

April 20, 2015

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Ordinance No. 6224 authorizing:

1. A budget transfer of \$410,000 from the Utility Facilities for 120th Avenue NE Improvements (Segment 2) Project (CIP Plan No. S-63) to the East Central Business District Sewer Trunkline Improvements Project (CIP Plan No. S-52), and amending the 2015-2021 Utility Capital Investment Program (CIP) Plan to reflect the transfer of the \$410,000 from the Utility Facilities for 120th Avenue NE Improvements (Segment 2) Project (CIP Plan No. S-63) to the East Central Business District Sewer Trunkline Improvements Project (CIP Plan No. S-52); and
2. Motion to award Bid No. 15016 for East Central Business District Sewer Trunkline Improvements to Shoreline Construction, as the lowest responsible and responsive bidder in the amount of \$2,874,698.03 (CIP Plan No. S-52).

FISCAL IMPACT

Bid Award

Six bids were received ranging in value from \$2,874,698.03 to \$4,060,199.78. Awarding this bid commits the City to payment of \$2,874,698.03, the lowest bid received. This contract is fully funded through the Utility's East CBD Sewer Trunkline Improvements (CIP Plan No. S-52). This amount is approximately 17% below the Engineer's Estimate.

Total Project Cost and Proposed Budget Transfer:

The updated total project cost estimate for CIP Plan No. S-52 is \$3,769,000, inclusive of the work specified in the aforementioned bid award. The authorized 2015-2016 budget for this project is \$3,359,045, resulting in an estimated shortfall of \$409,955. To fill the project budget gap, Council authority enabling a budget transfer of \$410,000 is being requested from CIP Plan No. S-63 to CIP Plan No. S-52. Current cost estimates for CIP Plan No. S-63 indicate anticipated cost savings of approximately \$591,914, leaving sufficient remaining budget authority to support the recommended transfer to CIP Plan No. S-52. This action will result in no net change to the total budget for the Sewer Utility CIP. Approval of this budget transfer will amend the project budgets for the CIP Plans as follows:

	Total Project Budget	LTD Expenditures	Total Projected Expenditures	Projected Balance	This Action
S-52 East CBD Sewer Trunkline Improvements	\$3,359,045	\$725,375	\$3,769,000	(\$409,955)	\$410,000
S-63 Utility Facilities for 120 th Ave NE Improvements (Segment 2)	\$1,198,914	\$20,201	\$607,000	\$591,914	(\$410,000)
Net budget change from this action					\$0

The total projected cost of \$3,769,000 assumes full expenditure of \$100,000 in project contingencies allocated to this project.

STAFF CONTACT

Nav Otal, Director, 452-2041

Paul 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.

City Comprehensive Plan policies:

- Base the extension and sizing of system components on the land use plan of the area. System capacity will not determine land use.

Utility Department practice:

- The City's practice is to provide sufficient sewer capacity to allow planned development. The current trunk line capacity would limit redevelopment within the East Central Business District of Downtown Bellevue (CBD). CIP Plan Number S-52 has been designated to replace the current trunk line to provide sufficient capacity to meet the needs of planned growth.

City contracting policies:

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

BACKGROUND

This project is intended to replace approximately 1,800 lineal feet of existing 12-inch and 20-inch diameter sewer pipe with 30-inch to 42-inch pipe to convey sewage from the eastern portion of the central business district (CBD).

The project is needed to provide sufficient sewer capacity to allow planned development in the eastern portion of the CBD. Sufficient capacity is needed to reduce the likelihood and occurrence of sewer overflows which pollute surface waters and create potential health and safety hazards. The Comprehensive Wastewater Plan projects that future development within the eastern portion of the CBD requires construction of this project. If these pipelines are not enlarged, the current system capacity would limit Downtown re-development.

Bids were opened on February 24, 2015 and are as follows:

Shoreline Construction	\$2,874,698.03
R.L. Alia Company	3,124,965.75
James W. Fowler Company	3,345,931.28
Titan Earthworks, LLC	3,434,460.38

Mid Mountain Contractors
Northwest Cascade, Inc.

4,114,276.35
4,060,199.78

Engineer's Estimate

\$3,465,756.90

This project was previously bid on November 5, 2014, but all bids were subsequently rejected due to an inconsistency in a particular bid item brought to staff's attention by the apparent low bidder after the bid opening, but prior to contract award. Staff reviewed the contract bid documents and agreed that there were errors in the bidding documents related to the pipe bedding material. After extensive attempts to resolve these errors with the design firm, and after consultation with the City Attorney's Office, Utilities Engineering concluded that no legal remedy existed to award the contract using the existing bid documents. The errors have been corrected and the project was re-advertised for bids on February 10, 2015.

The authorized 2015-2016 budget for this project is \$3,359,045. Total project expenditures are estimated at \$3,769,000, for a budget shortfall of \$409,955. This shortfall is proposed to be funded by a transfer of \$410,000 from the Utility Facilities for 120th Avenue NE Improvements (Segment 2) Project (CIP Plan No. S-63). This shortfall is a result of work items added and design revisions made during the final design stages of the project. Engineering cost estimates were made for these additions/changes, and Utilities tracked these costs as the design was finalized. The stated budget shortfall is based on actual projected costs (i.e. low bid/contract award), reflecting the benefit of the competitive bidding process to define actual costs.

The cost increase is due primarily to a number of items identified between 60 and 90 percent design completion. The proposed sewer pipes are the largest (30-inch and 42-inch diameter) and deepest (up to 25 feet deep) constructed by the City of Bellevue to date and, being beneath a major roadway (112th Avenue SE), will need to have a very long service life. The size of the pipes increased from previous calculations (by 6 inches in diameter for each pipe) due to re-zoning calculations done in mid-2014 for projected sewer flows in the East Downtown/Wilburton service area. Post project initiation, Utilities worked with Sound Transit as their project design was refined. The "road over rail" design by Sound Transit will result in the sewer line in 112th Avenue SE being approximately 45 feet deep. With that in mind, the sewer pipe material was changed from conventional concrete or PVC pipe to fiberglass reinforced plastic pipe (FRP) requiring a different pipe bedding: lean concrete pipe bedding. FRP pipe and the associated pipe bedding has superior strength, corrosion resistance and a very long life expectancy, but is more expensive than conventional concrete or PVC.

Since this project will reduce traffic on 112th Avenue SE to two lanes (one-lane each direction) for up to six months and will impact turning movements at the 112th and SE 8th Street intersection, a \$15,000 incentive for early completion was added. Variable message signs were also added to the project scope in order to better inform motorists of the construction work impacting 112th and 8th. And lastly, a contingent bid item "Miscellaneous Work" of \$100,000 was added to account for unanticipated issues that may arise during construction.

The addition of these items has equated to cost increases to the project but will ensure a better project during construction and a longer lasting system designed with a service life in excess of 100 years.

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 may 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.

EFFECTIVE DATE

If adopted, this Ordinance becomes effective on April 28, 2015.

OPTIONS

1. Adopt the Ordinance authorizing a budget transfer of \$410,000 from the Utility Facilities for 120th Avenue NE Improvements (Segment 2) Project (CIP Plan No. S-63) to the East Central Business District Sewer Trunkline Improvements Project (CIP Plan No. S-52), and amending the 2015-2021 Utility Capital Investment Program (CIP) Plan to reflect the transfer of the \$410,000 from the Utility Facilities for 120th Avenue NE Improvements (Segment 2) Project (CIP Plan No. S-63) to the East Central Business District Sewer Trunkline Improvements Project (CIP Plan No. S-52), and
2. Award Bid No. 15016 for East Central Business District Sewer Trunkline Improvements to Shoreline Construction, as the lowest responsible and responsive bidder in the amount of \$2,874,698.03 (CIP Plan No. S-52).
3. Award contract to another bidder, if low bidder is rejected and amend the 2015-2021 Utility Capital Investment Program (CIP) Plan as appropriate.
4. Reject all bids and re-bid at a later date.

RECOMMENDATION

Options No. 1 and No.2

This contractor has satisfactorily performed similar projects for the City in the past.

MOTION

Move to adopt Ordinance No. 6224 authorizing: 1) A budget transfer of \$410,000 from the Utility Facilities for 120th Avenue NE Improvements (Segment 2) Project (CIP Plan No. S-63) to the East Central Business District Sewer Trunkline Improvements Project (CIP Plan No. S-52), and amending the 2015-2021 Utility Capital Investment Program (CIP) Plan to reflect the transfer of the \$410,000 from the Utility Facilities for 120th Avenue NE Improvements (Segment 2) Project (CIP Plan No. S-63) to the East Central Business District Sewer Trunkline Improvements Project (CIP Plan No. S-52; and 2) Motion to award Bid No. 15016 for East Central Business District Sewer Trunkline Improvements to Shoreline Construction, as the lowest responsible and responsive bidder in the amount of \$2,874,698.03 (CIP Plan No. S-52).

ATTACHMENTS

- A: Vicinity Map
- B: CIP Project Description
- C: Proposed Ordinance No. 6224