

April 3, 2017

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Motion to award Bid No. 17013 for Midlakes Force Main CIPP to Road Construction Northwest, Inc., as the lowest responsible and responsive, bidder in the amount of \$405,170 plus all applicable taxes (CIP Plan No. S-66).

Ordinance amending the 2017-2023 Utility Capital Investment Program (CIP) Plans by decreasing the total 2017-2018 available budget for the Sewer Pump Station Improvements Program (CIP Plan No. S-16) by \$375,000 and increasing the 2017 budget for the Sewer System Pipeline Replacement Program (CIP Plan No. S-66) by \$375,000.

FISCAL IMPACT

Bid Award

Awarding this bid commits the City to payment of \$405,170 plus all applicable taxes. This contract is fully funded through the Utility's Sewer System Pipeline Replacement (CIP Plan No. S-66). This amount is approximately 8.3 percent above the Engineer's Estimate. Sufficient funds have been budgeted to fund this contract in the 2017-2023 Utilities CIP Budget.

Proposed Budget Transfer

No net change to the total budget for the Sewer CIP:

This action will result in no net change to the total 2017-2018 budget for the Sewer Utility CIP.

Approval of this budget transfer will amend the 2017-2018 available project budgets for the Sewer Utility CIP as follows:

| CIP Plan | Total Budget Appropriated To Date ¹ | LTD Expenditures ² | Available Budget | Total Planned Expenditures 2017-2018 | This Action (Budget Transfer) | New 2017-2018 Available Budget ³ |
|--|--|-------------------------------|------------------|--------------------------------------|-------------------------------|---|
| S-66 Sewer System Pipeline Replacement | \$6,813,889 | \$2,859,896 | \$3,953,993 | \$4,328,993 (\$375,000 shortfall) | \$375,000 | \$4,328,993 |
| S-16 Sewer Pump Station Improvements | \$15,679,155 | \$12,917,318 | \$2,761,837 | \$1,786,837 (\$975,000 surplus) | (\$375,000) | \$1,786,837 |
| Net budget change from this action | | | | | \$0 | |

¹ - Budget Appropriated To Date through 2018

² - Life To Date Expenditures through 2016

³ - New Available Budget for S-16 assumes additional budget transfer of \$600,000 to CIP Plan S-69 addressed in another agenda memorandum presented to Council April 3, 2017.

STAFF CONTACTS

Andrew Lee, Deputy Director, 452-7675

Regan Sidie, Engineering Design Manager, 452-6857

Utilities Department

POLICY CONSIDERATION

Utilities 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.

Utilities Department practice:

- It is the Utility's practice to replace deteriorated sewer pipe throughout the service area. CIP Plan No. S-66 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.

BACKGROUND

The Midlakes Force Main CIPP (cured in place pipe) project will be completed under the CIP number S-66. This project involves relining approximately 800 linear feet of 10-inch cast iron force main from the existing Midlakes Pump Station and replacing approximately 200 linear feet of corroded 10-inch cast iron force main with new 10-inch ductile iron pipe in 130th Avenue NE. The force main was installed in 1968 and has reached the end of its useful life. In 2016, this pipeline failed at two separate locations resulting in two sewage overflows to the environment. The pipeline is currently being bypassed via a temporary overland pipe across private property and a portion of 130th Avenue NE. Staff evaluated three different options to replace/rehabilitate this pipe; open cut dig and replace, as well as two trenchless methods, cured-in-place pipe lining, and pipe bursting. The selected option is a combination of a cured-in-place pipe liner for 800 linear feet of straight pipe, and open cut to replace approximately 200 linear feet where existing bends in the pipeline prevented use of a trenchless method. The cured-in-place pipe liner installation significantly shortens the construction window, avoids disruption to a business located at the construction site, and eliminates the risk of damage to a gas line located next to the force main.

The 800 linear feet of pipe to be relined is located on a City-owned property and an easement on private property. There will not be any excavation in the easement area.

A single bid was received on February 28 and was as follows:

| | |
|-----------------------------------|-----------|
| Road Construction Northwest, Inc. | \$445,687 |
|-----------------------------------|-----------|

| | |
|----------------------------|------------------|
| Engineer's Estimate | \$411,433 |
|----------------------------|------------------|

Effective April 1 the Washington State Sales Tax Rate will be adjusted from 9.5 percent to 10 percent. The above referenced bid amount reflects a tax rate of 10 percent. Progress payments made to the

apparent lower bidder, if this contract is awarded by Council on April 3, will reflect the adjusted tax rate of 10 percent.

The bid price received by Road Construction Northwest, Inc., exceeds the Engineer's Estimate by approximately 8.3 percent. Staff have reviewed the bid and believe that the price received from the low bidder is valid and represents a fair cost to perform the work. This liner installation differs from typical sewer pipe liners in that it must withstand internal pressures from the pumped wastewater as well as loading from the soil backfill and traffic. In addition, the pipe required use of a relatively expensive curing agent to provide a smoother interior surface to convey higher future flows from anticipated development in the Bel-Red area, and anti-corrosive properties to protect the pipe from industrial effluents prevalent in the area. These factors, along with the relatively short length of pipe, reduced the number of qualified bidders for the project. The bid price is reasonably close to the Engineer's Estimate, and it is unlikely that re-bidding the project will provide better results than that obtained with this bid.

Although the bid for this project exceeds the Engineer's Estimate, funds are available to complete this project.

Due to the emergent nature of this project in 2016, there was not sufficient time to fully develop the full scope and costs for this project prior to development of the 2017/2018 Utilities CIP budget. An initial estimate of \$200,000 was included in the budget for Sewer System Pipeline Replacement Program (CIP Plan No. S-66). As design progressed and the unique nature of the repair work became evident, the construction cost level had increased to over \$400,000, and additional engineering work was needed to perform hydraulic and structural calculations for the lining system.

In order to cover the full project cost, \$375,000 in additional funding will be needed for CIP Plan No. S-66. The proposed increase in project budget in 2017 is requested to address a projected shortfall in the total budget for this program.

The source of additional funding will be a transfer of \$375,000 from the total 2017-2018 available budget for the Sewer Pump Station Improvements Program (CIP Plan No. S-16). Future CIP budgetary planning will account for this transfer by either using savings in the sewer CIP funds from completed projects or re-evaluating priorities of future planned projects or balancing the funding needs in the next budgetary cycle.

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

EFFECTIVE DATE

If approved, this Ordinance becomes effective on April 13, 2017.

OPTIONS

1. (a) Award Bid No. 17013 for Midlakes Force Main CIPP to Road Construction Northwest, Inc., as the lowest responsible and responsive, bidder in the amount of \$405,170 plus all applicable taxes (CIP Plan No. S-66); or
(b) Award contract to another bidder, if low bidder is rejected; or
(c) Reject all bids and re-bid at a later date.
2. (a) Adopt the Ordinance amending the 2017-2023 Utility Capital Investment Program (CIP) Plans by decreasing the total 2017-2018 available budget for the Sewer Pump Station Improvements Program (CIP Plan No. S-16) by \$375,000 and increasing the Sewer System Pipeline Replacement Program (CIP Plan No. S-66) budget in 2017 by \$375,000.
(b) Do not adopt the Ordinance and provide alternative direction to staff.

RECOMMENDATION

Option No. 1(a) and 2(a)

MOTION

Move to award Bid No. 17013 for Midlakes Force Main CIPP to Road Construction Northwest, Inc., as the lowest responsible and responsive, bidder in the amount of \$405,170 plus all applicable taxes (CIP Plan No. S-66).

Move to adopt Ordinance No. 6349 authorizing amendment of the 2017-2023 Utility Capital Investment Program (CIP) Plans by decreasing the total 2017-2018 available budget for the Sewer Pump Station Improvements Program (CIP Plan No. S-16) by \$375,000 and increasing the 2017 budget for the Sewer System Pipeline Replacement Program (CIP Plan No. S-66) by \$375,000.

ATTACHMENTS

- A. CIP Project Description S-16
 - B. CIP Project Description S-66
 - C. Vicinity Map
- Proposed Ordinance No. 6349

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A