



City Council

Approval of a Bid Award for the Union Avenue and McCormick Street Watermain Replacement Project

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Title

Approval of a Bid Award for the Union Avenue and McCormick Street Watermain Replacement Project

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to the Bid Award for the construction contract for the Union Avenue and McCormick Street Watermain Replacement Project to Northwest Cascade, Inc. in the amount of \$988,713.44, and authorize the City Manager to execute the contract.

Report

Issue:

Whether to Move to the Bid Award for the construction contract for the Union Avenue and McCormick Street Watermain Replacement Project to Northwest Cascade, Inc. in the amount of \$988,713.44, and authorize the City Manager to execute the contract.

Staff Contact:

Brian Philumalee, PE, Senior Engineer, Public Works, Engineering, 360.753.8297

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The City's Capital Facilities Plan includes annual funding to replace small diameter water mains and asbestos-cement (AC) water mains throughout the City. This year, we have combined the Small Diameter Water Main Replacement and the Asbestos-Cement Water Main Replacement capital funding into one construction project; the Union Avenue & McCormick Street Watermain Replacement project. Both Union Avenue and McCormick Street have similar scopes of work. By combining them into a single project, we expect to gain efficiencies in design and construction.

Within the City's water service area, over 400 miles of water main (or pipe) distribute drinking water to our homes and businesses. Over time these pipes deteriorate and need replacement. Specific pipes are chosen for replacement based on age, condition, location (i.e. proximity to critical services, soil type) and maintenance records (i.e. number of repairs, outages and leaks). Many of these pipes are aged asbestos-cement pipes and services are galvanized iron, both of which have a limited lifespan. Poor condition of these pipes results in lower water pressure and flow.

This project will replace just over 1,500 feet of high risk, high repair water pipe and 26 services. The new pipe will meet current standards and the project will result in increased water pressure and reliability.

The City bid the project starting on May 25, 2022 and opened bids on June 9, 2022. The low bid of \$988,713.44 is more than 34.5% above the Engineer's estimate. Staff evaluated the bid and determined that it is reasonable, and we should move forward with awarding the contract for the following reasons:

- The difference between the high and low bid is approximately \$215,000. This indicates to staff that the contractors who bid viewed the project in a similar way. Rejecting the bids and rebidding the project would not likely result in substantially lower bids.
- The current bidding climate is such that bid price increases in excess of 25% of the engineer's estimate are not unusual. The engineer believes the bid is reasonable based on the current bidding climate.

Neighborhood/Community Interests (if known):

Construction activity will occur on Union Avenue and McCormick Street. The streets will remain open; however, at times, one lane may close during construction activities. Flaggers will direct traffic through the construction zone during these activities.

City staff will inform the public of the construction project, schedule, and any impacts to traffic or service. Tools to convey this information consist of postcards, Twitter, and the Construction News webpage.

Options:

1. Move to award the construction contract for the Union Avenue and McCormick Street Watermain Replacement Project to Northwest Cascade, Inc., in the amount of \$988,713.44, and authorize the City Manager to execute the contract. The project proceeds as planned.
2. Do not approve awarding the construction contract, reject all bids, and direct staff to rebid the project. A delay in the pipe replacement will prolong addressing leaks, pipe breaks, and water outages. The pipes identified for replacement already have a high frequency of required repairs, cause excessive water outages, and are prone to leaks.
3. Provide alternate direction to staff. A delay could also create higher costs and will require additional staff time.

Financial Impact:

This project is identified in the Capital Facilities Plan. Funding for the project comes from a

combination of monthly utility rates and general facilities charges.

The low bid of \$988,713.44 is more than 34.5% above the Engineer's estimate. There are sufficient funds in the program budget to complete this project.

Overall project costs:

Total Low Bid:	\$	988,713.44
Contingency to Award (10%):	\$	98,871.34
Engineering: Design, Inspection, Consultants	\$	592,555.22
Total Estimated Project Cost:	\$	1,430,140.00
Available Project Funding:	\$	1,430,140.00

Attachments:

Summary of Bids
Vicinity Map