

CITY COUNCIL REGULAR SESSION

Motion to approve an increase to the construction contract with Earthwork Enterprises, Inc., (Bid No. 19062) by \$40,000 to \$394,068 plus all applicable taxes for the Somerset Reservoir 1 Pressure Reducing Valve (PRV) Relocation project (CIP Plan No. W-85).

Nav Otal, Director, 452-2041

Linda De Boldt, Assistant Director of Engineering, 452-4625

Utilities Department

EXECUTIVE SUMMARY

This motion will approve increasing the construction contract with Earthwork Enterprises, Inc., (Bid No. 19062) from \$354,068 to \$394,068 plus all applicable taxes. The proposed increase is requested to address unforeseen conditions discovered during construction.

RECOMMENDATION

Move to approve an increase to the construction contract with Earthwork Enterprises, (Bid No. 19062), increasing the contract amount by \$40,000 to a revised total contract amount of \$394,068 plus all applicable taxes for the Somerset Reservoir 1 Pressure Reducing Valve (PRV) Relocation project.

If approved, effective date: 10/21/2019

BACKGROUND/ANALYSIS

The City of Bellevue's Reservoir Rehabilitation/Replacement Program (CIP Plan No. W-85) funds the rehabilitation or replacement of drinking water reservoirs to mitigate earthquake damage or to address age or use related deterioration.

On August 5 Council approved a motion to award Bid No. 19062 for construction of Somerset Reservoir 1 PRV Relocation, to Earthwork Enterprises as the lowest responsible and responsive bidder in the total amount of \$354,068 (CIP Plan No. W-85).

On September 5, Earthwork Enterprises notified the City that they had encountered rock in the location of the new PRV. Removal of the rock required special equipment and additional time. As an unforeseen site condition, the contractor is able to request reimbursement for the additional work. The Utility believes that this project scope and cost change presents a risk that the total project construction cost will exceed the original contract amount by more than the 10 percent limit at which Council authorization is required. Therefore, the Utility is bringing this project to Council to request authorization for an additional \$40,000 to be added to the contract amount.

Given that construction is still proceeding, there is some risk for additional unknowns to occur and adding contract capacity now will enable the project to be completed in a timely manner. Since the cost of the additional work exceeds the original contract amount by greater than 10 percent, Council action is required to authorize the change order and expense.

POLICY & FISCAL IMPACTS

Policy Impact

City Comprehensive Plan policies: Provide reliable water service for domestic use, fire flow protection, and emergencies.

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: Rehabilitate or replace deteriorated elements of the water system. CIP Plan No. W-85 has been designated to do this.

Bellevue City Code: BCC 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 Impact

This action will authorize a proposed increase to the construction contract with Earthwork Enterprises, in the amount of \$40,000 for a total contract amount of \$394,068 plus all applicable taxes.

This increase is required to cover unforeseen conditions encountered during the construction of Somerset Reservoir 1 Pressure Reducing Valve (PRV) Relocation work and is more than 10 percent over the original total contract amount. The original contract work is funded from the Reservoir Rehabilitation or Replacement Program (CIP Plan No. W-85). Sufficient funds have been budgeted to fund this contract increase in the 2019-2025 CIP Budget.

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| Original Construction Contract Amount (CIP Plan No. W-85) | \$354,068 |
| Estimated Increase (CIP Plan No. W-85) | \$40,000 |
| Total Estimated Revised Contract Amount | \$394,068 |

OPTIONS

1. Approve an increase to the construction contract with Earthwork Enterprises, (Bid No. 19062) by \$40,000 to a revised total contract amount of \$394,068 plus all applicable taxes for the Somerset Reservoir 1 Pressure Reducing Valve (PRV) Relocation project.
2. Do not approve the increase to the construction contract and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Vicinity Map
- B. CIP Project Description

AVAILABLE IN COUNCIL LIBRARY

N/A