



# Agenda Report

**MEETING DATE:** Tuesday, January 11, 2022

**TO:** City Council

**FROM:** PUBLIC WORKS & UTILITIES DIRECTOR DI RENZO  
DANIELLE GREEN, PRINCIPAL ENGINEER

**SUBJECT:** RESOLUTION AWARDED BID TO K.J. WOODS  
CONSTRUCTION, INC. FOR THE CONSTRUCTION OF GREEN  
VALLEY AND FREEDOM BLVD WATER AND SEWER  
IMPROVEMENTS, PROJECT NO. SS-20-14623

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## **STATEMENT OF ISSUES:**

Bids have been received for the Green Valley and Freedom Boulevard Water and Sewer Improvements, Project No. SS-20-14623 and action is needed to award the contract to the lowest, responsive bidder to allow construction to proceed.

## **RECOMMENDED ACTION:**

Staff recommends that the City Council adopt a resolution to award the lowest responsive bidder, K.J. Woods Construction, Inc. the contract for construction of the Green Valley and Freedom Blvd Water and Sewer Improvements, Project No. SS-20-14623, in the amount of \$3,742,000 and to appropriate a 10% of total contract amount (i.e. \$374,200) as contingency for unforeseen change orders that may arise during the course of underground construction for a cumulative total of \$4,116,200.

## **DISCUSSION:**

The Public Works & Utilities Department has two road improvement projects planned that are currently in the design phase: one on Freedom Boulevard between Alta Vista and Green Valley Road, and the other on Green Valley Road from Carey Avenue to City limits. In planning for this work, staff evaluated the condition of underground utilities in these areas and determined that portions of the water and sewer lines will require replacement due to their age and poor condition. This project will repair or replace approximately 3,000 feet of existing sewer and 2,625 linear feet of existing water pipelines that are aging and have reached the end of their useful life.

The engineer's estimate of probable construction cost was \$3.23 million base bid. The bid form also included three add alternate bid items for additional sewer replacement in the vicinity of the project, but outside of the upcoming paving project limits. Bids were publicly opened the morning of December 16, 2021 at which time the following bids were received:

<b>Contractor</b>	<b>Total Base Bid</b>	<b>Total Add Alternates</b>	<b>Total Base + Alternates</b>
<b>K.J. Woods Construction, Inc.</b>	<b>\$2,838,000</b>	<b>\$904,000</b>	<b>\$3,742,000</b>
Ranger Pipelines, Inc.	\$3,143,900	\$1,086,700	\$4,230,600
Graniterock Company	\$4,069,225	\$ 660,000	\$4,729,225
Pacific Underground Construction, Inc.	\$6,003,362	\$1,442,410	\$7,445,772

The lowest, responsive bidder was determined solely on the Total Base Bid as stated in the bid documents. The bids received for the add alternates include sewer replacement for the remainder of Quinn Avenue not in the base bid scope, and the replacement of approximately 1,000 linear feet of 12-foot deep sewer on Freedom Boulevard from Compton Terrace to Burchell Avenue which is in poor condition requiring replacement. The bid pricing received for the alternates is reasonable, and budget transfers outlined in the financial impact section of this report would provide sufficient budget in the Sewer Enterprise fund to cover the award of all three add alternate items. K.J. Woods Construction, Inc. was also determined to be a responsible bidder. The City has worked successfully with K.J. Woods on other projects.

Staff therefore recommends that the Base Bid and Add Alternates 1A-3A (1A: Quinn Avenue; 2A/3A: Freedom Blvd from Compton Terrace to Burchell Avenue) be awarded in the total amount of \$3,742,000 to the lowest responsive bidder, K.J. Woods Construction, Inc. Moreover, staff is also requesting a budget appropriation of 10% of total contract amount as contingency for unforeseen change orders during the course of underground construction.

#### **STRATEGIC PLAN:**

The project supports Strategic Plan Goal:  
3 – Infrastructure & Environment

#### **FINANCIAL IMPACT:**

This project is included in the current approved budgets for the Water and Sewer Enterprise Funds. \$1,540,685 of the contract will be paid by budget number 913-7831-14834 from the Water Fund for the water-related bid items, which has sufficient budget available. \$2,201,315 of the contract will be paid by budget number 911-7835-14623 from the Sewer Fund to pay for sewer-related bid items. A budget transfer in the total amount of \$1,643,860 is required from the budget numbers listed below with available budget in the Sewer Fund. A summary is itemized below:

<b>Project Number</b>	<b>Amount</b>	<b>Action Required/ Description</b>
0720- 913-7831-14834	\$ 1,540,685.00	None – in approved budget
0710- 911-7835-14623	\$ 559,334.50	None – in approved budget (includes 4LEAF contract encumbrance pending approval)
0710- 911-7835-14792	\$ 400,000.00	Transfer funds to 0710-911-7835-14623
0710- 911-7835-14962	\$ 510,000.00	Transfer funds to 0710-911-7835-14623
0710- 911-7855-14797	\$ 731,980.50	Transfer funds to 0710-911-7835-14623
<b>Sum</b>	<b>\$ 3,742,000.00</b>	

0720- 913-7831-14834	\$ 187,100.00	New appropriation from Water Enterprise Fund
0710- 911-7835-14623	\$ 187,100.00	New appropriation from Sewer Enterprise Fund
<b>Sum (10%)</b>	<b>\$ 374,200.00</b>	<b>Contingency</b>
<b>Total Project Budget</b>	<b>\$ 4,116,200.00</b>	

**ALTERNATIVE ACTION:**

Council could elect not to award the bid add alternates which include sewer replacement outside of the upcoming paving project scope. These utilities will continue to deteriorate and the cost of replacement in the future will continue to increase.

**ATTACHMENTS AND/OR REFERENCES (If any):**

- 1) Project Map