



CITY COUNCIL STAFF REPORT

ITEM NO. 6.3

DATE: July 13, 2026

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: Resolution authorizing the acceptance for permanent maintenance, release of the security bonds, and execution of a Notice of Completion (Sewer Replacement Project WW202003)

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution authorizing the acceptance for permanent maintenance, release of the security bonds, and authorizing the City Manager to sign the Notice of Completion for the Sewer Replacement Project WW202003.

SUMMARY

On July 14, 2025, City Council awarded a construction contractor for the Sewer Replacement Project WW202003 to DPI Inc. The contract was substantially completed on May 13, 2026, and reached final completion on June 10, 2026. The contract can now be accepted for permanent maintenance. The process to release the contractor's bonds can begin.

DISCUSSION

The Sewer Replacement Project WW202003 (Project) reduced the potential for sewer overflows by repairing deteriorated sanitary sewer lines and maintenance holes. This work was primarily along Holmes Street and First Street between Stanley Boulevard and Aaron Street, as shown on the Location Map (Attachment 1). As part of the Project, approximately 3,900 linear feet of existing sewer pipe were upsized and replaced to accommodate increased flows anticipated from future development identified in the General Plan. In addition, existing maintenance holes were replaced where necessary, and the remaining maintenance holes were coated to extend their service life. Affected roadways were repaired through micro-surfacing and mill and overlay treatments to restore their appearance and condition following construction. These improvements included restriping and the addition of new bike lanes throughout the Project area as part of the Livermore Active Transportation Plan (ATP). Affected sidewalks, curb ramps, medians, and landscaping were also restored following construction. Additionally, new vehicle detection cameras were installed at the signalized intersection of Holmes Street and First Street.

The Project was completed in accordance with the contract documents in a manner acceptable to the City Engineer.

At time of award, the contractor provided a faithful performance bond guaranteeing completion of the Project, and that bond must now be released. Six months after the date of the resolution accepting the Project, the labor and materials bond guaranteeing the improvements should be reduced to an amount equal to any claims filed and of which notice has been given. The balance of the bond will be released upon the settlement of all claims and obligations for which the security was given (there are no known claims at this time). The security for the guarantee and warranty of the work shall remain in effect for one year from the date of the resolution.

FISCAL AND ADMINISTRATIVE IMPACTS

The original construction contract amount was \$4,798,723. The contingency budget for change orders is 10% of the amount or \$200,000, whichever is greater, per Municipal Code 2.68.590B. The final contract amount including six (6) change orders was \$5,278,565. The total value of change orders was \$479,842 (9.99%), which consisted primarily of additional emergency sewer mainline replacement, additional paving & micro-surfacing, and additional striping to accommodate new bike lanes as part of the ATP. The Project is funded with CIP Reserves – Wastewater Replacement Fund 621, Wastewater Connection Fund 621, and County Measure BB – Local Streets and Roads Fund 830. The budget covers the cost for this construction contract, change orders, construction management, materials testing, inspection, and administration. No additional appropriations are required. The Sewer Replacement Project will not result in any increase in operational or maintenance costs.

COMMUNITY PILLAR

1: A Safe Community That Thrives

GOAL

11: Operate and maintain municipal water systems that provide safe, efficient delivery of potable and recycled water, collect and treat wastewater, and comply with all federal, state, and local regulations

GUIDING DOCUMENT

5-Year Capital Improvement Plan Fiscal Years 2025-2030

ATTACHMENTS

1. [Location Map](#)
2. [Resolution](#)
3. [Exhibit A - Notice of Completion](#)

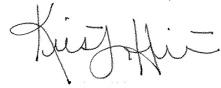
Prepared by: Dennis Aberion
Construction Inspection Manager

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Kristen Hilton
Acting Administrative Services Director