



# CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable City Council

**FROM:** City Manager

**SUBJECT:** Award Contract for the Deconstruction of Commerce Refuse-to-Energy Facility (CREA) Project

**MEETING DATE:** June 23, 2026

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## **RECOMMENDATION:**

Staff recommend that the City Council consider adopting a resolution:

1. Finding that Precision Works, Inc. dba Precision Environmental ("Precision Works") is the lowest responsible and responsive bidder for the Project pursuant to Public Contract Code §20162, and denies the bid protest submitted by Resource Environmental, Inc. ("REI"); and
2. Awarding a contract to Precision Works, as the lowest responsive and responsible bidder for the Deconstruction of Commerce Refuse-to-Energy Facility (CREA) Project, in the amount of \$1,362,000 for the total base bid schedule; and
3. Authorizing up to 15% of the contract for deconstruction contingency for unforeseen conditions; and
4. Authorizing up to 15% of the total deconstruction contract and contingencies for deconstruction management and inspection services; and
5. Authorizing Deconstruction Management and Inspection Services pursuant to City's on-call professional consulting services agreements.

## **BACKGROUND**

The CREA facility, located at 5926 Sheila Street in Commerce, California, is a decommissioned industrial refuse-to-energy facility. The project involves the full deconstruction of the facility, including all mechanical, electrical, and plumbing (MEP) systems, structural steel, foundations and footings, as well as hazardous-materials abatement. The project is federally funded with Federal Transit Administration (FTA) grant.

## ANALYSIS

On April 7, 2026, staff advertised the project for deconstruction bids. The following bids were received on May 5, 2026.

BID RANKING	BIDDER	BASE BID SCHEDULE	ADDITIVE BID SCHEDULE
Lowest Bidder	Precision Works, Inc. DBA Precision Environmental	\$1,362,000.00	\$70,000.00
2 <sup>nd</sup> Lowest Bidder	R & R Demo and Grading Corp.	\$1,575,000.00	\$800,000.00
3 <sup>rd</sup> Bidder	Resource Environmental, Inc.	\$1,737,000.00	\$200,000.00
4 <sup>th</sup> Bidder	Interior Demolition, Inc.	\$2,195,168.00	\$60,000.00
5 <sup>th</sup> Bidder	Standard Demolition, Inc.	\$2,394,721.00	\$4,000.00
6 <sup>th</sup> Bidder	Integrated Demolition and Remediation Inc.	\$2,997,800.00	\$80,000.00
7 <sup>th</sup> Bidder	Force Demolition, Inc.	\$3,977,700.00	\$40,000.00
8 <sup>th</sup> Bidder	Bowen Engineering and Environmental	\$5,995,000.00	\$40,000.00

On May 12, 2026, Resource Environmental, Inc. (REI) filed a bid protest challenging the bids of Precision Works and R&R Demo and Grading Corp; the lowest and second lowest bidder respectively, requesting award to REI as the third-lowest bidder on following three grounds:

1. Precision Works could not lawfully self-perform 51% of the work because its Department of Industrial Relations (DIR) registration does not cover demolition;
2. That neither Precision Works nor R&R listed a C-57 Water Well Contractor for the additive bid schedule related to monitoring-well removal; and
3. That Precision Works lacked comparable industrial deconstruction experience.

Based on review of bid protest staff, with concurrence from the City Attorney, recommend denial of the bid protest on all grounds:

1. Precision Works holds a C-21 (Building Moving, Demolition) CSLB license authorizing it to self-perform the remaining demolition balance not assigned to subcontractor JDK Demo, satisfying the 51% work requirement by prime contractor;
2. The additive bid schedule is expressly excluded from the award determination, and any C-57 requirement would be addressed as a contract condition if the additive bid schedule is later exercised; and
3. Reference verification, together with Precision Works' supplemental reference package reflecting completed demolition and abatement projects for multiple public agencies, supports a finding that Precision Works is a responsible bidder under Public Contract Code § 20162.

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, DIR registration, state and federal debarment status, and references, Precision Works has been confirmed as the lowest responsive and responsible bidder. A detailed bid analysis is attached for

reference.

Therefore, staff recommend adoption of the attached resolution.

**FISCAL IMPACT**

The total estimated cost of this project including deconstruction contract, contingencies, deconstruction management, and inspection services, is \$1,801,245 which will be covered by reimbursable FTA grant funds and are available in Account # 57-8338-60090.14151.

The following is a summary of the project cost:

Bid amount to be awarded	\$1,362,000
Deconstruction contingencies (15%)	\$204,300
<b>Subtotal</b>	<b>\$1,566,300</b>
Deconstruction management, inspection, material testing (15%)	\$234,945
<b>Total Project Cost</b>	<b>\$1,801,245</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

Approved and recommended by: Shahid Abbas, 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. Bid Analysis
2. Construction Contract- Precision Works, Inc.