



CITY COUNCIL STAFF REPORT

ITEM NO. 5.5

DATE: July 14, 2025

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: Resolution authorizing the approval of K.J. Woods Construction, Inc.'s request to withdraw their bid proposal, authorizing supplemental appropriations to the Fiscal Year 2025-26 budget, and awarding a construction agreement to DPI, Inc., in the amount of \$4,798,723, for the Sewer Replacement Project, WW202003.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution for the Sewer Replacement Project WW202003:

1. Authorizing approval of K.J. Woods Construction, Inc. request to withdraw their bid proposal;
2. Authorizing a supplemental appropriation of \$250,875 from Wastewater Replacement Fund 622 to the FY 2025-26 budget for Sewer Replacement Project, WW202003;
3. Authorizing a supplemental appropriation of \$83,625 from Wastewater Connections Fees Fund 623 to the FY 2025-26 budget for Sewer Replacement Project, WW202003;
4. Authorizing a supplemental appropriation of \$15,500 from County Measure BB – Local Streets and Roads Fund 552 to the FY 2025-26 budget for Sewer Replacement Project, WW202003;
5. Awarding and authorizing execution of a construction agreement with DPI, Inc., in the amount of \$4,798,723, for construction of the Sewer Replacement Project, WW202003 pursuant to Livermore Municipal Code section 2.68.58 (C);
6. Rejecting all other bids or proposals; and
7. Authorizing the City Manager to take whatever actions are necessary and appropriate to carry out the purpose and intent of this resolution including approving minor changes to the proposed agreement.

SUMMARY

The Sewer Replacement Project, WW202003 (project) will upsize, replace, and relocate existing sewer pipe within the area shown on Attachment 1 – Vicinity Map. The project will replace and repair aging sewer infrastructure and reduce the demand for on-going maintenance in the service area, restore roadway affected by utility installation work via micro surfacing and mill and overlay, and enhance one traffic signalized intersection (installation of new traffic signal video detection).

Four (4) bids were received for this project on May 6, 2025. A bid protest was received from DPI, Inc., the second lowest bidder, against K.J. Woods Construction, Inc., the apparent lowest bidder, claiming that K.J. Woods was non-responsive. During review of the protest, which was also communicated to K.J. Woods, the apparent low bidder requested to withdraw their bid. After detailed review by City staff, in coordination with the City Attorney's Office, staff ultimately determined that K.J. Woods' request for withdrawal of its bid proposal was valid. Therefore, City staff recommends the City Council approve withdrawal of the K.J. Woods Bid Proposal and award and authorize a construction contract with DPI Inc., the lowest bidder. Section 2.68.580 (C) of the Livermore Municipal Code (LMC) requires that the award of contracts subject to formal bidding be awarded to the lowest responsive and responsible bidder. The bid submitted by DPI, Inc. meets this requirement. Staff also recommends that City Council authorize supplemental appropriations from Wastewater Replacement (Fund 622), Wastewater Connection Fees (Fund 623), and County Measure BB – Local Streets and Roads (Fund 552) totaling \$350,000 to fully fund the project.

DISCUSSION

The Sewer Replacement Project WW202003 (project) reduces the potential for sewer overflows by repairing deteriorated sanitary sewer lines and maintenance holes that require on-going maintenance. Construction will occur along Holmes Street, First Street, Holmes Court, Fourth Street, South S Street, Glenwood Street, Marguerite Street, and Aaron Street. The sewers need to be upsized to handle increased flows from future development identified in the General Plan. The project will upsize and replace approximately 3,500 linear feet of existing sewer pipe, including approximately 3,400 feet via open trench construction. Some sewer lines will be relocated. Some existing maintenance holes will be replaced and the remaining maintenance holes in the project vicinity will be coated to increase service life. The affected roadway will be repaired via micro surfacing, mill and overlay, and restriping in order to restore the appearance and condition of the roads post-construction. Affected sidewalks, ramps, medians, and landscaping will be restored post-construction as well. Additionally, new vehicle detection cameras will be installed at the traffic signalized intersection at Holmes Street and First Street.

Staff advertised the project on April 7, 2025. On May 6, 2025, four (4) bids for this project were received and opened. The following is a list of the bids received and the Engineer's Estimate for the Project:

Sewer Replacement Project WW202003 Bids

Contractor Name	City	Bid Amount
K.J. Woods Construction, Inc.	San Francisco, CA	\$4,288,000
DPI Inc.	Livermore, CA	\$4,798,723
Cratus, Inc.	San Francisco, CA	\$4,977,643
Devaney Engineering, Inc.	San Francisco, CA	\$5,331,452
Engineer's Estimate		\$4,475,653

K.J. Woods Construction, Inc. was initially identified as the apparent lowest bidder. DPI, Inc. subsequently submitted a bid protest to the City and K.J. Woods Construction, Inc. The City acknowledged a receipt of the timely protest letter from DPI, Inc. dated May 7, 2025. During review of the protest, K.J. Woods Construction, Inc. submitted a letter requesting to withdraw their bid proposal. The City acknowledged a receipt of the timely request letter from K.J. Woods Construction, Inc. dated May 12, 2025. Upon thorough review, City staff determined that the request was valid, and therefore recommended K.J. Woods Construction, Inc. request to withdraw its bid proposal be approved.

Due to the withdrawal of K.J. Woods Construction, Inc., the next lowest responsible and responsive bidder was DPI, Inc., operating out of Livermore, California. The company has worked on various public utility replacement projects for Dublin San Ramon Services District and Livermore Amador Valley Water Management Agency. Staff has checked references for DPI, Inc. and has found them satisfactory. Therefore, City staff recommends award of the construction contract in amount of \$4,798,723 to DPI, Inc. for construction of the project. In accordance with Livermore Municipal Code Section 2.68.590, a cumulative Change Order authorization of 10% of the contract value is allowed.

Staff will coordinate with the residents affected by the project work and provide them with at least two weeks notice by mail or 72 hours via door hanger notice before their sewer service will be replaced. Each resident will have their sewer and/or water service interrupted for only one working day. An updated schedule will be made available to residents on the City's website.

FISCAL AND ADMINISTRATIVE IMPACTS

The project is included in the FY 2025-30 Capital Improvement Plan. A total of \$5,007,000 is budgeted in FY 2025-26 from Wastewater Replacement (Fund 622) and Wastewater Connections Fees (Fund 623).

The lowest responsive and responsible bidder exceeds the Engineer's estimate. Supplemental appropriations totaling \$350,000 in FY 2025-26 are required to fully fund the cost of the project. Existing budgets for this project in the 2025-30 Capital Improvement Plan combined with these supplemental appropriations will cover this construction contract, change orders, construction management, material testing, inspection, and administration.

The scope of the project increased to include the installation of traffic signal video detection at First Street and Holmes Street as part of a citywide effort to upgrade the existing traffic signal network. The City purchased traffic signal video detection equipment under the Traffic Signal Modification, Project TC202020 to avoid delays due to lead times. Supplemental appropriations from County Measure BB – Local Streets and Roads (Fund 552) will cover the labor of installing the traffic signal video detection equipment.

The existing and proposed budget for the project is summarized in the table below.

Sewer Replacement - Project WW202003

Fund No.	Fund Name	Budgeted FY 2024-25	Budgeted FY 2025-26	Supplemental Appropriation Requested in FY 2025-26	Proposed FY 2025-26
622	Wastewater Replacement Fund	\$150,000	\$3,756,750	\$250,875	\$4,007,625
623	Wastewater Connection Fees Fund	\$50,000	\$1,250,250	\$83,625	\$1,333,875
552	County Measure BB - Local Streets and Roads	\$0	\$0	\$15,500	\$15,500

	Total	\$200,000	\$5,007,000	\$350,000	\$5,357,000
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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. [Vicinity Map](#)
2. [Resolution](#)
3. [Exhibit A - Agreement](#)

Prepared by: Vincent Sendaydiego
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Approved by:



Marianna A. Burch
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Fiscal Review by:



Tina Olson
Administrative Services Director