

May 16, 2016

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Motion to award Bid No. 16008 for AC Water Main Replacement 2016 – Phase 1 to Earthwork Enterprises, as the lowest responsible and responsive bidder, in the amount of \$1,833,367.26 (CIP Plan No.W-16).

### **FISCAL IMPACT**

Awarding this bid commits the City to payment of \$1,833,367.26. This contract is fully funded through the Utility's Small Diameter Water Main Replacement Program (CIP Plan No. W-16). This amount is approximately 18.3% below the Engineer's Estimate. Sufficient funds have been budgeted to fund this contract in the 2015-2016 Utilities CIP Budget.

### **STAFF CONTACT**

Nav Ota, Director, 452-2041

Paul Bucich, Assistant Director of Engineering, 452-4596

*Utilities Department*

### **POLICY CONSIDERATION**

#### 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 small diameter asbestos cement water main installed in the late 1940's and 1950's to reduce the possibility of water main breaks. CIP Plan No. W-16 has been designated to do this.

#### City contracting policies:

- BCC 4.28.040 requires the City to competitively bid public works in accordance with all applicable laws. Council approval is required to award the bid where the cost thereof exceeds \$90,000.

### **BACKGROUND**

The Small Diameter Water Main Replacement program has been ongoing for a number of years. Replacement of older asbestos cement water main will reduce the possibility of pipeline failure that may result in property damage and potential claims against the City, and is consistent with the Utilities asset management program.

To achieve the best possible price for these improvements, several project sites have been combined into one bid package. This combined project will replace approximately 8,050 linear feet of aging and undersized water main pipe throughout the Utilities service area. Utilities has been coordinating with individual property owners to minimize construction inconveniences to neighborhoods.

The project sites are located within the Cougar Hills, Medina, and Eastgate areas within the Bellevue service area.

Bids were opened on April 13, 2016 and are as follows:

Earthwork Enterprises	\$1,833,367.26*
Kar-Vel Construction	2,026,185.81
Laser Underground & Earthwork	2,492,868.24
Westwater Construction	3,340,819.82

<b>Engineer's Estimate</b>	<b>\$2,244,121.91</b>
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\*Earthwork Enterprises is the apparent low bidder with a bid price of \$1,833,367.26. Their original reported total bid price was \$1,832,678.00; however, a non-substantive mathematical error was identified and their bid was re-calculated resulting in an actual bid price \$1,833,367.26. This revised bid was deemed competitive, accurate and remained the apparent low bid.

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.

#### **EFFECTIVE DATE**

If adopted, the award of this bid will become effective immediately.

#### **OPTIONS**

1. Award Bid No. 16008 for AC Water Main Replacement 2016 – Phase 1 to Earthwork Enterprises, as the lowest responsible and responsive bidder, in the amount of \$1,833,367.26 (CIP Plan No.W-16).
2. Award contract to another bidder if low bidder is rejected.
3. Reject all bids and re-bid at a later date.

#### **RECOMMENDATION**

Option 1.

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

#### **MOTION**

Move to award Bid No. 16008 for AC Water Main Replacement 2016 – Phase 1 to Earthwork Enterprises, as the lowest responsible and responsive bidder, in the amount of \$1,833,367.26 (CIP Plan No.W-16).

#### **ATTACHMENTS**

Vicinity Map  
CIP Project Descriptions