



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

**FROM:** City Manager

**SUBJECT:** Award of Construction Contract to Interior Demolition, Inc for Demolition of City Buildings at 5819 Telegraph Rd & 2366 Travers Ave

**MEETING DATE:** February 24, 2026

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### **RECOMMENDATION**

Staff recommends that City Council consider:

1. Awarding a construction contract to Interior Demolition, Inc. as the lowest responsive and responsible bidder, for the Demolition of City Buildings at 5819 Telegraph Rd & 2366 Travers Ave in the amount of \$259,812.40 for the total base bid.
2. Authorizing the Mayor to execute the contract with Interior Demolition Inc., in a form approved by City Attorney.
3. Authorizing up to 15% (\$38,972) of the total contract in contingencies for unforeseen conditions.
4. Authorizing up to 12% (\$35,854) of the total construction contract and contingencies for Environmental Material Testing, Construction Management, and Inspection Services.
5. Adopt a Resolution appropriating \$334,700 from the Project Management Fund to support the total cost of the project.

### **BACKGROUND**

The existing city owned buildings located at 5819 Telegraph Road and 2366 Travers Avenue have experienced ongoing issues including break-ins, unauthorized entry, loitering, and unlawful congregations.

Recently, the structure at 5819 Telegraph Road has sustained significant fire damage resulting from a campsite fire. The fire damage, combined with broken windows and doors, general deterioration and damaged structure, has created hazardous conditions and poses an environmental and immediate safety risk to anyone who trespasses onto the property. Due to the extent of the damage and ongoing safety concerns, prompt demolition of this structure is necessary.

Similarly, the building at 2366 Travers Avenue remains vacant and vulnerable to similar issues. Despite the City's continued efforts to secure the property against unlawful entry, the

recurring incidents and deteriorating conditions have made the site increasingly difficult to maintain. With reduced activity in the area, the likelihood of continued trespassing, vandalism, and unsafe conditions is expected to increase.

Demolition of both structures is recommended to eliminate environmental and public safety hazards, reduce liability exposure, and prevent further unlawful activity at the sites.

## **ANALYSIS**

On January 29, 2026, the City advertised the bid package for the demolition of the above buildings. On February 12, 2026, the City received the following 11 bids:

<b>Bidder (low to high)</b>	<b>Name</b>	<b>Base Bid Amount</b>
1	Interior Demolition, Inc.	\$259,812.40
2	ABAJIAN Enterprise	\$310,000.00
3	RCCI DBA Ramirez Company	\$318,400.00
4	Precision Works, Inc.	\$338,595.60
5	AVA Builders Inc.	\$400,854.80
6	Integrated Demolition and Remediation, Inc.	\$436,795.80
7	Resource Environmental, Inc.	\$482,000.00
8	SGLC Consulting, Inc.	\$497,036.00
9	J&G Industries	\$622,209.80
10	Unlimited Environmental, Inc.	\$656,243.20
11	A1 Solution Connection LLC	\$795,000.00

In accordance with the California Public Contract Code, public works contracts must be awarded to the lowest responsive and responsible bidder. Following staff's review, including verification of the contractor's California license, Department of Industrial Relations (DIR) registration, state and federal debarment status, and references, Interior Demolition, Inc. has been determined as the lowest responsive and responsible bidder. A detailed bid analysis is attached for reference.

The work shall include, but is not limited to, demolition of the two existing buildings, removal of associated improvements while leaving the concrete foundations in place, and installation of perimeter chain-link fencing around each property. Damaged above-ground electrical facilities located in the parking lot behind the property will be removed by Southern California Edison (SCE).

## ENVIRONMENTAL

The project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities). This exemption applies because the project consists of the demolition and removal of existing structures with no expansion of use beyond that previously existed.

## FISCAL IMPACT

If approved, the City Council will authorize a one-time appropriation of \$334,700 from the City's Project Management Fund, an assigned fund balance designated for one-time expenditures, to support the total cost of the project.

The following table provides a summary of the project cost:

Bid Amount to be Awarded	\$259,812.40
Construction Contingencies (15%)	\$38,972.00
<b>Subtotal</b>	<b>\$298,784.40</b>
Construction Management, Inspection and Environmental Assessment (12%)	\$35,854.00
<b>Total Project Cost</b>	<b>\$334,638.40</b>

## ALTERNATIVES:

1. Approve recommendation
2. Reject recommendation
3. Provide staff with further direction

## RELATIONSHIP TO STRATEGIC GOALS:

This agenda item relates to the 2016 Strategic Plan, Infrastructure and Facilities:

Guiding Principle 4: Develop and invest in infrastructure and beautification projects that support economic growth

Recommended by: Shahid Abbas, Director of Public Works  
Fiscal Impact reviewed: Alvaro Castellon, Director of Finance  
Approved as to form by: Noel Tapia, City Attorney  
Respectfully submitted by: Ernie Hernandez, City Manager

## ATTACHMENTS:

1. Bid Analysis
2. Construction Contract – Interior Demolition, Inc.
3. Resolution