



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Maria Öberg

SUBJECT: Actions Related to the
Purchase Order with Wattis
Construction Co., Inc. for
Asphalt Paving Services

DATE: February 9, 2026

Approved

Date:

2/13/26

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to:

- (a) Execute a purchase order with Wattis Construction Co., Inc. (San José, CA) for asphalt paving services beginning on or about March 3, 2026, and ending on or about March 2, 2027, for a not-to-exceed amount of \$2,500,000;
- (b) Approve a contingency of \$250,000 for unanticipated asphalt paving services, subject to the appropriation of funds; and
- (c) Exercise up to six one-year options to extend the term of the purchase order, with the last option ending on or about March 2, 2033, subject to the appropriation of funds.

SUMMARY AND OUTCOME

This recommendation authorizes the execution of a purchase order with Wattis Construction Co., Inc. for asphalt paving services to support ongoing repairs and replacements of paved surfaces at City facilities. The purchase order is for a not-to-exceed amount of \$2,500,000 for the initial one-year term, with an additional \$250,000 contingency for unanticipated needs, and six one-year options to extend the term, subject to funding availability. Approval of this recommendation will help ensure the timely maintenance of parking lots and other paved areas at City facilities while enhancing safety, improving functionality, and ensuring asset preservation.

BACKGROUND

The Public Works Department is responsible for maintaining more than 400 City-owned facilities and requires asphalt paving services to address ongoing pavement deterioration caused by heavy use, aging infrastructure, and adverse weather conditions. Required services include asphalt repairs, resurfacing, and pavement replacement. These services support City operations and are necessary to maintain safe, accessible, and ADA-compliant surfaces and preserve public assets. The Public Works Department utilizes these services Citywide to respond effectively to planned and unanticipated paving needs, extend pavement life cycles, enhance safety and aesthetics, and reduce long-term maintenance costs.

ANALYSIS

In October 2025, a competitive request for bids was released by the Finance Department to procure these services. The request for bids is provisioned for a one-year initial term and an additional six one-year options for the City to extend the term. One responsive bid was submitted.

Local and Small Business Enterprise Preference: In accordance with San José Municipal Code Section 4.12.320B, bidders who requested and qualified for the local business preference will be given a 2.5% credit of the cost bid, and bidders who requested and qualified for the small business preference will be given an additional 2.5% credit of the cost bid during the evaluation phase. Wattis Construction Co., Inc. did qualify for the local and small business enterprise preference.

Protest: The City's Request for Bid process included a 10-day protest period that began when the City issued the Notice of Intended Award on November 11, 2025. No protests were received.

Award: Staff recommends award to Wattis Construction Co., Inc. as the sole responsive and responsible bidder pursuant to the bidding procedures of the San José Municipal Code Section 4.12.310B(1).

Approval of this recommendation will ensure the City continues to receive these essential services encompassing a range of project sizes, from minor asphalt repairs to larger pavement maintenance efforts. Costs associated with these services include asphalt materials, paving operations, equipment mobilization, traffic control, and other related items necessary for asphalt paving services.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

HONORABLE MAYOR AND CITY COUNCIL

February 9, 2026

Subject: Actions Related to the Purchase Order with Wattis Construction Co., Inc. for Asphalt Paving Services

Page 3

COST SUMMARY/IMPLICATIONS

The recommended total amount of \$2,750,000, which includes \$2,500,000 for the purchase order and \$250,000 for the contingency, is to be funded by various departments as services are required. This purchase order will be managed by the Public Works Department on behalf of City departments. Any additional funding requirements will be considered through a future budget process or subject to the appropriation of funds.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, and the Public Works Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the March 3, 2026 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

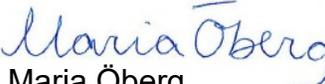
No commission recommendation or input associated with this action.

CEQA

Categorically Exempt, File No. ER24-313, CEQA Guidelines Section 15301(c), Existing Facilities.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.


Maria Öberg
Director of Finance

For questions, please contact Sylvia Jefferson, Assistant Director of Finance, Finance Department at Sylvia.Jefferson@sanjoseca.gov.