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City Council

Approval of Bid Award for West Bay Drive Lift Station Upgrade Project and Final Determination of Bidder Non-Responsibility

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Agenda Item:

Approval of Bid Award for West Bay Drive Lift Station Upgrade Project and Final Determination of Bidder Non-Responsibility

Issue:

Council action is needed to award the bid for the West Bay Lift Station Upgrade to the lowest, responsive bidder. Since a supplemental criteria appeal and review process was initiated, Council action is also needed to confirm determination of non-responsibility for the second lowest bid.

Committee Recommendation:

Not referred to a committee.

City Manager's Recommendation:

Move to confirm City staff's determination of non-responsibility of Award Construction, Inc., for failing to meet the supplemental bidder responsibility criteria required in the bid documents, and to award and authorize the City Manager to sign the Construction Contract with Razz Construction, Inc., in the amount of \$1,192,884.67.

Staff Contact:

Jim Rioux, Project Manager, Public Works Technical Services, 360.753.8484

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

History:

The West Bay sewer lift station located near West Bay Marina has been in service since 1961. The lift station sends sewage from a large portion of northwest Olympia to the LOTT Budd Inlet treatment facility. It is the City's second largest sewer lift station.

Due to aging pipes, the amount of water reaching the lift station has increased in recent years. The lift station does not have the capacity to keep up with these increased volumes. During rain events, overflows from the station have flowed to Budd Inlet. Emergency responses and short-term fixes have managed the

problematic overflows.

Work to improve the lift station and its associated piping has been ongoing since 2005. Rebuilding the lift station is the final part of the overall \$3.5 million, multi-year effort. The new lift station is designed to handle existing and future flows. The improvements are expected to last approximately 50 years. Resolving this problem is a key recommendation from the City's 2007 Wastewater Management Plan.

Construction is scheduled to start in May and expected to continue through January 2014. Winter construction activities will be limited to installing and testing the new equipment.

Scope of Work:

The West Bay Drive Lift Station project consists of the following work:

- Reconstructing and upgrading the existing underground lift station.
- Constructing an electrical equipment building, emergency generator, and fuel tank.
- Constructing a 10-foot high wall to protect the lift station from potential landslides.

Bids Received Summary:

The City received seven bids. The City contacted the lowest bidder (Razz Construction, Inc.) and the second lowest bidder (Award Construction, Inc.) and requested that they submit documentation showing how they meet the supplemental bidder responsibility criteria. After City staff reviewed the information from both contractors, it was initially determined they both failed to meet the experience requirements of the supplemental criteria. We notified both contractors of our decision and they both filed an appeal and requested that City staff consider additional information. (see Attachment 3).

After reviewing their appeal, which included clarifying information, staff concluded that Razz Construction, Inc., meets the supplemental responsibility bidder criteria. However, Award Construction, Inc., does not. The City informed both bidders of the results.

Staff recommends confirming the determination of non-responsibility of Award Construction, Inc., and awarding the contract to Razz Construction, Inc., the lowest responsible bidder. A final determination concerning Award Construction is required under RCW 39.04.350. In the unlikely event that Razz Construction, Inc. is either disqualified before executing the contract or fails to execute the contract, the City is positioned to move to the next lowest responsible bidder.

Neighborhood/Community Interests (if known):

- Greatly reduces the risk of sewage overflowing into Budd Inlet.
- Intermittent traffic delays on West Bay Drive north of the intersection at Schneider Hill Road will occur from May to October. This section of West Bay Drive primarily serves Tugboat Annie's Restaurant, West Bay Marina, and Dunlap Towing.
- Neighborhood Associations, citizens, emergency responders, schools, and other stakeholders will be informed of project timing, schedule and construction impacts through media releases, postcards, on-site visits, and Twitter.

Options:

1. Confirm the determination of non-responsibility of Award Construction, Inc., and award and authorize the City Manager to sign the Construction Contract with Razz Construction, Inc., in the amount of \$1,192,884.67. Project proceeds as planned and remains on schedule.
2. Reject all bids and direct staff to rebid the project. The time needed to rebid will delay construction until 2014. The project cost may increase because bids are on an upward trend. Overflow to Budd

Inlet could occur because construction cannot start until next spring.

Financial Impact:

The project is funded through the City's Wastewater Utility capital facility program. (#462-9806)

The low bid of \$1,192,884.67 is approximately 7.2 percent above the Engineer's estimate. There are sufficient funds in the budget to complete this project.

Overall project costs:

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|---|----------------------------|
| Low Bid: | \$ 1,192,885 |
| Contingency to Award (10%): | \$ 119,288 |
| Consultant- Design, Testing: | \$ 579,034 |
| Engineering: Design, Inspection, Survey, Permits, Ads, Public Outreach | \$ 303,007 |
| Total Estimated Project Cost: | \$ <u>2,194,214</u> |