



STAFF REPORT

Meeting Type: Planning Committee/Board of Directors
Title: Two On-Call Capital Construction Contracts
From: Alex Anaya, Director of Engineering 
Through: Shaun Horne for Ben Horenstein, General Manager 
Meeting Date: September 22, 2026

TYPE OF ITEM: Approve X Review and Comment

RECOMMENDATION: Review and comment on a proposed solicitation for bids for two On-Call Capital Construction Contracts for “as-needed” capital construction and repair work, with each contract amount not to exceed \$1,000,000

SUMMARY: The proposed On-Call Capital Construction Contracts will perform various as-needed construction, repair, or rehabilitation work associated with District water system facilities, roadway infrastructure, hillside slopes, and related works. District staff will make a recommendation for award of the two contracts at a future regularly scheduled Board meeting.

DISCUSSION: These two proposed contracts will serve as a component of the District’s Capital Improvement Program to perform construction work on an “as-needed” basis, typically consisting of smaller projects that can be completed within one or two months.

Occasionally, the District identifies a need for a project that was not included in the original planned capital program. Examples of these projects may include small pipeline replacement projects (up to 200 or 300 total linear feet) when the occurrence of emergency pipe breaks increases in frequency for a given pipe segment or the installation or replacement of large transmission line valves requires resources beyond internal District capacity to perform the work. When these unforeseen projects arise, they often require significant project delivery efforts to prepare unplanned capital construction contracts through formal bid processes, which detracts from ongoing projects. As the District continues to grow its capital program, these two proposed on-call contracts will allow District staff to direct minor construction or repair work without redirecting resources from ongoing planned capital projects.

Once a project is identified, individual installations or repairs will be reviewed in the field by District staff and Contractor, and a scope of work will be agreed upon. The District Engineer will issue a task order to an available contractor that includes the scope of work, applicable District technical specifications and/or drawings, and a Notice to Proceed for the Contractor to begin. At the end of each workday, the District Engineer and Contractor will agree upon labor, materials, and equipment used in the direct performance of the work. Once the work is complete for each specific project, the

contractor will submit completed Daily Extra Work Reports (DEWR) for the District's review and approval.

Executing two on-call contracts will allow the District to have two standby contractors available to perform these smaller as-needed projects. Utilizing two on-call contracts provides the District opportunity to complete more work in a more timely manner. Additionally, having two contracts with on-call contractors affords the District more opportunity to begin work in an urgent manner if one of the contractors is consumed with current work.

The mechanism for competitive bids is the Contractor labor mark-up associated with force account work, pursuant to Article 42 of the District Standard Specifications and the District DEWR. The District would award separate contracts to the two lowest responsive and responsible bidders. Compensation for each on-call effort is based on time and expense tracking of direct costs for labor and equipment used to perform the work at a minimum rate equal to the Department of Industrial Relations "Prevailing Wage Rate" for labor and Caltrans "Equipment Rental Rates" for equipment.

Examples of the construction and repair work to be performed under this contract include, but are not limited to the following: the installation of PVC or welded steel water main piping, valves, fittings, appurtenances and copper or high density polyethylene water services, minor work at District water tanks and pumping stations, welding, coating and painting, structural steel work, general carpentry, asphalt concrete pavement, striping and concrete flatwork, hillside slope stabilization and retaining structures, wood or metal fencing, and other related work.

Summaries of the estimated Project costs and schedule are provided below.

Budget (3 Fiscal Years):

Contract #1 Not to Exceed Amount:	\$1,000,000
Contract #2 Not to Exceed Amount:	\$1,000,000
Materials and Professional Fees:	\$300,000
District Labor/Inspection:	\$400,000
Total Budget:	\$2,700,000
Budget Category:	Work will be charged to various budget categories

Contract Implementation:

Contract Advertisement:	September 29, 2026
Bid Opening:	October 13, 2026
Contract Award:	November 4, 2026
Contract Completion Date:	June 30, 2029
Duration:	3 years

ENVIRONMENTAL REVIEW: Staff has found that the types of work to be completed under the proposed contracts is categorically exempt pursuant to California Environmental Quality Act Guidelines Section 15302(c), Replacement or Reconstruction. The anticipated work will also consist of construction repair work and is not generally anticipated to include the new construction or expansion of District facilities and, therefore, qualifies for exemption pursuant to Section 15302(c). To the extent the proposed work involves the replacement of less than eight miles of pipeline, the work would also be statutorily exempt pursuant to the California Public Resource Code Section 21080.23.

FISCAL IMPACT: The total cost impact associated with the two proposed On-Call Capital Construction contracts is estimated at \$2,700,000 over three fiscal years. The work performed under these contracts are funded by adopted capital budgets and will be appropriated to the specific budget categories as individual projects are identified.

ATTACHMENT(S): None.