

CITY COUNCIL REGULAR SESSION

Motion to award Bid No. 21018 for Pikes Peak Reservoir Replacement to Harbor Pacific Contractors, as the lowest responsive and responsible bidder, in an amount not to exceed \$6,605,000 plus all applicable taxes (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 award Bid No. 21018 to Harbor Pacific Contractors for Pikes Peak Reservoir Replacement.

RECOMMENDATION

Move to award Bid No. 21018 for Pikes Peak Reservoir Replacement to Harbor Pacific Contractors.

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 and/or to address age and use-related deterioration. The existing Pikes Peak 1.0-million-gallon steel reservoir located within Bridle Trails State Park needs to be replaced, as it does not meet current seismic standards, is nearing the end of its useful life, and does not have sufficient fire flow storage for the areas it serves. This project is in accordance with the 2016 Water System Plan; it will replace the existing reservoir with a new 1.25 million-gallon prestressed concrete reservoir, with associated piping, valves, and appurtenances, improve the stormwater system on site to meet code requirements and restore landscaping and paved areas.

The existing Pike's Peak Pump Station, also located within Bridle Trails State Park, is nearing the end of its useful life, is not up to current safety standards, and is one of the City's higher priority pump stations for replacement. Both the pump station and reservoir were originally built in 1968, and they reside within an easement from Washington State Parks. During the design phase, a water system analysis resulted in the decision to remove the existing Pikes Peak pump station as part of the new reservoir project and to utilize the new Cherry Crest Pump Station to supply water to the new Pike's Peak Reservoir. Construction of the new Cherry Crest Pump Station was recently completed through a separate CIP project.

Bids for the Pike's Peak Reservoir Project were initially opened on January 7, yielding only one bidder and a bid amount that was higher than the engineer's estimate. On January 25, Council approved the motion to reject this bid, revise the project bidder qualification criteria to allow more bidders to potentially bid on the project, and re-bid the project.

Utilities re-bid the project and received three bids, which were opened on February 25 and are as follows. Please note, these bids include 10.1 percent Washington State sales tax on applicable bid

items.

Harbor Pacific Contractors	\$7,272,105
James W Fowler Co	\$7,460,915.49
Interwest Construction Co	\$7,611,862.59

Engineer's Estimate

\$6,147,389.46

The low bid from Harbor Pacific Contractors is \$1,124,716 or approximately 18 percent greater than the engineer's estimate. An analysis of this bid found that the higher than expected bid prices were likely due to the current bidding climate caused by the material supply market, especially for steel products. Additional reasons for the higher than expected bids include COVID-19 related risks experienced by contractors as well as potential risks of working within a high-use State Park with a limited work area and permitting restrictions.

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.

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 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

Awarding this bid commits the City to payment of \$6,605,000, plus all applicable taxes. This contract is fully funded through Reservoir Rehabilitation or Replacement (CIP Plan No. W-85). Sufficient funds have been budgeted to fund this contract in the 2021 - 2027 Adopted CIP Budget.

OPTIONS

1. Award Bid No. 21018 for Pikes Peak Reservoir Replacement to Harbor Pacific Contractors, as the lowest responsive and responsible bidder, in an amount not to exceed \$6,605,000 plus all applicable taxes (CIP Plan No. W-85).
2. 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