

CITY COUNCIL REGULAR SESSION

Ordinance authorizing the (1) award of Bid No. 22041, for 2022 Pipe Defect Repair – Phase 1 construction (Capital Investment Program (CIP) Plan Nos. D-64 and S-24), to Interwest Construction, Inc., as the lowest responsible and responsive bidder; in an amount not to exceed \$4,084,313.22, plus all applicable taxes; (2) amendment of the 2021-2027 CIP Plan to transfer \$330,350 from the NE 8th Street Culvert at Kelsey Creek Project (CIP Plan No. D-105) to the Storm Water System Conveyance Infrastructure Rehabilitation Program (CIP Plan No. D-64); and (3) amendment of the 2021-2027 CIP Plan to transfer \$969,650 from the Water Quality Retrofit Program (CIP Plan No. D-109) to the Storm Water System Conveyance Infrastructure Rehabilitation Program (CIP Plan No. D-64).

Nav Otal, Director, 452-2041

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

Utilities Department

EXECUTIVE SUMMARY

This Ordinance will authorize the award of Bid No. 22041 for 2022 Pipe Defect Repair – Phase 1 to Interwest Construction, Inc.; and it will amend the 2021-2027 General CIP Plan to transfer \$330,350 from the NE 8th Street Culvert at Kelsey Creek project and \$969,650 from the Water Quality Retrofit Program to the Storm Water System Conveyance Infrastructure Rehabilitation Program.

RECOMMENDATION

Move to adopt Ordinance No. 6678

BACKGROUND/ANALYSIS

The work for this project involves repairing and replacing existing cracked and deformed sewer and storm drainage pipes at different locations within the City using dig and repair methods.

As the City's sewer and storm drainage infrastructure ages, pipelines, catch basins and other system components deteriorate to the point that some components are at risk of failing. Repair or replacement of these critical facilities is needed to prevent failures that could result in increased flooding, erosion, sewer overflows, and damage claims. Utilities uses asset management best practices to proactively assess and prioritize sewer and storm drainage infrastructure for rehabilitation and replacement; this is based on age, condition, criticality, and failure risk. Based on these assessments, timely replacement or repair of wastewater and stormwater facilities enables proactive system management to maintain sewer and stormwater service levels and meet regulatory requirements at the lowest life cycle costs. This project will be accomplished through CIP Plan No. D-64 and CIP Plan No. S-24.

Bids were opened on August 11 and are as follows. Please note, these bids include 10.1 percent Washington State sales tax on applicable bid items:

Interwest Construction, Inc.	\$4,084,313.22
Road Construction Northwest, Inc.	\$4,109,179.81
Laser Underground & Earthworks, Inc.	\$4,222,352.11

Engineer's Estimate

\$2,980,702.42

The low bid from Interwest Construction is \$1,103,610 or approximately 37 percent greater than the engineer's estimate. An analysis of this bid found that the higher-than-expected bid prices for construction bid items were likely due to the contractor's increased costs for labor, materials, and equipment as well as for higher estimated costs for traffic control and property restoration.

To the best of staff's knowledge, all factors that normally contribute to construction expense have been accounted for in the contract plans and 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: The Utility shall identify drainage capital projects that prevent or reduce flooding or property damage, protect or improve water quality, and maintain or improve the reliability and integrity of the drainage system. 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.

Utilities Department practice: Rehabilitate or replace deteriorated elements of the storm drainage system to ensure that utility customers are provided with consistent and reliable service. CIP Plan No. D-64 has been designated to do this. Rehabilitate or replace deteriorated elements of the wastewater system. CIP Plan No. S-24 has been designated to do this.

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

This contract is funded in the amount of \$2,849,305 through the Storm System Conveyance Repairs and Replacement Program (CIP Plan No. D-64) and \$1,235,008 through the Sewer System Pipeline Major Repairs Program (CIP Plan No. S-24)

Sufficient funds have been budgeted for Sewer System Pipeline Major Repairs (CIP Plan No. S-24) to fully fund the sewer repair amount of this contract in the 2021-2027 CIP Budget.

The Storm System Conveyance Repairs and Replacement Program (CIP Plan No. D-64) has an estimated shortfall of \$1,300,000 resulting from the expenditures incurred in two emergency storm system repair projects – the Vasa Creek Culvert Emergency Repair project and West Lake Sammamish Parkway Sinkhole and Slope Repair project. To fill the budget deficit, Council budget authority is requested to transfer \$330,350 from the NE 8th Street Culvert at Kelsey Creek project (CIP Plan No. D-105) and \$969,650 from the Water Quality Retrofit Program (CIP Plan No. D-109) to the Storm Water System Conveyance Infrastructure Rehabilitation Program to increase the Fiscal Year 2022 budget for CIP Plan No. D-64. The NE 8th Street Culvert at Kelsey Creek project (CIP Plan No. D-105) and the Water Quality Retrofit Program (CIP Plan No. D-109) have substantially completed all construction and have projected savings of \$330,350 and \$975,970 respectively after accounting for all

remaining costs. This action will result in no net change to the total budget for the Stormwater Utility CIP. Approval of this budget transfer will amend the program budgets for the CIP Plans as follows:

	Total Program Budget	Total Projected Expenditures	Projected Balance	This Action
D-64 Storm Water System Conveyance Infrastructure Rehabilitation	\$ 32,425,231	\$ 33,625,231	(\$ 1,300,000)	\$ 1,300,000
D-105 NE 8th Street Culvert at Kelsey Creek	\$3,983,000	\$ 3,652,650	\$ 330,350	(\$ 330,350)
D-109 Water Quality Retrofit Program	\$ 1,407,000	\$ 431,030	\$ 975,970	(\$ 969,650)

Awarding this bid commits the City to payment of \$4,084,313.22, plus all applicable taxes.

OPTIONS

1. Adopt the Ordinance authorizing the (1) award of Bid No. 22041, for 2022 Pipe Defect Repair – Phase 1 construction (Capital Investment Program (CIP) Plan Nos. D-64 and S-24), to Interwest Construction, Inc., as the lowest responsible and responsive bidder; in an amount not to exceed \$4,084,313.22, plus all applicable taxes; (2) amendment of the 2021-2027 CIP Plan to transfer \$330,350 from the NE 8th Street Culvert at Kelsey Creek Project (CIP Plan No. D-105) to the Storm Water System Conveyance Infrastructure Rehabilitation Program (CIP Plan No. D-64); and (3) amendment of the 2021-2027 CIP Plan to transfer \$969,650 from the Water Quality Retrofit Program (CIP Plan No. D-109) to the Storm Water System Conveyance Infrastructure Rehabilitation Program (CIP Plan No. D-64).
2. Do not adopt the Ordinance, reject all bids and provide alternative direction to staff.

ATTACHMENTS

- A. Vicinity Map
 - B. CIP Project Description
- Proposed Ordinance No. 6678

AVAILABLE IN COUNCIL LIBRARY

N/A