

August 1, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Motion to award Bid No. 16044 for AC Water Main Replacement 2016 – Phase 2 to Laser Underground & Earthworks, as the lowest responsible and responsive bidder, in the amount of \$2,094,293.72 (CIP Plan No. W-16 and W-67).

FISCAL IMPACT

Awarding this bid commits the City to payment of \$2,094,293.72. This contract is fully funded through the Utility's CIP Program as follows:

Small Diameter Water Main Replacement	CIP Plan No. W-16	\$2,001,302.27
Pressure Reducing Valve (PRV) Rehabilitation	CIP Plan No. W-67	92,991.45
	Total Bid Price	\$2,094,293.72

This amount is approximately 7% below the Engineer's Estimate. Sufficient funds have been budgeted to fund this contract in the 2015-2021 Utilities CIP Budget.

STAFF CONTACTS

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.
- Replacing old and outdated pressure reducing stations, commercial meters, fire hydrants and service lines ensures utility customers receive consistent, reliable service, and ensures the system infrastructure delivers adequate water flow for fire protection. CIP Plan No. W-67 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 7,700 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 in Medina, Ardmore, Lake Hills, and the Hill Top areas within the Bellevue service area.

Bids were opened on June 22, 2016 and are as follows:

Laser Underground & Earthwork	\$2,094,293.72
D&G Backhoe, Inc.	2,226,855.48
Laser Underground & Earthwork	2,227,967.48

Engineer's Estimate	\$2,252,135.88
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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 approved, Motion will become effective immediately upon Council adoption.

OPTIONS

1. Award Bid No. 16044 for AC Water Main Replacement 2016 – Phase 2 to Laser Underground & Earthworks, as the lowest responsible and responsive bidder, in the amount of \$2,094,293.72 (CIP Plan No.W-16 and W-67).
2. Award contract to another bidder if low bidder is rejected.
3. Reject all bids and re-bid at a later date.

RECOMMENDATION

Option No. 1.

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

MOTION

Move to award Bid No. 16044 for AC Water Main Replacement 2016 – Phase 2 to Laser Underground & Earthworks, as the lowest responsible and responsive bidder, in the amount of \$2,094,293.72 (CIP Plan No.W-16 and W-67).

ATTACHMENTS

Vicinity Map

CIP Project Descriptions