:

That the City Council adopt a resolution authorizing the City Manager to execute a construction contract with DMR Builders for the Sebastopol Library Rehabilitation Project in the amount of \$74,250, and authorize the City Manager to approve change orders up to 20% of the contract award, or \$14,850, if needed for unforeseen field conditions, quantity adjustments, and other necessary work associated with completing the Project.

CITY COUNCIL OPTION(S):

1. Award the construction contract to DMR Builders
2. Reject all bids and direct staff to rebid the Project.
3. Provide other direction to staff.

ATTACHMENT(S):

1 – Resolution

APPROVALS:

Department Head Approval:	Approval Date: 9/8/26
CEQA Determination (Planning):	Approval Date: 9/8/26
Administrative Services (Financial)	Approval Date: 9/8/26
<u>Costs authorized in City Approved Budget:</u>	☐ Yes ☒ No ☐ N/A
Account Code (If applicable)	Funds 103
City Attorney Approval:	Approval Date: 9/8/26
City Manager Approval:	Approval Date: 9/8/26

CITY OF SEBASTOPOL
RESOLUTION NO. XXXX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION CONTRACT FOR THE SEBASTOPOL LIBRARY REHABILITATION PROJECT WITH DMR BUILDERS FOR \$74,250 AND AUTHORIZING CHANGE ORDERS UP TO TWNETY PERCENT OF THE CONTRACT AWARD OR \$14,850

WHEREAS, The City of Sebastopol owns the Sebastopol Library building located at 7140 Bodega Avenue, and is responsible for maintaining and repairing the building shell and major structural components of the facility; and

WHEREAS, In June 2026, moisture intrusion, mold contamination, and areas of dry rot were identified within portions of the Sebastopol Library, resulting in the closure of the facility and the City's initiation of emergency investigation and remediation activities; and

WHEREAS, The investigation, demolition, and remediation activities identified moisture-related deterioration and dry rot within portions of the exterior wall assemblies and established the need for reconstruction and repair of affected building components; and

WHEREAS, The Sebastopol Library Rehabilitation Project will reconstruct and repair affected portions of the building, including deteriorated wood framing, exterior brick veneer, moisture-proofing and waterproofing, insulation, drywall, and interior and exterior finishes; and

WHEREAS, The City solicited bids for the reconstruction work, and DMR Builders submitted the lowest responsive and responsible bid in the amount of \$74,250; and

WHEREAS, Staff recommends awarding the construction contract to DMR BUILDERS in the amount of \$74,250 and authorizing a construction contingency of up to twenty percent (20%) of the contract award, or \$14,850, to address unforeseen field conditions, quantity adjustments, and other necessary work associated with completing the Project; and

WHEREAS, The reconstruction phase will allow the City to restore the affected portions of the Library following the investigation and remediation work and continue efforts toward returning the Library to public use.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Sebastopol hereby accepts the bid for the Sebastopol Library Rehabilitation Project and awards the construction contract to DMR Builders in the amount of \$74,250 and authorizes the City Manager to execute the contract upon receipt of the requisite bonds, insurance documents, and other required contract documents.

BE IT FURTHER RESOLVED that the City Council authorizes a construction contingency of up to twenty percent (20%) of the total contract award, or \$14,850, if needed, for unforeseen field conditions, quantity adjustments, and other necessary work associated with completing the Project, including reconstruction and repair of building components affected by moisture intrusion, dry rot, and the preceding investigation, demolition, and remediation activities.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 15th day of September 2026.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Ayes:

Noes:

Abstain:

Absent:

APPROVED:

Mayor Jill McLewis

ATTEST: _____

Mary Gourley, City Manager

APPROVED AS TO FORM:

Alex Mog, City Attorney