

June 19, 2017

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Motion to award Bid No. 17046 for Innisglen Water System Replacement to Kar-Vel Construction, as the lowest responsible and responsive bidder, in the amount of \$884,276.00 plus all applicable taxes (CIP Plan No. W-16).

FISCAL IMPACT

Awarding this bid commits the City to payment of \$884,276.00 plus all applicable taxes. This contract is fully funded through the Utility's Small Diameter Water Main Replacement Program (CIP Plan No. W-16). This amount is approximately 13.3 percent above the Engineer's Estimate. Sufficient funds have been budgeted to fund this contract in the 2017-2018 Utilities CIP Budget.

STAFF CONTACTS

Nav Otal, 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.

This project was prompted by an overall site improvement project at the Innisglen Condominiums property. The multi-family complex will be upgrading their storm drainage system, buried power, and complete pavement overlay between April and September 2017. After meeting with the owner representative and a follow-up investigation by Utilities staff, it was determined that the existing water facilities on the property had a high risk of failure. This project will replace the water facilities prior to the parking facility upgrades and avoid future disruptions to customers, costly emergency repairs, and impact to the new pavement overlay.

Utilities staff has been coordinating with the Innisglen Condominium Association to coordinate the water facilities construction with the other construction activities and minimize construction inconveniences to the residents.

The project is within the Bellevue service area.

Bids were opened on May 10 and are as follows:

Kar-Vel Construction	\$884,276.00
Road Construction	\$917,047.00

Engineer's Estimate	\$780,311.00
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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, this Motion becomes effective immediately upon Council adoption.

OPTIONS

1. Award Bid No. 17046 for Innisglen Water System Replacement to Kar-Vel Construction, as the lowest responsible and responsive bidder, in the amount of \$884,276.00 plus all applicable taxes (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

MOTION

Motion to award Bid No. 17046 for Innisglen Water System Replacement to Kar-Vel Construction, as the lowest responsible and responsive bidder, in the amount of \$884,276.00 plus all applicable taxes (CIP Plan No.W-16).

ATTACHMENTS

- A. Vicinity Map
- B. CIP Project Descriptions

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A