

# City of Hesperia

## STAFF REPORT

**DATE:** October 7, 2025

**TO:** Mayor and Council Members

**FROM:** Rachel Molina, City Manager

**BY:** Cassandra Sanchez, Director of Public Works/City Engineer  
Kevin Sin, Deputy City Engineer  
Tina Souza, Senior Project Manager  
Cristina Hall, Assistant Project Manager

**SUBJECT:** Award Construction Contract for the FY 2023-24 CDBG Street Improvements, C.O. No. 7172 Project

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### RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to:

1. Adopt Resolution No. 2025-40 amending the Fiscal Year (FY) 2025-26 Capital Improvement Budget by appropriating \$94,000 to Fund 204
2. Award a construction contract for the FY 2023-24 CDBG Street Improvements, C.O. No. 7172 project to the lowest responsive/responsible bidder, LCR Earthwork & Engineering, Corp. for the bid amount of \$1,264,560; approve an additional 10% contingency in the amount of \$126,456, for a not-to-exceed total construction contract amount of \$1,391,016; and
3. Authorize the City Manager to execute the contract.

### BACKGROUND

The City Council has continuously expressed a desire to improve existing roadways within the City. As a result, staff have sought innovative ways to fund such improvements. Annually the City receives Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD). In the past, a large part of this funding was directed to programs, which left small amounts available for capital projects. In order to accomplish the Council's goal of improving more streets throughout the City, staff has designated a larger amount of CDBG funding towards the CDBG Capital Fund.

The FY 2023-24 CDBG Street Improvements project consists of the reconstruction of the existing roadway along Oakwood Avenue, between Main Street and Mojave Street. The project utilizes Full Depth Reclamation (FDR), which includes pulverization of the existing asphalt pavement for reuse as base material and placement of new asphalt concrete to restore the roadway surface.

### ISSUES/ANALYSIS

This project was advertised for bids beginning on August 20, 2025. More than 1,000 contractors were notified about the project through Public Purchase, the City's online bidding platform. Bids were received, opened, and publicly read on September 18, 2025.

The City received the following five bids, which were utilized to determine the lowest responsible/responsive bidder:

LCR Earthwork & Engineering, Corp.	\$1,264,560.00
S Christensen Engineering Inc	\$1,395,286.00
Onyx Paving Company Inc	\$1,728,000.00
Sully-Miller Contracting Company	\$1,884,421.75
CA Rasmussen, Inc	\$3,099,015.00

After review of the submitted bids, staff has determined that LCR Earthwork & Engineering Corp., is the lowest responsive/responsible bidder. LCR Earthwork & Engineering Corp. has been in the Southern California construction industry for many years and has earned a reputation as a service-oriented company that produces first-class, quality projects. LCR Earthwork & Engineering Corp. has extensive experience in public works roadway projects. After completing due diligence staff believes LCR Earthwork & Engineering Corp. has a reputation of professionalism and reliability and will meet the construction needs of this project. Therefore, staff is recommending that Council award a contract to LCR Earthwork & Engineering Corp. for construction of the FY 2023-24 CDBG Street Improvements, C.O. No. 7172 project.

In addition to the construction contract, other work is required to support successful project delivery. This includes engineering services for design support and construction oversight, labor compliance monitoring to ensure adherence to federal and state requirements, and geotechnical services needed during construction. These services are necessary to maintain compliance, address field conditions as they arise, and ensure the project is completed in accordance with applicable standards and regulations. It is anticipated that these services will total \$112,980.

## **CITY GOAL SUPPORTED BY THIS ITEM**

**Capital Improvement** – Continually evaluate capital improvement priorities.

## **FISCAL IMPACT**

The FY 2025-26 Capital Improvement Program (CIP) Budget includes funding for the FY 2023-24 CDBG Street Improvements Project in the amount of \$1,409,996. Should the City Council award the FY 2023-24 CDBG Street Improvements, C.O. No. 7172, to LCR Earthwork & Engineering in the amount of \$1,391,016 (which includes a 10% contingency of \$126,456), a budget amendment of \$94,000 will be required to fund technical and compliance services. This budget amendment will be funded from Fund 204 – Measure I. The following table details the budget amendment.

<b>Item</b>	<b>Amount</b>
FY 2025-26 C.O. 7172 Budget	\$1,409,996
Less: LCR Contract with Contingency	<u>(1,391,016)</u>
<i>Subtotal</i>	<i>18,980</i>
Less: Technical and Compliance Services	<u>(112,980)</u>
<b>Needed Budget Amendment (Fund 204)</b>	<b>\$94,000</b>

This additional funding will be used for engineering services, design support, labor compliance, geotechnical services, and construction oversight. These services are necessary to maintain compliance, address field issues during construction, and ensure the project is completed in accordance with applicable standards and grant regulations. The following table details the total anticipated cost of the project.

<b>Category</b>	<b>Amount</b>
Construction (LCR)	\$1,391,016
Engineering Services	46,000
Labor Compliance Services	20,000
Administrative Costs	6,000
Geotechnical Services	40,980
<b>Total</b>	<b>\$1,503,996</b>

**ALTERNATIVE(S)**

1. Provide alternative direction to staff

**ATTACHMENT(S)**

1. Resolution No. 2025-40