



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

**FROM:** City Manager

**SUBJECT:** Award of Construction Contract to Hart Design Build, Inc. for Gateway Monument I-5 at Eastern Avenue Project

**MEETING DATE:** April 28, 2026

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### RECOMMENDATION

City Council will consider:

1. Adopting a Resolution awarding a construction contract to Hart Design Build, Inc. for Gateway Monument I-5 at Eastern Avenue Project in the amount of \$1,197,998.
2. Authorizing the Mayor to execute the contract with Hart Design Build, Inc., in a form approved by the City Attorney.
3. Approving Professional Services Agreement with Geo-Advantec for compaction and material testing in the amount of \$14,591, and authorizing City Manager or Director of Public Works to execute any amendment deemed necessary.
4. Authorizing up to 20% - \$239,600 – of the total contract in contingencies for unforeseen conditions.
5. Authorizing up to 15% - \$215,640 – of the total construction contract and contingencies for Construction Management, Material Testing and Inspection Services.

### BACKGROUND

The median island located at the southbound I-5 Freeway off-ramp at Eastern Avenue is currently poorly maintained and requires improvement. This location serves as a gateway entry point into the City of Commerce and presents an opportunity to enhance the City's visual identity through beautification and landscaping enhancements.

On August 2, 2022, the City issued a Request for Proposals (RFP) for engineering services for the Gateway Monument I-5 at Eastern Avenue Project. On October 11, 2022, the City

Council approved a Professional Services Agreement with Hirsh & Associates, Inc. to prepare plans and specifications for construction.

Because the project area lies entirely within Caltrans' right-of-way, staff coordinated closely with Caltrans throughout the design process. On September 26, 2023, the City Council approved the Project Concept Plan presented by the design consultant and authorized staff to proceed with preparation of the Plans and Specifications.

The Plans and Specifications, incorporating Caltrans' review and approval, a process that took over two years were finalized in December 1, 2025 for bid solicitation, and the project was advertised for construction on February 13, 2026.

As the project is located within Caltrans' right-of-way, Caltrans requires two encroachment permits prior to commencement of construction, along with execution of two maintenance agreements. The encroachment permits are associated with the gateway monument and landscaping improvements, respectively. One permit has been obtained, and the second permit is currently in process.

## **ANALYSIS**

On February 13, 2026, the City advertised the project construction bid package. Bids were publicly opened on March 26, 2026, and the City received four (4) bids summarized below:

<b>Bidder (low to high)</b>	<b>Name</b>	<b>Base Bid Amount</b>	<b>Additive Bid Amount</b>
1	Hart Design Build, Inc.	\$1,181,098.00	\$16,900.00
2	Superb Engineering, Inc.	\$1,228,091.00	\$116,209.00
3	AXIOM Group, Inc.	\$1,460,881.30	\$214,229.00
4	Addison Miller, Inc.	\$1,635,782.80	\$148,700.00

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

The project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 (Class 1) and 15304 Class 4 (b).

## **FISCAL IMPACT**

The total estimated cost of the project, including the construction contract, contingencies, construction management, and inspection services is \$1,543,022.00.

Following is a summary of the project cost:

Bid Amount + Alternative Amount to be Awarded	\$1,197,998.00
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Construction Contingencies (20%)	\$239,600.00
<b>Subtotal</b>	<b>\$1,437,598.00</b>
Construction Management, Inspection (15%)	\$215,640.00
Material Testing	\$14,591.00
<b>Total Project Cost</b>	<b>\$1,667,829.00</b>

Funds in the amount of \$1,667,829.00 are available in the FY 25/26 budget Account No 41-5170-57010.50012 to cover the construction phase cost of the project.

**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. Resolution
3. Construction Contract – Hart Design Build, Inc.
4. Professional Services Agreement – Geo-Advantec