

City of Hesperia STAFF REPORT



DATE: April 21, 2026

TO: Mayor and Council Members

FROM: Rachel Molina, City Manager

BY: Cassandra Sanchez, Director of Public Works/City Engineer
Tina Souza, Senior Project Manager

SUBJECT: Award Construction Contract for FY 2024-25 CDBG Street Improvements,
Construction Order No. 7175

RECOMMENDED ACTION

It is recommended that the City Council:

1. Award a construction contract for the FY 2024-25 CDBG Street Improvements, Construction Order (C.O.) No. 7175 project to the lowest responsive/responsible bidder, Sully-Miller Contracting Company for the bid amount of \$339,900; approve an additional 10% contingency in the amount of \$33,990, for a not-to-exceed total construction contract amount of \$373,890; and
2. 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 has 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 projects.

The FY 2024-25 CDBG Street Improvements (Project) consists of the reconstruction of the existing roadway along Live Oak Street, between Maple Avenue and Cottonwood Avenue. The project will remove existing asphalt and place new asphalt to restore the roadway surface.

The proposed Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities) and Section 15302 (Class 2 – Replacement or Reconstruction) as the project involves the repair or reconstruction of an existing roadway within the public right-of-way with negligible or no expansion of use or capacity. A Notice of Exemption will be filed with the County Clerk and State Clearinghouse upon approval of award.

ISSUES/ANALYSIS

This project was advertised for bids beginning on February 18, 2026. 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 March 19, 2026.

The City received the following eleven (11) bids, which were utilized to determine the lowest responsible/responsive bidder:

| Contractor | Bid Amount |
|------------------------------------|-----------------|
| Sully-Miller Contracting Company | \$ 339,900.00 |
| ONYX PAVING COMPANY, INC. | \$ 387,000.00 |
| Hardy and Harper, Inc. | \$ 432,000.00 |
| S Christensen Engineering, Inc. | \$ 485,398.16 |
| Calmex Engineering, Inc. | \$ 491,417.00 |
| C. A. Rasmussen, Inc. | \$ 679,212.00 |
| H L Hitchcock Construction Inc. | \$ 700,500.00 |
| Nolimit Construction | \$ 944,777.97 |
| LCR Earthwork & Engineering, Corp. | \$ 968,257.50 |
| Van Engineering, Inc | \$ 1,051,078.00 |
| Shiraz Construction | \$ 1,088,600.00 |

After review of the submitted bids, staff has determined that Sully-Miller Contracting Company is the lowest responsive/responsible bidder. Sully-Miller Contracting Company complied with the requirements of the bid documents, including that which is a requirement of HUD. Sully-Miller Contracting Company is a licensed general engineering contractor and has successfully completed projects of similar size and scope. After staff's review and due diligence, the contractor is qualified to perform the work required for this project. Therefore, staff is recommending that Council award a contract to Sully-Miller Contracting Company for construction of the FY 2024-25 CDBG Street Improvements, C.O. No. 7175.

CITY GOAL SUPPORTED BY THIS ITEM

Capital Improvement – Continually evaluate capital improvement priorities.

FISCAL IMPACT

Funding for the Project is budgeted in the FY 2025-26 Capital Improvement Program (CIP). Funding includes \$1,444,777 in Fund 251 – Community Development Block Grant (CDBG) for the FY 2024-25 CDBG Street Improvements Project, C.O. 7175.

The recommended construction contract, including contingency, as well as construction engineering and materials testing, is within the projects available budget.

ALTERNATIVE(S)

1. Do not award the construction contract. HUD grant funds may be at risk for failure to use funds timely.
2. Provide staff an alternative direction.

ATTACHMENT(S)

None