



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5826
April 6, 2021
Consent Calendar

AGENDA BILL INFORMATION

TITLE:	AB 5826: 2021 Water System Improvements Project – Bid Award	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Award the construction contract to Pacific Civil & Infrastructure.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations/Public Works Director Rona Lin, Utilities Engineer
COUNCIL LIAISON:	Lisa Anderl
EXHIBITS:	1. Water System Improvements - Vicinity Map
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ 1,638,960
AMOUNT BUDGETED	\$ 1,197,000
APPROPRIATION REQUIRED	\$ 441,960

SUMMARY

This agenda bill explains the scope for the Water System Improvements Project, which is expected to begin construction in April 2021, and recommends that the unspent fund balance be appropriated from the Water Fund to cover the additional costs related to the scope of work.

BACKGROUND

Providing safe and reliable drinking water remains a priority for the community. The City's adopted goals (as set forth in the 2015 Water System Plan) are to:

- 1) Preserve public health and safety,
- 2) Maintain adequate water volume for firefighting,
- 3) Maintain adequate water volume for basic sanitation, and
- 4) Maintain consumptive value and water quality.

The City's water distribution system includes over 115 miles of water mains of varying age, size, type and condition. As such, a priority in the City's Capital Improvement Program (CIP) is to maintain and replace the City's aging water mains.

As part of CIP budget development process, staff evaluate and prioritize City water mains using a scoring matrix, which includes pipe condition, material type and age, maintenance history (i.e. watermain breaks) and water quality to prioritize water mains for replacement. As approved during the 2019-2020 CIP budget, the water main on 82nd Avenue SE was prioritized for replacement, and design work began in late 2020.

As part of the 2021-2022 CIP, the water main on 81st Avenue SE was prioritized for replacement. Considering the proximity of the two water mains and similarities in timing, design and construction, the water main replacements on 81st Avenue SE and 82nd Avenue SE were combined into one construction project to streamline project management and minimize impacts to the adjacent neighborhood.

While completing the project design, staff recognized that a small portion of water main along SE 24th Street (between 80th Ave SE and 82nd Avenue SE) was not originally included in the City's Water System Improvement project but fell within King County's upcoming North Mercer Island Interceptor and Enatai Interceptor construction project (See Exhibit 1). While this portion of water main was not on the City's immediate replacement list, it would likely be prioritized in a near term CIP given the age, material type, and condition of pipe.

To minimize construction impacts, staff included additional scope in the design of the 2021 Water System Improvements Project to include this missing section. Overall, adding this project scope will reduce disruption to the neighborhood and will reduce the likelihood of future water main breaks. King County will be repaving the full width of the roadway (on SE 24th St from 78th Ave SE to 81st Ave SE) following construction of the sewer project.

The expanded scope to replace additional water main increased the overall project costs while providing an economy of scale. The extended areas of improvements provide improved long-term reliability in the water system.

The project consists of the following scope of work:

- Replace 2,600 linear feet (LF) of water main
- Replace 32 water services and eight fire hydrant assemblies
- Install three air vacuum release valve assemblies
- Provide roadway and sidewalk restoration

Design work for the project started in September of 2020 and was finalized in February 2021. The project's Request for Bids was advertised at the end of February 2021. Six construction bids were received and opened on Thursday, March 17, 2021. Table 1 provides a summary of bid results:

TABLE 1: BID RESULTS

COMPANY NAME	TOTAL BID AMOUNT INCLUDING 10.1% WASHINGTON SALES TAX
Pacific Civil & Infrastructure	\$1,082,268
Fury Site Works	\$1,087,088
Laser Underground & Earthworks	\$1,163,983
RW Scott Construction	\$1,175,199
B & B Utilities and Excavating	\$1,259,650
Oceanside Construction	\$1,478,186
Engineer's Estimate:	Range: \$1,000,000 - \$1,200,000

The apparent low bidder, Pacific Civil & Infrastructure (PCI), has completed water utility, wastewater treatment, pump station, roadway, and other infrastructure construction projects for public agencies and private developments in Western Washington since 2014. PCI has completed similar water main replacement/installation for the City of Lacey and Pierce County, with scopes of work much larger than the current water system improvements project. A review of the Labor and Industries (L&I) website confirms PCI is a contractor in good standing with no license violations, outstanding lawsuits, or L&I tax debt.

Based on the review of PCI's bid submittal and reference checks, staff has determined that PCI is the lowest responsive bidder for this project. Staff recommends awarding the project to PCI.

PROJECT BUDGET

A breakdown of the project costs including total construction contract, contingency, design, construction support services, project management, and inspection is summarized in Table 2:

TABLE 2: TOTAL PROJECT COST/BUDGET

2021 WATER SYSTEM IMPROVEMENTS	TOTAL
Construction	\$982,986
Sales Tax @ 10.1%	\$99,282
Construction Contract Award to PCI	\$1,082,268
Design Phase	\$108,240
Contingency - 20%	\$216,452
Construction Support Services	\$31,000
Project Management/Utility Team	\$130,000
Inspection Services	\$71,000
Total Project Costs	\$1,638,960
Approved Budget - Design	\$110,000
Approved Budget - Construction	\$1,087,000
Total Approved Budget	\$1,197,000
Budget Appropriation Needed	\$441,960

With the additional 660 feet of new water main from the expanded project scope, the total the project costs will increase by \$441,960 as shown in Table 2.

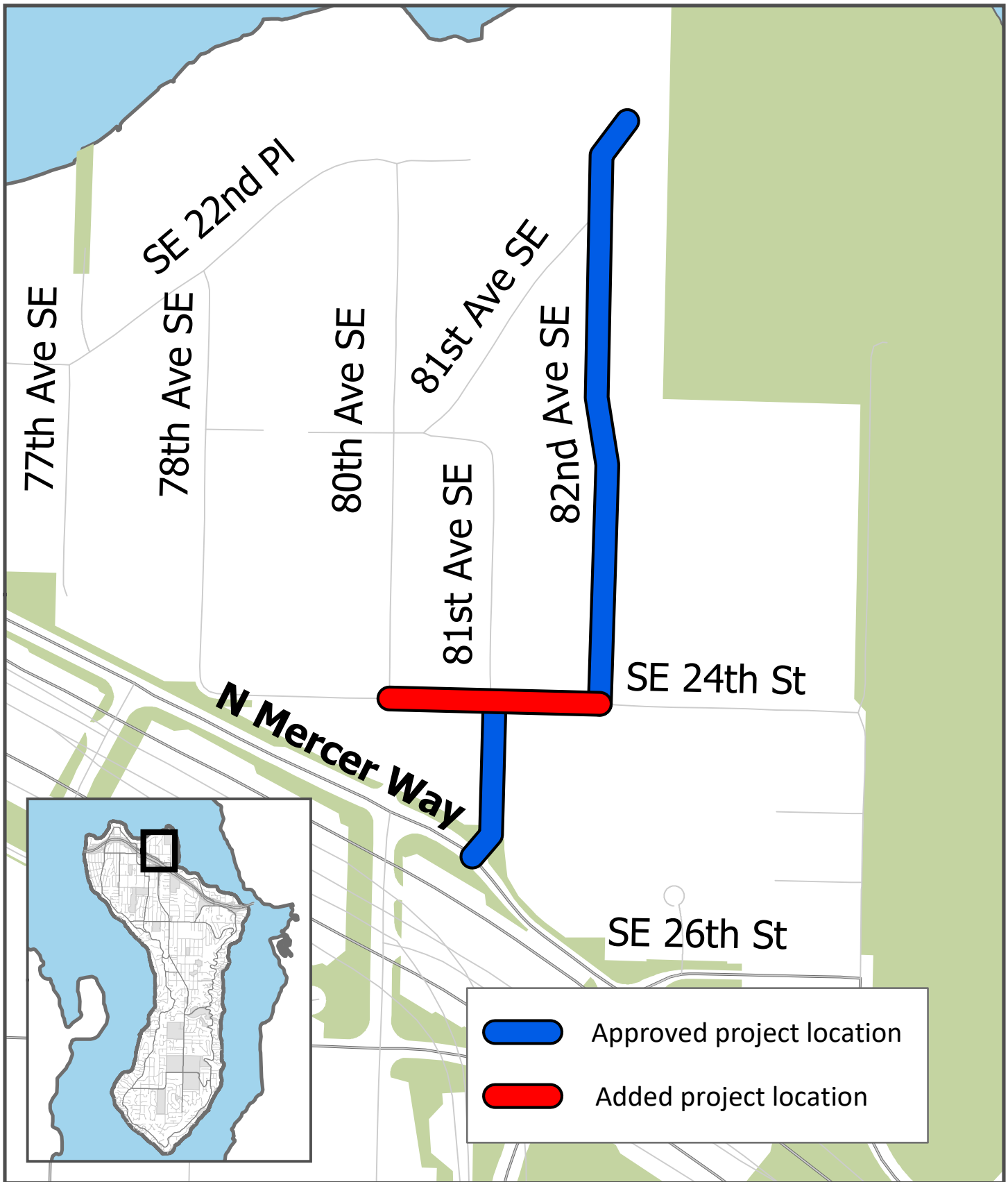
Construction of the project is scheduled to begin in late April 2021 and be completed by the end of August 2021.

BUDGETARY IMPACTS

In fiscal year (FY) 2020, \$8.3 million was budgeted in the Water Fund for water-related capital improvement expenditures. Of this amount, \$1.6 million was expended at year-end, leaving \$6.7 million in unspent capital funds. Considering the FY 2020 unspent funds, staff requests the appropriation of available fund balance in the Water Fund to cover the additional scope of work.

RECOMMENDATION

1. Authorize a \$441,960 appropriation from the Water Fund balance to accommodate the additional costs resulting from the expanded scope of work in the 2021 Water System Improvement Project.
2. Award the 2021 Water System Improvements project to Pacific Civil & Infrastructure (PCI) in the amount of \$1,082,268, set the total project budget at \$1,638,960, and authorize the City Manager to execute the construction contract.



City of Mercer Island 2021 Water System Improvements

Major Roads

Street Centerline

Project Locations

Parks



Disclaimer: No warranties of any sort including accuracy, fitness or merchantability accompany this map.

Map Date: 3/31/2021
2021 Water System Improvements.mxd