



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

FROM: City Manager

SUBJECT: Authorization To Rescind Award and Re-advertise the Deconstruction of Commerce Refuse-to-Energy Facility (CREA) Project

MEETING DATE: August 11, 2026

RECOMMENDATION:

It is recommended that the City Council adopt a resolution:

1. Rescinding the June 23, 2026 award of the Deconstruction of Commerce Refuse-to-Energy Facility (CREA) Project to Precision Works, Inc. dba Precision Environmental, and;
2. Rejecting all bids received on May 5, 2026; and
3. Authorizing staff to re-advertise the Project through a new competitive procurement process.

BACKGROUND

The Commerce Refuse-to-Energy Authority (CREA) facility, located at 5926 Sheila Street, is a decommissioned industrial refuse-to-energy facility.

On June 23, 2026, the City Council awarded the Project to Precision Works, Inc. dba Precision Environmental ("Precision Works") in the amount of \$1,362,000 for the Base Bid Schedule. No contract has been executed and no Notice to Proceed has been issued.

ANALYSIS

Following the contract award, staff determined that the Project bid documents should be revised to remove the monitoring-well abandonment work from the Additive Bid Schedule and incorporate that work into the Base Bid Schedule. This revision changes the scope of work included in the Base Bid Schedule and, therefore, the bid documents should be revised and re-advertised to ensure all bidders compete on the same basis.

Because no contract has been executed and no Notice to Proceed has been issued, staff recommends rescinding the previous contract award, rejecting all bids received, revising the bid documents, and re-advertising the Project.

California Public Contract Code Section 20166 authorizes the City Council, in its discretion, to reject any or all bids and re-advertise a project when it is determined to be in the City's best interest. In addition, Section A.00200, Instructions to Bidders, Section 30 of the Project Specifications expressly reserves the City's right to reject any or all bids and waive any irregularities in the bidding process.

Precision Works, the lowest responsive and responsible bidder, was notified through certified mail and email on August 5, 2026, that the City Council would consider the proposed action at its August 11, 2026 meeting (copy of the notification attached).

Accordingly, staff recommend that the City Council adopt the attached resolution rescinding the previous award, rejecting all bids, authorizing revisions to the bid documents, and directing staff to re-advertise the Project for competitive bidding.

FISCAL IMPACT

There is no immediate fiscal impact associated with rescinding the award and re-advertising the Project. The fiscal impact of a future contract award will be presented to the City Council following completion of the new competitive procurement process.

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

Approved and Recommended by:	Andy Ramirez, Interim Director of Public Works Claude McFerguson, Director of Transportation
Fiscal Impact reviewed by:	Alvaro Castellon, Director of Finance
Approved as to form by:	Noel Tapia, City Attorney
Respectfully submitted:	Ernie Hernandez, City Manager

ATTACHMENTS:

1. Resolution
2. Notice of Proposed Rescission to Precision Works, Inc.