

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Ron Moreno, Director of Public Works / City Engineer

DATE: May 26, 2026

SUBJECT: Authorize City Manager to Negotiate First Amendment to Construction Contract for ADA Transition Plan Implementation – ADA Curb Ramp Replacement Phase I, PW24-07

PREPARED BY: Hossein Ajideh, Principal Civil Engineer
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RECOMMENDATION: That the City Council:

1. Authorize the City Manager, with City Attorney approval, to negotiate and execute the First Amendment to the construction contract between the City of Temecula and Asad Holdings LLC, dba OrangeBlue General Contractors, for the Americans with Disabilities Act (ADA) Transition Plan Implementation – ADA Curb Ramp Replacement Phase I, PW24-07, to terminate the construction contract; and
2. Authorize the Department of Public Works to re-bid construction contract for the Americans with Disabilities Act (ADA) Transition Plan Implementation – ADA Curb Ramp Replacement Phase I, PW24-07.

BACKGROUND: As part of the Fiscal Year 2026-30 Capital Improvement Program and Budget, the City Council approved appropriations to support implementation of the City's Americans with Disabilities Act (ADA) Transition Plan. This is an annual appropriation funded with Community Development Block Grant (CDBG) and the City's Measure S funds. CDBG program, administered by the U.S. Department of Housing and Urban Development (HUD), is a flexible federal funding source providing annual formula-based grants to state, county, and city governments.

This project will reconstruct approximately 40 curb ramps to meet current ADA standards. The curb ramps funded under this phase are located throughout the Harveston development and along Ynez Road. This project supports the City's core values in the Quality-of-Life Master Plan e.g., Healthy and Livable City, A Safe and Prepared Community, and Equity.

The construction contract was publicly advertised for bid between December 4, 2025, and January 12, 2026. Twelve (12) bids were received and publicly opened on January 12, 2026. Staff evaluated the bids and after consulting with the City Attorney determined that seven (7) were non-responsive.

On March 10, 2026, City Council awarded the construction contract to Asad Holdings LLC, dba OrangeBlue General Contractors, of Laguna Hills, California. No work has commenced and the First Amendment to the Construction Contract between the City of Temecula and Asad Holdings LLC, dba OrangeBlue General Contractors, for the Americans with Disabilities Act (ADA) Transition Plan Implementation – ADA Curb Ramp Replacement Phase I, PW24-07, will be to approve the agreement between the City and Contractor to terminate the Agreement for the convenience of each party.

DISCUSSION: Staff recommends the approval of authorizing the City Manager, with City Attorney approval, to negotiate the First Amendment to the Construction Contract terminating the contract and that the construction contract be re-bid. After numerous meetings and correspondence, it has been determined that there is a significant disparity between the contractors understanding of the project scope of work and the scope of work spelled out in the project plans and specifications. In consultation with the City Attorney, staff recommends the approval of authorizing the City Manager to negotiate the First Amendment to the Construction Contract terminating the contract, and that the construction contract be re-bid to mitigate risk of lengthy and expensive litigation during construction for potential contract modifications that could exceed the project budget and contingency.

FISCAL IMPACT: There is no fiscal impact to approving authorizing the negotiation of the First Amendment to the Construction Contract and authorizing the Department of Public Works to re-bid construction contract.

ATTACHMENTS:

1. Project Description
2. Project Location Map