

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Motion to award Bid No. 13158 for AC Water Main Replacement (2013) – Phase 3, to Kar-Vel Construction, as the lowest responsible and responsive bidder, in the amount of \$1,454,804.96 (CIP Plan No. W-16).

FISCAL IMPACT

Awarding this bid commits the City to payment of \$1,454,804.96. This contract is fully funded through the Utility's Small Diameter Water Main Replacement Program (CIP Plan No. W-16). This amount is approximately 9% below the Engineer's Estimate. Sufficient funds have been budgeted to fund this contract in the 2013-2019 Utilities CIP Budget.

STAFF CONTACT

Bob Mulvey, Deputy Director, 452-6012
Regan Sidie, Engineering Design Manager, 452-6857
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 provides for the fair and equitable treatment in the purchasing process. Because the amount of the contract exceeds \$50,000, Council approval is required.

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.

In order to achieve the best possible price for these improvements, several project sites have been combined into one bid package. This combined project will replace approximately 7,475 linear feet of aging and undersized water main pipe throughout the Utilities service area. Utilities has been coordinating with individual property owners to minimize construction inconveniences to neighborhoods.

The project sites are located within the Vuecrest, Bellecrest, Wilburton, Tall Firs, Tam O'Shanter, Newport Hills, and Eastgate areas within the Bellevue service area.

Bids were opened on September 10, 2013 and are as follows:

Kar-Vel Construction	\$1,454,804.96
Earthwork Enterprises, Inc.	1,497,549.29
B&B Utilities & Excavating, Inc.	1,608,073.20
Road Construction NW, Inc.	1,619,468.48
3 Kings Environmental, Inc.	1,676,236.95
Laser Underground & Earthworks, Inc.	1,680,720.98
Interwest Construction, Inc.	1,726,731.78

Engineer's Estimate **\$1,599,252.73**

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 adopted, the award of this bid will become effective immediately.

OPTIONS

1. Award Bid No. 13158 for AC Water Main Replacement (2013) – Phase 3, to Kar-Vel Construction, as the lowest responsible and responsive bidder, in the amount of \$1,454,804.96 (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

Adopt Option No. 1, which awards Bid No. 13158 for AC Water Main Replacement (2013) – Phase 3, to Kar-Vel Construction, as the lowest responsible and responsive bidder, in the amount of \$1,454,804.96 (CIP Plan No.W-16).

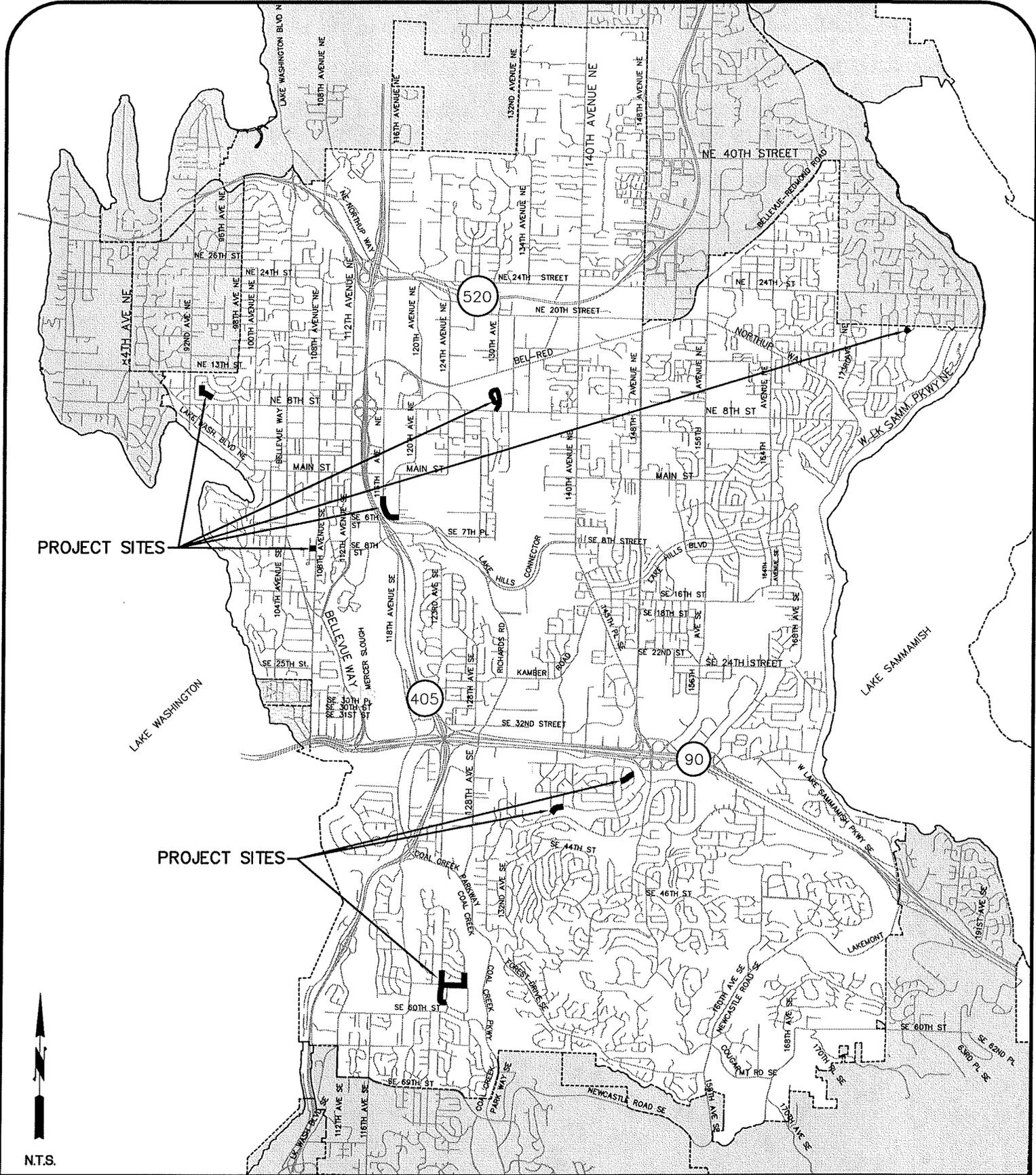
References have been checked and the contractor has the resources and experience necessary to successfully complete this project.

MOTION

Move to award Bid No. 13158 for AC Water Main Replacement (2013) – Phase 3, to Kar-Vel Construction, as the lowest responsible and responsive bidder, in the amount of \$1,454,804.96 (CIP Plan No.W-16).

ATTACHMENTS

Vicinity Map
CIP Project Descriptions



- PROJECT SITE
- - - -** CITY OF BELLEVUE CITY LIMITS

VICINITY MAP

**2013 AC WATER MAIN REPLACEMENT
 PHASE 3
 C.I.P. W-16**



W-16 Small Diameter Water Main Replacement

Category: **Water**
 Department: **Utilities**

Status: **Ongoing**
 Location: **Various locations throughout Water Utility's service area**

Programmed Funding

Programmed Funding	Appropriated To Date	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget	FY 2017 Budget	FY 2018 Budget	FY 2019 Budget
89,443,058	36,739,552	5,359,024	6,059,309	6,788,816	7,547,194	8,349,776	9,175,831	9,423,556

Description and Scope

This program focuses primarily on replacing short-lived small diameter asbestos cement (AC) pipe, which yields a secondary benefit of increasing the emergency fireflow available to neighborhoods. This investment will ramp up water pipeline replacement to 5 miles/year by 2018, and then be adjusted with inflation to maintain the 5 miles/yr replacement rate. At that rate, water pipe will need to last on average 100-125 years. Pipes are selected for replacement based on risk of failure (likelihood and consequence), failure history, and coordination with other construction, such as planned street overlays (which reduce restoration costs).

PROJECT NEED: System Renewal and Replacement

Rationale

Water pipeline replacement will ramp up from 1.5 miles per year to 5 miles per year over a year-year period. Acceleration of this project is required to achieve the Asset Management Program (AMP) goal of cost effective system renewal and replacement while maintaining acceptable customer service levels. Experience has shown that small diameter AC pipes have the shortest life. AC pipe fails catastrophically, often causing significant damage to nearby properties and triggering more breaks in nearby AC pipes.

Small diameter AC pipe accounts for a disproportionate share of water main breaks. Besides size and material, soil corrosiveness, moisture content, and original construction quality affect pipe life. As budgeted, most 4-inch AC pipe will be replaced by 2017, reaching a maximum pipe age of 61 years. Replacement of 6-inch AC main would follow, over a 30 year period. Larger diameter mains would be replaced before they reach 125 years old. Pipes of other materials (ductile and cast iron, clay) will also be replaced as needed. The potential for main breaks will be significantly reduced, minimizing service disruptions to customers and costly emergency repairs, and reducing claims exposure.

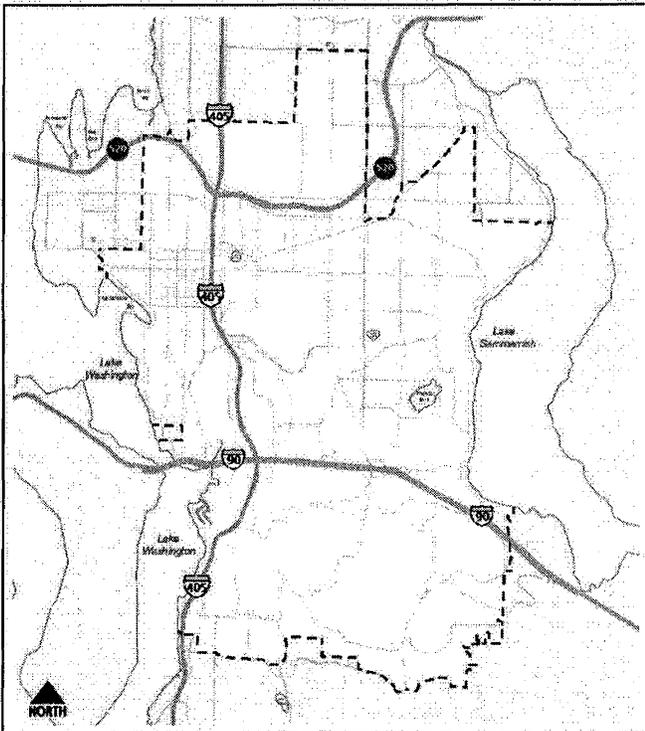
Environmental Impacts

Replacement of Water mains less than eight inches in diameter are generally exempt from environmental review, unless they are in or adjacent to sensitive areas. The status of environmental review of specific projects is undetermined.

Operating Budget Impacts

This project will have no impact on operating revenues (and/or) expenditures, since it replaces existing facilities.

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Project Costs	Ongoing	89,443,058
Total Budgetary Cost Estimate:		89,443,058

Means of Financing

Funding Source	Amount	
Judgements/Settlements	42,000	
Miscellaneous Revenue	946,000	
Utility Rates/Fees	88,455,058	
Total Programmed Funding:		89,443,058
Future Funding Requirements:		0

Comments

This project is located throughout the service area.