



COUNCIL REPORT

DATE:	January 27, 2026
CATEGORY:	Consent
DEPT.:	Public Works
TITLE:	Downtown Utility Improvements, Project 22-41 and Citywide Trash Capture, Phase II, Project 22-40—Construction Acceptance

RECOMMENDATION

1. Accept Downtown Utility Improvements, Project 22-41, and authorize the final contract payment.
2. Accept Citywide Trash Capture, Phase II, Project 22-40, and authorize the final contract payment.

BACKGROUND AND ANALYSIS

“Acceptance” of a construction contract is a legal event recognized by State law when the City verifies that the contractor has satisfactorily completed a public project. Once accepted, the work on the public project is complete and other actions occur, such as final payment to the contractor and the release of bonds obtained by the contractor that ensure completion of the project. Following acceptance, the City becomes responsible for maintenance of the public project.

Downtown Utility Improvements, Project 22-41

On [May 28, 2024](#) Council took the following actions on the project:

1. Found that in accordance with California Environmental Quality Act (CEQA) requirements, Downtown Utility Improvements, Project 22-41, was categorically exempt as Class 2, Replacement or Reconstruction, under CEQA Guidelines Section 15302.
2. Approved the removal and mitigation for one Heritage tree at a 2:1 tree replacement ratio with 24" box trees for Downtown Utility Improvements, Project 22-41.
3. Approved plans and specifications for Downtown Utility Improvements, Project 22-41, and authorized staff to advertise the project for bids.

4. Authorized the City Manager or designee to award the construction contract to the lowest responsive, responsible bidder if the bid was within the total project budget of \$12,360,000.

The project was awarded to Cratus Inc. of San Francisco at the low bid price of \$3,475,050. The project included relocation of an existing water transmission main within the Central Expressway/Moffett Boulevard intersection.

The project installed 1,900 linear feet of 18" water transmission main to meet the City's projected future growth and increase in water demand. The new transmission main alignment begins on the south side of Central Expressway, crosses the expressway, continuing north on Elmwood Street, east on Jackson Street, north on Moffett Boulevard, and east on Central Avenue to Santa Rosa Avenue. There is also a short segment of new water main on Moffett Boulevard, through the Adobe Building parcel, to Santa Rosa Avenue (see Figure 1).

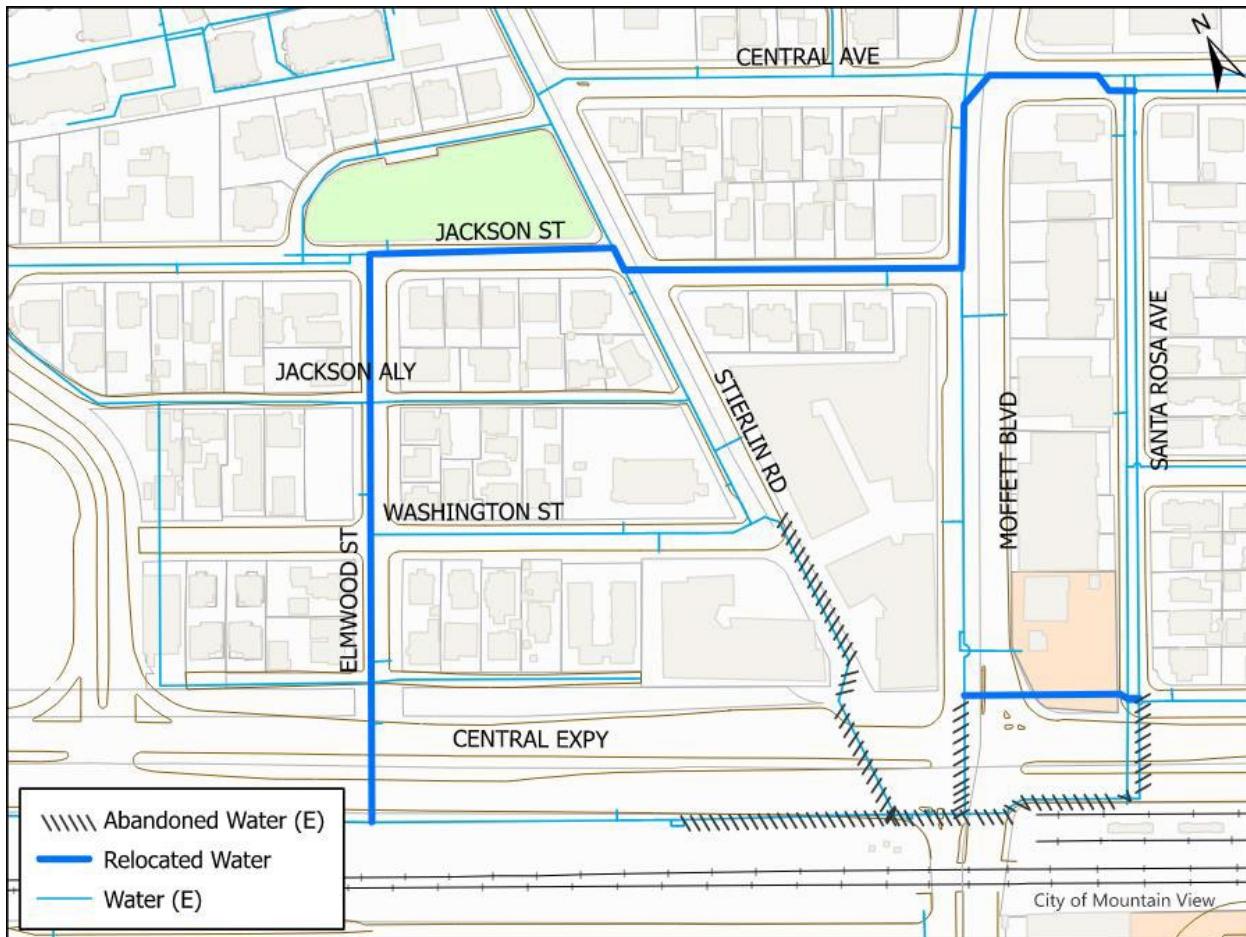


Figure 1: Project Improvements

The final construction cost of \$3,368,345 is within the construction contract amount of \$3,475,050 and included three contract change orders for the total amount of \$403,180 and a final quantity adjustment change order, resulting in contract savings of \$106,705. All construction work has been completed in accordance with the approved plans and specifications.

Citywide Trash Capture, Phase II, Project 22-40

On [April 22, 2025](#), Council authorized the City Manager or designee to award a construction contract for Citywide Trash Capture, Phase II, Project 22-40, to K.J. Woods Construction, Inc., in the amount of \$618,520, which included a \$30,000 contingency. The project scope was to install 207 full trash capture (FTC) devices in storm drain inlets throughout the City. The devices are part of the City's program to comply with the National Pollutant Discharge Elimination System Municipal Regional Permit (MRP 3.0) requirement to achieve and maintain 100% trash load reduction.

City staff initially pursued installation of these devices at high priority locations to meet the State Water Board's compliance deadline of June 30, 2025. During construction, it was identified that some devices could be eliminated due to non-standard sized storm drains and redundancy of devices along the same storm pipeline. As a result, only 180 devices were installed to maintain the 100% reduction target. The installation of these devices enabled the City to achieve 100% trash load reduction compliance by the June 30, 2025 deadline. With ongoing maintenance, the devices will also allow the City to continue meeting MRP 3.0 trash reduction requirements in 2026.

The final construction cost is \$400,166, which is within the authorized contract amount of \$618,520. Construction included a no-cost change order. All required work has been completed in accordance with the approved plans and specifications.

FISCAL IMPACT

Downtown Utility Improvements, Project 22-41

Downtown Utility Improvements, Project 22-41, was originally funded with \$12,360,000. As part of the adopted Fiscal Year 2025-26 Capital Improvement Program, the project budget was reduced by \$5,874,000 in excess funding (from the Construction/Conveyance Tax Fund, Wastewater Fund, Sewer Development Impact Fee, and Measure P – General Fund Transportation) to reallocate funding resources to other planned projects. This reduction was possible due to the City Council approving a reduced scope and phased approach at their meeting on [January 23, 2024](#) for the Castro Street Grade Separation project, which led to phasing of utility relocation needs.

The project is currently funded with \$3,761,000 from the Construction Tax Fund, \$2,725,000 from the Water Fund, and \$15,000 from Other Revenue (construction staging revenue) for a total of \$6,501,000.

Total project expenditures, including design, construction, inspection, project administration, and other costs, are estimated to be \$4,879,000 and are within the project budget. Any remaining funds will be returned to the Construction Tax Fund and Water Fund in proportion to the project's use of these funding sources upon project closure.

Citywide Trash Capture, Phase II, Project 22-40

Citywide Trash Capture, Phase II, Project 22-40 is funded with \$1,130,000 from the Wastewater Fund. Total project expenditures, including design, construction, inspection, project administration, and other costs, are estimated to be \$590,000 and are within the project budget. Any remaining funds will be returned to the Wastewater Fund once the project is closed.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a "license, permit, or other entitlement for use" if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

Competitively bid contract

ALTERNATIVES

1. Determine that the Downtown Utility Improvements, Project 22-41 has not been completed in conformance with City standards and decline to accept the improvements until they are completed to the satisfaction of the City Council.
2. Determine that the Citywide Trash Capture, Phase II, Project 22-40 improvements have not been completed in conformance with City standards and decline to accept the improvements until they are completed to the satisfaction of the City Council.
3. Provide other direction.

PUBLIC NOTICING—Agenda posting.

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