

CITY COUNCIL REGULAR SESSION

Motion to award Bid No. 22030 for Overlay and Pavement Restoration 2022 to Watson Asphalt Paving Co, as the lowest responsive and responsible bidder, in an amount not to exceed \$846,486, plus all applicable taxes.

Nav Otal, Director, 452-2041

Linda De Boldt, Assistant Director of Engineering, 452-4625

Utilities Department

EXECUTIVE SUMMARY

This motion will award Bid No. 22030 to Watson Asphalt Paving Co for Overlay and Pavement Restoration 2022.

RECOMMENDATION

Move to award Bid No. 22030 for Overlay and Pavement Restoration 2022 to Watson Asphalt Paving Company.

BACKGROUND/ANALYSIS

This project will restore pavement at several sites where the Utility has completed water main replacement projects during the past year. Work will take place in several neighborhoods in the Bellevue service area including Clyde Hill, Downtown/Bel-Red, Northeast Bellevue, West Lake Sammamish, Lake Hills, and Eastgate/Factoria.

Temporary pavement was installed on these neighborhood streets, after the utility repair work was performed. In order to bring the pavement condition on these streets back to their original condition, permanent pavement restoration, including asphalt grinding and pavement overlays, is required by the City of Bellevue. Individually, each project would be a small overlay project. By combining all the overlay work for these project sites into a single large pavement contract, the City will realize cost savings through economies of scale and by having this work completed by a specialized paving contractor.

Bids were opened on June 23 and are as follows.

Watson Asphalt Paving Co	\$846,486.00
Lakeridge Paving Company LLC	\$935,308.40
Lakeside Industries	\$973,982.00

Engineer's Estimate**\$799,321**

The low bid from Watson Asphalt Paving Co is \$47,165 or approximately 6 percent greater than the engineer's estimate. An analysis of this bid found that the higher-than-expected bid prices were likely due to the current bidding climate caused by increased labor costs and construction equipment availability. The greatest disparity in the unit prices between the engineers estimate and the bids was in the utility adjustments which are labor intensive tasks. Additionally, the unit cost difference for "Grind

Asphalt Pavement” was higher than anticipated, likely because there are a very limited number of pavement grinding machines available, especially when this work will be completed which is at the end of the paving season.

To the best of staff's knowledge, all factors that normally contribute to construction expense have been accounted for in the plans and in the Engineer's Estimate. It is our experience that construction projects of this type usually result in some amount of field changes. Such claims are rigorously reviewed and only those that are clearly necessary to accomplish the intent of the contract, but have somehow not been provided for, will be paid.

POLICY & FISCAL IMPACTS

Policy Impact

Utilities Department policies: To invest resources as necessary to construct, maintain and renew water system infrastructure and equipment so that Utility customers are provided with consistent, reliable service.

Utilities Department practice: Replace aging small diameter asbestos cement water mains and repair aging and deteriorated sewer mains, providing temporary asphalt and pavement restoration in conjunction with the utility work. Provide permanent asphalt pavement restoration for multiple sites in one contract for efficiency and cost savings.

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 the bid where the cost exceeds \$90,000.

Fiscal Impact

Awarding this bid commits the City to payment of \$846,486. This contract is fully funded through Small Diameter Water Main Replacement (CIP Plan No. W-16). Sufficient funds have been budgeted to fund this contract in the 2021-2027 CIP Budget.

OPTIONS

1. Award Bid No. 222030 for Overlay and Pavement Restoration 2022 to Watson Asphalt Paving Co, as the lowest responsive and responsible bidder, in an amount not to exceed \$846,486, plus all applicable taxes.
2. Reject all bids and re-bid at a later date.

ATTACHMENTS

- A. Vicinity Map
- B. CIP Project Description

AVAILABLE IN COUNCIL LIBRARY

N/A