

July 5, 2016

## CITY COUNCIL AGENDA MEMORANDUM

### **SUBJECT**

Motion to reject all bids for Bid No. 16021 for Meydenbauer Bay Park Sewer Line Replacement and Grange Pump Station Improvements, CIP Plan Nos. S-69 and S-16, redesign the project and call for bids at a later date.

### **FISCAL IMPACT**

Rejecting this bid does not commit the City to a contract; however, the City would lose approximately \$4,500 in labor, printing, and advertising costs.

If awarded, this bid would commit the City to a contract of \$6,437,067.00. There is not sufficient budget existing within the Meydenbauer Bay Park Sewer Line Replacement and Sewer Pump Station Improvements (CIP Plan Nos. S-69 and S-16) to fully fund this contract as bid.

### **STAFF CONTACT**

Nav Otal, Director, 452-2041

Paul A. Bucich, Assistant Director of Engineering, 452-4596

*Utilities Department*

### **POLICY CONSIDERATION**

#### Utility Department policies:

- The Utility shall invest resources as necessary to construct, maintain and renew sewer system infrastructure and equipment such that Utility customers are provided consistent, reliable service.

#### Utility Department practice:

- Replace deteriorated sewer pipe throughout the service area. CIP Plan No. S-69 has been designated to do this.
- Rehabilitate or replace deteriorated elements of the wastewater system. CIP Plan No. S-16 has been designated to do this.

#### City contracting policies:

- Bellevue City Code section 4.28.040 requires the City to competitively bid public works in accordance with the Code and state law. Council approval is required to award or reject the bid where the cost exceeds \$90,000.

### **BACKGROUND**

The Meydenbauer Bay Park Sewer Line Replacement and Grange Pump Station Improvement project includes proposed construction of approximately 1,290 linear feet of sewer line that replaces an existing 10-inch diameter asbestos cement (AC) sewer pipe located along the shore of Lake Washington. The existing sewer line, constructed in the 1950s is nearing the end of its useful life. It has been subject to structural pipe failures and blockages in the recent past and is partially exposed on the lake bed. The proposed project would have replaced the old pipe with a new 12-inch diameter sewer line installed along the same off-shore alignment but constructed

deeper to avoid exposure along the lake bed and to stay below any shoreline modifications being considered with the future City Meydenbauer Bay Park Improvements Project.

The project also proposed improvements to the existing Grange Pump Station.

The project is within the City property along the shoreline of Lake Washington in Meydenbauer Beach Park, current undeveloped Park property, the Bellevue Marina, and within street right-of-way. The project has been coordinated with the Parks Department's Meydenbauer Bay Park Phase 1 final design efforts to minimize impacts to future park redevelopment.

Bids were opened on May 10, 2016 and are as follows:

Ceccanti	\$6,437,067.00
Road Construction NW	7,752,262.75
<b>Engineer's Estimate</b>	<b>\$3,597,891.00</b>

The low bid exceeded the Engineer's Estimate by 78.9% and exceeds the available budget for this project. Upon examination of the bids, it was determined that many of the bid item prices received from each of the bidders were inordinately high. Through review of the bid documents and consultation with the design engineers, staff have determined that a high level of risk in constructing the pipeline as designed contributed to the high bids on those items of work. The complexities of installing a replacement pipeline in the lakebed, performing high risk trenchless construction under a high embankment and under a building, and constructing a 34-foot deep pump station in close proximity to an existing apartment building elevated the costs above typical unit prices for sewer pipe and pump station work. Staff believe that the inherent risks associated with the constraints of the current design cannot be avoided, and that rebidding the project as is would not result in significantly better bids. Additionally, construction in the water is constrained by an allowed fish-window of July 15<sup>th</sup> through September 15<sup>th</sup>. To progress this design would require re-bidding the project and construction in 2017. This would significantly delay the Meydenbauer Park project and place grant funding of \$4M at risk.

Staff have determined that a lower cost option is available by constructing a shallower pipeline on land and eliminating plans to reconstruct Grange Pump Station. Staff believe the modified project will provide adequate performance through the addition of a smaller pump station at the north end of the project. This modified plan can be quickly designed and permitted and substantially constructed ahead of the park redevelopment work due to start in May 2017. Utilities staff have presented the concept to the Parks Department and staff will work together to integrate the utility facilities with the new park.

Staff recommend that the current bids be rejected and the project be redesigned and rebid. Doing so will achieve the need of replacing the aging sewer pipeline at significantly lower project costs.

Should Council direct staff to move forward with the current design, funds would need to be borrowed from the Wastewater Infrastructure Renewal and Replacement (R&R) fund. This will require a future rate increase to rebuild the fund for planned future expenses.

### **EFFECTIVE DATE**

If adopted, this Motion becomes effective immediately upon adoption.

### **OPTIONS**

1. Reject all bids for Bid No. 16021 for Meydenbauer Bay Park Sewer Line Replacement and Grange Pump Station Improvements, CIP Plan Nos. S-69 and S-16, redesign the project and call for bids at a later date.
2. Award to low bidder and direct staff to utilize Wastewater Infrastructure Renewal and Replacement (R&R) funds.
3. Reject all bids & provide alternative direction to staff

### **RECOMMENDATION**

Option No. 1.

### **MOTION**

Move to reject all bids for Bid No. 16021 for Meydenbauer Bay Park Sewer Line Replacement and Grange Pump Station Improvements, CIP Plan Nos. S-69 and S-16, redesign the project and call for bids at a later date.

### **ATTACHMENTS**

Vicinity Map

CIP Project Descriptions