



Watsonville
CALIFORNIA

CITY COUNCIL AGENDA REPORT

MEETING DATE: Tuesday, July 8, 2025
TO: CITY COUNCIL
WRITTEN BY: SENIOR CIVIL ENGINEER SCHNEIDER
RECOMMENDED BY: PUBLIC WORKS & UTILITIES DIRECTOR LINDBERG
APPROVED BY: TAMARA VIDES, CITY MANAGER

SUBJECT: CONSTRUCTION CONTRACT AWARD TO K.J. WOODS CONSTRUCTION, INC. FOR THE WATER LINE REPLACEMENT – BEACH ST, UNION ST, LINCOLN ST PROJECT IN THE AMOUNT OF \$4,938,000 AND APPROVING A BUDGET ALLOCATION FROM THE WATER ENTERPRISE FUND

RECOMMENDATION:

Adopt a resolution awarding a construction contract to K.J. Woods Construction, Inc. for the Water Line Replacement – Beach St., Union St., Lincoln St. Project, No. WA-25-14834, for the base bid amount of \$4,696,715 and the add alternative for grinding and paving in the right of way for \$241,285 for a total project amount of \$4,938,000, approving an additional budget appropriation in the amount of \$1,347,000 from the Water Enterprise Fund, and authorizing and directing City Manager to execute the contract.

BACKGROUND:

The City has an ongoing goal of replacing approximately 2.5 miles of existing water main per year. The City's in-house Water Services crew replaces approximately 1.25 miles per year, requiring additional main replacements supported by contractors to stay on top of replacing the most critically aging pipelines throughout the water distribution area.

DISCUSSION:

The Public Works and Utilities Department has completed the public bidding of the Water Line Replacement – Beach St., Union St., Lincoln St. Project and it is ready to be awarded to the lowest responsive, responsible bidder.

In accordance with Title 7, Chapter 14 of the City of Watsonville Municipal Code, formal bids for the project were received and publicly opened on June 5, 2025, at 2:05pm through the City's electronic bidding platform. The following bids were received:

Contractor	Base Bid	Add Alternate	Total Bid
K.J. Woods Construction	\$4,696,715	\$241,285	\$4,938,000
Pacific Underground Construction	\$6,252,960	\$219,350	\$6,472,310

The lowest responsive, responsible bidder was determined to be K.J. Woods Construction, Inc. The engineer's estimate for base bid was \$3.8 million, which makes the low bid approximately 20% higher than the estimate which is within a reasonable range for award. It is also recommended that the add alternate be awarded, which is a cost adder for the contractor to perform a complete 2-inch grind and pave within City right of way which will provide a superior finished project for the City and complete rehabilitation area identified on the Pavement Management Plan ahead of schedule.

This project will address a mile of pipeline replacement on the City's highest priority replacement schedule. It is important the City continue replacement progress to complete the water mains identified as highest priority replacements. The three largest breaks Water Services responded to last year were all in areas identified as high priority. Continued proactive replacement of the highest priority main lines will help reduce the number of high-volume main breaks in critical areas.

If awarded, the contractor will not be issued notice to proceed until after the Strawberry Festival. This work has also been coordinated with the upcoming Civic Plaza Project.

Therefore, staff recommends Council award both the base bid and add alternate to K.J. Woods for a total contract amount of \$4,938,000.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION:

This project is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15302 Class 2(c), because it involves the replacement of an existing public water utility pipeline with negligible or no expansion of capacity. Further, none of the exceptions to the CEQA exemption in Section 15300.2 apply. This is because the project will have no impact on environmental resources of hazardous or critical concern and will not result in or contribute to cumulative impacts. There are no unusual circumstances associated with the project that would result in a significant effect on the environment, nor would the project impact on scenic resources. The project is not situated on a hazardous waste site and would not impact on any historic resource. Therefore, the proposed project is exempt from CEQA.

STRATEGIC PLAN:

This project is consistent with Strategic Plan Goal:

Infrastructure & Environment

FINANCIAL IMPACT:

The total recommended contract award amount is \$4,938,000. The base bid amount of \$4,696,715 will be paid from the Water Enterprise Fund budget account 913-7831-14834. The add alternate amount of \$241,285 will be paid by roads utilizing SB 1 funds under budget account 0306-924-7837-14313.

There is a total of \$3,350,000 available in budget account 913-7831-14834, requiring an additional budget allocation of \$1,347,000 from the Water Enterprise Fund to this budget account to award the base bid. There is sufficient budget available in 0306-924-7837-14313 to award the add alternate.

ALTERNATIVE ACTION:

The council could elect not to award the add alternate which will result in only a trench line pavement repair over the work completed and would require this PMP road rehabilitation area to be addressed under a separate project. Alternatively, the Council could elect not to award the project, resulting in this high priority replacement continuing to degrade which could result in a large main break in a high-traffic area.

ATTACHMENTS AND/OR REFERENCES (IF ANY):

None.