



City Council

Approval of Bid Award for the McAllister Wellfield Drilling and Testing Project

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Agenda Item:

Approval of Bid Award for the McAllister Wellfield Drilling and Testing Project

Issue:

Whether to award the lowest bid, which is 18% (\$152,514.49) below the Engineer's estimate. A timely bid award will allow the project to proceed as planned and meet the Drinking Water State Revolving Fund loan requirements.

Committee Recommendation:

Not referred to a committee - Consent Calendar Item

City Manager's Recommendation:

Move to award and authorize the City Manager to sign the Construction Contract with Holt Services Inc., in the amount of \$694,338.66.

Staff Contact:

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Background and Analysis:

Project History. In 1995, concerns over the vulnerability of McAllister Springs and costly requirements for water quality treatment led the City to request a transfer of its water rights from McAllister Springs (and nearby Abbott Springs) to the McAllister Wellfield. Nearly 17 years later, in January of this year, the Department of Ecology issued water rights for the McAllister Well field. As a result, the McAllister Wellfield will replace McAllister Springs as Olympia's main supply of drinking water. This provides a more protected and productive supply of drinking water for City water customers. See Attachment 3 for project background.

Project Description. The McAllister Wellfield Drilling and Testing Project consists of drilling and testing two 24-inch diameter wells approximately 400-feet deep. The project also includes testing and assessing two existing wells to determine if they can be used as a drinking water source.

Bids on this Project. The City received three three bids to conduct the work on this project. See Attachment 2 for the bid summary.

Construction Schedule. Construction of the McAllister Wellfield Drilling and Testing Project will take place

from August 2012 through December 2012.

Funding. Funding for this project is through the Drinking Water Utility, largely with a low-interest federal loan from the Washington Drinking Water State Revolving Fund (DWSRF). The loan requires issuing a notice to proceed no later than September 12, 2012. If notice to proceed is after that date, funding through this program could be in jeopardy.

Neighborhood/Community Interests (if known):

This project is one of several that will provide for the transition of the City's main supply of drinking water from surface water (McAllister Springs) to groundwater (McAllister Wellfield). City staff will continue to communicate with citizens and other stakeholders about the construction project, schedule, and any impacts to traffic or City services.

Options:

1. Award and authorize the City Manager to sign the Construction Contract with Holt Services Inc., in the amount of \$694,338.66. Project proceeds as planned.
2. Reject all bids and direct staff to rebid the project. Re-advertising and re-bidding a project typically results in increased bids and project costs. It would also result in a delay, potentially jeopardizing the low-interest loan funding from the Drinking Water State Revolving Fund.

Financial Impact:

The overall budget to develop the McAllister wellfield is \$6.65 million. This contract is the first phase of a multi-year project. Funding is through the Drinking Water Utility, largely with a loan from the DWSRF. At this time, the City has sufficient funds in the budget to award this contract including the 10% required award contingency.