

May 4, 2015

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Motion to award Bid No. 15035 for the On-Call Asphalt and Concrete Repair Contract to AA Asphalt Inc. in the amount of \$3,884,130.00 for a five year term.

FISCAL IMPACT

Awarding Bid No. 15035 commits the City to a contract of \$3,884,130.00 plus applicable Washington State Sales Tax for city-wide asphalt and concrete repairs to infrastructure such as roadway and walkway surfaces resulting from utility installs, repairs or infrastructure degradation. This contract includes repair locations from multiple sections within the Utilities, Transportation, and Parks Departments. Funding is set aside from the following budgets to finance the projects submitted by each individual section. Sufficient funding exists in current budgets to fully fund this contract as illustrated in the table below. Funding for the latter years of the contract will be requested as part of the 2017 – 2020 Budget.

Funding Sources	Estimate Amount Per Year
Water Utility Fund	\$129,471
Surface Water Utility Fund	\$129,471
Wastewater Utility Fund	\$129,471
Parks General Fund	\$129,471
Transportation General Fund	\$129,471
CIP Plan No. PW-M-19, Major Maintenance Program	\$129,471
Total Estimated Amount Per Year	\$776,826
Total Estimate Amount for Five Years	\$3,884,130

STAFF CONTACT

Jan Hawn, Director, x 6846

Sara Lane, Assistant Finance Director, x7247

Finance Department

POLICY CONSIDERATION

Bellevue City Code 4.28.030(1):

- The City has promulgated procurement procedures for the utilization of on-call contracts for services and minor repair that fit within these criteria: (1) work that is not regularly scheduled but is required to maintain the asset so that further repair is not required or until larger repairs can be performed; 2) for existing infrastructure enhancements; and (3) for projects/tasks that are simple, short-term and small in scale.
- Council approval is required for contracts greater than \$90,000.

BACKGROUND

In order to simplify and streamline procurement processes, the Finance Department has collaborated with departments to identify a number of common service areas for which one competitive process can be conducted for all departments to utilize. The goal is to develop a variety of on-call contracts for staff to utilize in order to reduce costs and enhance efficiency through use of negotiated contracts.

The City's Procurement Services Division is coordinating these efforts and will continue to competitively solicit pricing agreements for other common service areas where appropriate. These on-call contracts do not guarantee that the contractor will receive a specific volume of work, a specific total contract amount, or a specific order value. They are structured as pricing agreements for specific hourly rates, terms and conditions. Should the 2017-2020 budgets reduce or eliminate funding for these types of services, the City is under no obligation to utilize services to the negotiated upper limit or a "not to exceed" amount. Council approval is required for these contracts because the expenditure for the services in total is anticipated to exceed the City Manager's (or designee) approval threshold.

This agreement for roadway and sidewalk surface repairs provides for the removal of temporary patches and installation of permanent asphalt and concrete. These permanent repairs are needed to meet City standards, to reduce the probability of damages and claims, and to meet the City's customer service goals. This contract provides for permanent asphalt pavement and concrete walkway repairs needed as a result of utility installs, repairs, or infrastructure degradation on City streets and park facilities.

BID RESULTS

The Engineer's estimate for this project was \$5,107,000 for a period of five years. The bid was issued based on the combined quantities of work performed over the past two years. The bid amount was an estimate. Two Contractors submitted bids for the On-Call Asphalt and Concrete Repair Contract as follows:

AA Asphalt Inc.	\$ 3,884,130.00
Northwest Asphalt Inc.	\$ 6,397,680.00

The low bid for this contract by AA Asphalt Inc. is 24% below the Engineer's Estimate. The bid tabulation has been evaluated by staff and is considered to be fair and competitive. Adequate funds are available in current budgets within the Transportation, Utilities and Parks Operating Budgets and identified CIP programs. Funding for the latter years of the contract will be requested as part of the 2017 – 2020 Budget.

EFFECTIVE DATE

If approved, this bid award will become effective immediately.

OPTIONS

1. Award Bid No. 15035 for the On-call Asphalt and Concrete Repair Contract to AA Asphalt Inc. in the amount of \$3,884,130.00 for a five year term.
2. Do not award the bid and provide alternative direction to staff.

RECOMMENDATION

Award Bid No. 15035 for the On-call Asphalt and Concrete Minor Repair Contract to AA Asphaltting Inc. in the amount of \$3,884,130.00 for a five year term.

MOTION

Move to award Bid No. 15035 for the On-call Asphalt and Concrete Minor Repair Contract to AA Asphaltting Inc. in the amount of \$3,884,130.00 for a five year term.