



CITY OF SIGNAL HILL

2175 Cherry Avenue • Signal
Hill, California 90755-3799

STAFF REPORT

7/8/2025

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: THOMAS BEKELE
PUBLIC WORKS DIRECTOR/CITY ENGINEER**

**SUBJECT: PUBLIC WORKS CONTRACT WITH KORMEX CONSTRUCTION, INC. FOR THE
WILLOW MEDIAN IMPROVEMENTS PROJECT**

Summary:

The 2023-2028 Strategic Plan for the City of Signal Hill prioritizes the completion of the Citywide Median Project to enhance the aesthetics of the City's major arterial roadways. On January 10, 2023, the City Council approved a design services agreement with SWA Group (SWA) to prepare landscape and irrigation plans for all traffic medians citywide. SWA completed the design plans in December 2024, providing updated landscaping and irrigation concepts for implementation throughout the City. The plans are organized by individual medians to support phased funding and construction, with a focus on prioritizing medians along major arterial corridors and those in greatest need of improvement. Among the plans identified the medians on Willow Street as a high-priority area for enhancement.

Following a comprehensive and competitive bidding process, staff recommends that the City Council award a contract to Kormex Construction, Inc., the lowest responsive bidder, for a term of 90 calendar days and a not-to-exceed budget of \$478,156.50. Staff further recommends that the City Council authorize the City Manager to execute a Public Works Contract with Kormex Construction, Inc. and authorize the City Manager to execute the Member Agency Administered Program Reimbursement Agreement to accept a \$70,000 grant to be utilized toward the project. If approved by the City Council, the construction of the Willow Median Improvements Project would start in July 2025, with completion anticipated by October 2025.

Strategic Plan Goal(s):

Goal No. 4 Infrastructure: Maintain and improve the City's physical infrastructure, water system, and recreational spaces.

Goal No. 5 High-Functioning Government: Strengthen internal communications, recruitment,

retention, systems, and processes to increase the effectiveness and efficiency of City services.

Recommendations:

1. Authorize the City Manager to enter into a Public Works Contract with Kormex Construction, Inc. for the construction of the Willow Median Improvements Project for a term of 90 calendar days and a not-to-exceed contract amount of \$478,156.50, in a form approved by the City Attorney.
2. Authorize a contingency of \$47,815.65 and up to a 30-calendar day extension to accommodate additional scope of work and changes or unforeseen conditions, to be utilized if approved by the Public Works Director, for a total construction budget of \$525,972.15.
3. Authorize the City Manager to execute the Member Agency Administered Program (MAAP) Reimbursement Agreement in a form approved by the City Attorney.
4. Adopt a Resolution appropriating \$290,972.15, with \$70,000 from MAAP funds and \$220,972.15 from the Capital Improvement Project reserve, to fully fund the Willow Median Improvements Project, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, AMENDING THE ADOPTED BUDGET AND AUTHORIZING BUDGET APPROPRIATIONS FOR FISCAL YEAR 2025-26.

Fiscal Impact:

The FY 2025-26 Capital Improvement Program (CIP) budget allocated \$265,000 for the Annual Citywide Medians Project. Additionally, the Metropolitan Water District (MWD) approved \$70,000 in Member Agency Administered Program (MAAP) reimbursement funding for eligible water-efficient improvements within the Willow Median Improvements Project, contingent upon approval by the City Council.

The total estimated project budget for the Willow Median Improvements Project, which includes improvements at three medians, is \$555,972.15. To fully fund this initiative, staff requests an additional appropriation of \$290,972.15, with \$70,000 from MAAP funds and \$220,972.15 from the CIP reserve. This proposed appropriation would cover construction contracts, a 10% contingency for unforeseen conditions, and essential inspection and consultant support during the construction phase.

Description	Amount
Construction Contract with Kormex Construction, Inc.	\$478,156.50
10% Contingency	\$47,815.65
Inspection and Consultant Construction Support	\$30,000.00
Total Proposed Project Budget	\$555,972.15

Background:

The Public Works Department maintains approximately 35 miles of roadway and 43 landscaped traffic medians. The 2023-2028 Strategic Plan identifies completion of the Citywide Median Project as a priority to enhance the aesthetics of the City's major arterial roadways which further supports the City's efforts to maintain and improve public infrastructure throughout the community. The City is strategically accelerating its Citywide Medians Project to enhance three medians in Fiscal Year 2025-26, rather than the typical one-per-year approach. This strategy aims to leverage economies of scale, mitigate the impact of rising costs, and ensure the timely use of a grant for enhancing streetscape aesthetics, improving safety, and implementing sustainable landscaping. The City's overall goals are to continue improving and beautifying the City's most visible corridors with an aesthetically pleasing plant palette and lighting package to further complement these efforts.

On January 10, 2023, the City Council authorized a design services agreement with SWA to prepare updated landscape and irrigation plans for all City medians. The Citywide Median Landscape and Irrigation Design Project, finalized by SWA in December 2024, organizes improvements by individual medians to support a phased implementation and funding. The project prioritizes medians along major arterial streets and those in greatest need of improvement. The Citywide Median Landscape and Irrigation Design Project identifies the medians along Willow Street as a high priority area for enhancement.

The City completed the first phase of the Citywide Median Landscape and Irrigation Improvements Project during Fiscal Year 2023-2024 and included median enhancements along Cherry Avenue and Spring Street. The current project represents the second phase of this effort, with proposed improvements along Willow Street from Dawson Avenue to Temple Avenue.

Analysis:

The Willow Median Improvements Project includes planting approximately 800 shrubs and 11 palm trees, along with the installation of new irrigation systems and electrical upgrades across three medians totaling approximately 1,710 linear feet. The existing medians along Willow Street are limited in both aesthetics and functionality and do not incorporate water-efficient landscaping. The proposed improvements would enhance the overall streetscape appearance, improve visibility, and incorporate safety features by ensuring proper tree spacing in accordance with the City's Street Tree Master Plan and utilizing shrubs that comply with City landscape standards. The proposed landscape design includes drought-tolerant and climate-adaptive plant species that have been specifically selected for their water-efficient properties and alignment with sustainable landscaping practices.

Consistent with the City's Purchasing Guidelines, contracts above a certain threshold require City Council approval. Upon completing design plans and specifications, on May 8, 2025, the City posted a Notice Inviting Bids at the City's public notice locations, sent the notice to subscribers through the City's website, and posted the information on PlanetBids via the City's portal. The following table lists the bids received by the bid due date of March 24, 2025:

Contractor	Base Bid	Additive Alternate Bid	Total Bid

Kormex Construction, Inc.	\$377,216.50	\$100,940.00	\$478,156.50
ZECO, Inc.	\$424,478.55	\$135,390.00	\$559,868.55
1st California Construction, Inc.	\$436,812.01	\$37,991.36	\$474,803.37
Estate Design and Construction	\$439,800.00	\$0.00	\$439,800.00
Marjani Builders, Inc.	\$453,703.00	\$144,460.00	\$598,163.00
Marina Landscape Inc.	\$546,011.65	\$137,677.50	\$683,689.15

In accordance with the California Public Contract Code 20103.8, when additive or deductive items are included in a bid, the solicitation must clearly state the basis of the award for determining the lowest bid. The contract documents for the Willow Median Improvements Project specified that the award would be based on the lowest responsible base bid. Kormex Construction, Inc. submitted the lowest responsible bid and provided all required documents prior to the deadline. Kormex Construction, Inc. submitted all required documents before the bid deadline. Staff verified that Kormex Construction, Inc. holds the necessary licenses to perform the proposed work under this contract. Staff also conducted reference checks on the company's listed projects in the Statement of Qualifications, confirming Kormex Construction, Inc. as the lowest responsive and responsible bidder. Public Works staff recommends including the additive alternate scope of work to provide electrical upgrades for lighting palm trees and monument signs. The additive alternate scope includes conduit installation, electrical wiring, lighting junction boxes, pull boxes, and panel assessments. Incorporating these electrical upgrades would ensure consistency with lighting installed in other newly improved medians throughout the City.

On May 12, 2025, MWD, through Central Basin Municipal Water District (CBMWD), approved funding under the MAAP to support water conservation components of the Willow Medians Improvement Project. The MAAP Expense Reimbursement Agreement between CBMWD and the City of Signal Hill authorizes reimbursement of up to \$70,000 for eligible water-efficient improvements such as drought-tolerant plantings and smart irrigation systems (Attachment B). To receive full reimbursement, the City must complete all qualifying work and submit all required documentation by October 20, 2025. Staff recommends proceeding with the MAAP Agreement to utilize available grant funds, minimize the City's expenses, and encourage long-term water efficiency in median landscaping.

Staff recommends the award of a contract to Kormex Construction, Inc. in the amount of \$478,156.50 for a term of 90 calendar days (Attachment A). As noted earlier, staff is requesting a budget adjustment to accelerate this project and worked with the Finance Department to prepare a Budget Resolution adjusting the Capital Improvement Projects Budget (Attachment C). Upon the City Council's approval, staff would issue a Notice to Proceed and begin coordinating with the contractor. If approved by the City Council, the construction of the Willow Median Improvements Project would start in July 2025, with completion anticipated by October 2025.

Reviewed for Fiscal Impact:

Siamlu Cox

Attachments:

7/8/2025

- A. Contract with Kormex Construction, Inc.
- B. MAAP Agreement
- C. Budget Resolution