

CITY COUNCIL REGULAR SESSION

Motion to approve an increase to the construction contract with Kar-Vel Construction, (Bid No. 20011) by \$820,891.00 to a revised total contact amount of \$6,097,700.56 plus any additional applicable taxes for the AC Water Main Replacement 2020 Phase 1 project (CIP Plan No. W-16).

Nav Otal, Director, 452-2041

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

Utilities Department

EXECUTIVE SUMMARY

This motion will approve an increase to the construction contract with Kar-Vel Construction. The proposed increase is requested to replace additional water mains in the project area to address recent AC water main breaks.

RECOMMENDATION

Move to approve an increase to the construction contract with Kar-Vel Construction for the AC Water Main Replacement 2020 Phase 1 project.

BACKGROUND/ANALYSIS

This AC Main project replaces approximately 16,000 linear feet of aging and undersized water main pipe in the Utilities service area(s) of Eastgate, Rock Creek, Apple Valley, Bellewood Farms, Stanley Park, Diamond S Farms, Pikes Peak, Cherry Crest, Town of Yarrow Point, and City of Clyde Hill. The Small Diameter Water Main Replacement program has been ongoing for a number of years. Replacement of older asbestos cement water mains 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.

On April 20, 2020, Council approved a motion to award Bid No. 20011 for construction of AC Water Main Replacement 2020 Phase 1, to Kar-Vel Construction as the lowest responsible and responsive bidder in the total amount of \$5,276,809.56 (CIP Plan No. W-16).

In January and February 2021, additional pipe length was added in the Pikes Peak neighborhood. This change exceeded the construction contract amount, but was less than the 10 percent required for approval by Council.

On April 24 2021, the City responded to an AC Main break in the Eastgate neighborhood. There have been three AC Main breaks in this neighborhood within the past 15 years (2006, 2019 and 2021). While Kar-Vel is on-site performing planned work on this AC Main project, the Utility has negotiated with the contractor to perform this additional AC Main work as a change order to the original contract. Doing so reduces additional mobilization costs, will require fewer water shut down disruptions to the neighborhood, and reduces the risk of another AC Main break. In addition, the Utility would like to complete all work in the neighborhood at one time; which leads to less construction work in the community over time and limits disturbance to our customers.

The additional work in both the Pikes Peak and Eastgate neighborhoods increase the total project construction cost in excess of the 10 percent limit, which requires Council authorization. Therefore, the Utility is requesting the Council's approval to increase the contract with Kar-Vel Construction (Bid. No 20011) to fund the additional work and change order for work within the Pikes Peak and Eastgate neighborhoods.

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: 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.

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

This action will authorize a proposed increase to the construction contract with Kar-Vel Construction, in the amount of \$820,891.00 plus any additional applicable taxes. This increase is required to cover the additional costs to prevent the possibility of another water main break. The original contract is funded from the Small Diameter Water Main Replacement (CIP Plan No. W-16). Sufficient funds have been budgeted to fund this contract increase in the 2021-2027 CIP Budget.

OPTIONS

1. Approve an increase to the construction contract with Kar-Vel Construction, (Bid No. 20011) by \$820,891.00 to a revised total contact amount of \$6,097,700.56 plus any additional applicable taxes for the AC Water Main Replacement 2020 Phase 1 project (CIP Plan No. W-16).
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