



City Council

Approval to Reject all bids for the 2012 Priority Sewer Repair Project

Agenda Date: 9/11/2012
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Agenda Item:

Approval to Reject all bids for the 2012 Priority Sewer Repair Project

Issue:

Whether to reject all bids for the 2012 Priority Sewer Repair Project since the lowest bid was approximately 19 percent above the Engineer's estimate.

Committee Recommendation:

Not referred to a committee.

City Manager's Recommendation:

Move to reject all bids and authorize the Mayor to sign a resolution rejecting all bids.

Staff Contact:

Rick Dougherty, Public Works Technical Services, 360.753.8485

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The proposed project includes 23 wastewater and stormwater pipe repairs throughout the City. The repairs are part of the City's ongoing condition rating program for identifying and correcting structural problems in utility pipes before extensive and costly replacements are needed.

On August 8, 2012, the City received only three bids for this project. The lowest bid for the work is approximately 19 percent (\$84,758) over the City's cost estimate. Based upon the construction bids received, staff recommends rejecting all bids and rebidding the work later this year. Allowing contractors to work during the winter months should result in bids that are more competitive. While the project is important, its completion can be delayed with minimal risk.

Neighborhood/Community Interests (if known):

None.

Options:

1. Reject all bids and authorize the Mayor to sign a resolution rejecting all bids. Staff will rebid the project this winter when contractors are more available.
2. Award and authorize the City Manager to sign the construction contract with Insituform Technologies, Inc., in the amount of \$525,444.39. This will allow the project to proceed as originally planned at a premium cost.

Financial Impact:

The 2012 Priority Sewer Repair Project is funded through the Wastewater Utility (Program 9703) and the Storm and Surface Water Utility (Program 9028). The program receives funds annually and any remaining monies are carried over to the next year. While there is money available in the programs to award this project, staff feels that bids are likely to be more competitive this winter.

Total Low Bid:	\$525,444
Contingency to award (10%):	\$ 52,544
Engineering:	<u>\$165,000</u>
Total estimated project cost:	\$742,988