

May 15, 2017

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Motion to award Bid No. 17024 for the Clyde Hill 465 Reservoir Water Storage Optimization project to Nordic Construction, as the lowest responsible and responsive bidder, in the amount of \$248,677 plus all applicable taxes (CIP Plan No. W-103).

### **FISCAL IMPACT**

Awarding this bid commits the City to payment of \$248,677 plus all applicable taxes. This amount is fully funded through the Utility's Increase Drinking Water Storage Availability (CIP Plan No. W-103). This amount is approximately 5.8 percent above the Engineer's Estimate. Sufficient funds have been budgeted to fund this contract in the 2017-2023 Utilities CIP Budget.

### **STAFF CONTACTS**

Nav Ota, Director, 452-2041

Paul A. Bucich, Assistant Director of Engineering, 452-4596

*Utilities Department*

### **POLICY CONSIDERATION**

#### Utility Department policies:

- The Utility shall invest resources as necessary to construct, maintain and renew water system infrastructure and equipment such that Utility customers are provided consistent, reliable service.

#### City Comprehensive Plan policies:

- Provide reliable water service for domestic use, fire flow protection, and emergencies.

#### Utility Department practice:

- To provide water storage capacity required for anticipated population growth in the Downtown, Bellevue, and Wilburton areas so that storage for potable and fire suppression water consistent with Utility policy can continue to be provided in these areas. CIP Plan No. W-103 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 Clyde Hill 465 Reservoir Storage Optimization project will add additional piping and a pressure reducing valve to convert 0.5 million gallons of dead storage in the reservoir into useable storage that will increase available water storage to Bellevue's West Operating Area, which includes the downtown central business district, increase fire flow availability for the Clyde Hill 500 pressure zone, and improve drinking water quality.

The Clyde Hill 465 Reservoir is a roughly three-quarter million gallon steel tank built in 1958. Due to its elevation and location within the water system, only a third of the water volume within the tank has been available for use. Another result of this operational issue is lack of water circulation within the tank. This has caused water in the tank to age and become susceptible to reduced chlorine residuals.

This project will create a new connection to the lower pressure zone serving the West Operating Area to continuously draw water from the tank. This will improve water quality as well as add previously unavailable storage to the lower zone. This connection to the lower zone also feeds an additional 0.5 million gallons to the Clyde Hill pump station to use in the event of a fire in the Clyde Hill 500 zone.

Bids were opened on April 11 and are as follows:

Nordic Construction	\$248,677
Gary Harper Construction	\$281,860
McClure and Sons	\$325,773
<b>Engineer's Estimate</b>	<b>\$235,043</b>

The bid price by the low bidder, Nordic Construction, exceeds the Engineer's Estimate by approximately 5.8 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. Several bids were received, and staff believe bids were competitive. The low 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.

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.

#### **EFFECTIVE DATE**

If approved, this Motion becomes effective immediately upon Council adoption.

#### **OPTIONS**

1. Award Bid No. 17024 for Clyde Hill 465 Reservoir Water Storage Optimization project to Nordic Construction, as the lowest responsible and responsive bidder, in the amount of \$248,677 plus all applicable taxes (CIP Plan No. W-103).
2. Award the bid to the next lowest bidder if the low bidder is not responsive.
3. Reject all bids and provide alternative direction to staff.

#### **RECOMMENDATION**

Option 1

**MOTION**

Move to award Bid No. 17024 for Clyde Hill 465 Reservoir Water Storage Optimization project to Nordic Construction, as the lowest responsible and responsive bidder, in the amount of \$248,677 plus all applicable taxes (CIP Plan No. W-103).

**ATTACHMENTS**

- A. Vicinity Map
- B. CIP Project Description

**AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

N/A