

**CITY COUNCIL REGULAR SESSION**

Motion to award Bid No. 18043 for Service Saddle Replacement 2018 to Road Construction NW, Inc., as the lowest responsible and responsive bidder in the amount of \$350,625, plus all applicable taxes (CIP Plan No. W-99).

Nav Ota, Director, 452-2041

Linda De Boldt, Assistant Director, 452-4625

*Utilities Department*

**EXECUTIVE SUMMARY**

This motion awards Bid No. 18043 for Service Saddle Replacement 2018 to Road Construction NW, Inc.

**RECOMMENDATION**

Move to award Bid No. 18043 for Service Saddle Replacement 2018 to Road Construction NW, Inc.

If approved, effective date: 09/17/2018

**BACKGROUND/ANALYSIS**

The Water Service Saddle Replacement Program provides the means for a proactive approach towards maintaining the function of water service saddles and service lines. It supports consistent long-term customer service levels by reducing the number of service saddle failures and resulting service interruptions and property damage. The expected result is increased customer satisfaction, reduced service interruptions and a reduction in claims as the system ages.

As part of the Water Services Saddle Replacement Program, the City went out to bid for replacement of 23 water service saddles and 26 associated water service lines at two different sites; SE 29<sup>th</sup> Court and 170<sup>th</sup> Avenue SE Cul-De-Sac off SE 45<sup>th</sup> Street. These sites were chosen based on past failure history. The residents in these neighborhoods experienced numerous un-expected service interruptions due to breaks of service lines. Water service lines and service saddle failures are caused by several factors including age and material type of the water services saddles and service lines, surrounding soil type, corrosiveness of the soil, and groundwater conditions. Since most of the services and saddles that will be replaced under this contract were installed at the same time as previously failed services and saddles in these neighborhoods with the same soil and groundwater conditions, the possibility of future failure is high. This project will mitigate the risk of failure and service impacts to these customers.

Bids were opened on August 7th and are as follows:

Road Construction	\$ 350,625
Laser Underground	\$ 410,839
Kar-Vel Construction	\$ 447,392

<b>Engineer's Estimate</b>	<b>\$ 276,760</b>
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Upon bid evaluation, Road Construction NW, Inc. has been found to be the lowest responsive and responsible bidder. Although this bid is over the Engineer's Estimate, it should be noted that the cost of many other construction projects increased dramatically over the last number of years. The primary construction inflationary drivers include increases in the cost of materials and labor, escalating fuel prices, and a lack of market competition locally and globally due to high construction activity. The high construction inflation is a regional and national issue. The Utilities Department has worked to maximize construction efficiencies in various manners, including combining small projects into larger projects for efficiencies of scale, putting bids out during an optimum time of year and enhanced coordination with other City projects, such as the Transportation street overlay program.

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.

## **POLICY & FISCAL IMPACTS**

Utilities Department policies:

- Investing 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 deteriorated elements of the water system to provide utility customers with consistent, reliable service. CIP Plan No. W-99 has been designated to do this.

City contracting policies:

- 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 Impacts:

Awarding this bid commits the City to payment of \$350,625, plus all applicable taxes. This contract is fully funded through the Utility's Water Service Line and Saddle Replacement Program (CIP Plan No. W-99). This amount is approximately 26.7 percent over the Engineer's Estimate. Sufficient funds have been budgeted to fund this contract in the 2017-2023 Utilities CIP Budget.

## **OPTIONS**

1. Award Bid No. 18043 for Service Saddle Replacement 2018 to Road Construction NW, Inc., as the lowest responsible and responsive bidder in the amount of \$350,625, plus all applicable taxes (CIP Plan No. W-99).
2. Award contract to another bidder, if low bidder is rejected.
3. Reject all bids and re-bid at a later date.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

- A. Vicinity Map
- B. CIP Project Description

## **AVAILABLE IN COUNCIL LIBRARY**

N/A