



## Staff Report

January 20, 2026 Council Regular Meeting

NE Hathaway Rd Waterline Replacement Consideration of Bids

Presenter: James Carothers, Engineering Manager / Scott Collins, Public Works Director

Time Estimate: 15 minutes

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**BACKGROUND:** The City of Camas operates and maintains the public water system, including transmission and distribution water mains serving residential and commercial customers. The existing water main in the NE Hathaway Road area is an approximately 6-inch diameter potable waterline that has been in service since the early 1960s and currently serves approximately 19 properties.

Due to the age of the pipeline and ongoing maintenance needs, the City identified replacement of this waterline as a priority capital improvement to improve system reliability and reduce the likelihood of service interruptions. In addition, the existing 6-inch line does not provide the desired capacity and operational flexibility for long-term water system performance in this area.

To address these issues, the Hathaway Road Waterline Transmission Project will construct approximately 2,100–2,200 linear feet of new 8-inch ductile iron water main along NE Hathaway Road from SR-500 approximately 2,200 feet east to the roadway dead end. Project work includes installation of the new water main and appurtenances (valves, fittings, hydrants, and connections), as well as roadway restoration, traffic control, and associated construction activities (trenching/shoring, imported materials, compaction, and pavement restoration).

This project will replace aging infrastructure, improve reliability for existing customers, and provide additional system capacity consistent with the City's long-term water system planning.

**SUMMARY:** On December 18, 2025, the City received nine (9) bids for the Hathaway Road Waterline Replacement project. North Cascade Excavating submitted the apparent low bid in the amount of \$555,083.76, compared to the second-low bid from Grade Werks Excavating LLC of \$674,725.59. The Engineer's Estimate for the project was \$1,021,027.70, and the bid tabulation is attached.

Following the bid opening, the City received a formal bid protest from the second-low bidder, Grade Werks Excavating LLC. Basis for the protest are:

- Submission of a bid bond that fails to state the required dollar amount, rendering the bid bond ambiguous and potentially nonresponsive.
- Failure of lowest bidder to timely submit supplemental bidder responsibility documentation as required by Section 1-02.14 of the Contract Documents.

Staff reviewed the protest in consultation with the City Attorney and evaluated the issues against the Contract Documents and applicable state law. This review focused on whether either issue constituted a material deviation affecting bid responsiveness or bidder responsibility, or whether the items were minor irregularities that may be waived under the City's discretion.

*Bid Protest Issue 1 – Bid Bond:*

*Issue:* The bid protest asserts the apparent low bidder's bid should be rejected because the bid bond forms did not include a dollar amount and instead referenced the bid bond as a percentage of the total bid. Specifically, the bidder signed the City's Bid Bond Acknowledgement and selected "Proposal Bond," but left blank the line intended to state the bond amount in dollars. The surety bond document similarly references the bond value as five percent (5%) of the total bid rather than listing a dollar amount.

*Staff evaluation:* Staff reviewed the City's bid bond requirement and the bid bond documents submitted. The Contract Documents require a bid guaranty in the minimum amount of five percent (5%) of the total bid. The bidder's submission included a signed acknowledgement of the proposal bond requirement and a surety bid bond confirming the bond amount as 5% of the total bid, which provides a determinable amount based on the submitted bid.

In consultation with the City Attorney, staff determined that expressing the bid bond amount as a percentage of the bid does not create uncertainty regarding the City's required security and is a common approach in surety bonding. Because the required amount is readily calculable from the bid total and the bidder provided the required bond form, staff does not consider this issue a material deviation from the bidding requirements.

*Staff Recommendation:* Staff recommends the bid bond issue does not render the bid nonresponsive and does not warrant rejection of the apparent low bid.

*Bid Protest Issue 2 – Supplemental Bidder Criteria:*

*Issue:* The bid protest asserts the apparent low bidder's bid should be rejected because the bidder did not submit the required written statement and supporting documentation demonstrating compliance with Supplemental Responsibility Criteria 2 through 9 by the deadline established in Section 1-02.14 of the Contract Documents. These supplemental criteria address bidder responsibility and past performance, including:

- Delinquent State Taxes

- Subcontractor Responsibility
- Claims Against Retainage and Bonds
- Public Bidding Crime
- Termination for Cause / Default
- Lawsuits
- Contract Time (Liquidated Damages)
- Capacity and Experience

The Contract Documents required the two apparent low bidders to submit this information by 12:00 p.m. on the second business day following the bid deadline, which the lowest bidder did not.

Staff Evaluation: Staff reviewed this issue in consultation with the City Attorney and evaluated it under the Contract Documents and applicable state law. While the apparent low bidder did not timely submit the required written statement and documentation, staff evaluated whether this omission required rejection of the bid or whether the City could make a responsibility determination using other sources of information.

Under RCW 39.04.350(3), if a bidder does not supply requested responsibility information in the time and manner specified, the City may rely on “any available information” to determine whether the bidder meets responsibility criteria. Consistent with this authority, staff relied on available information and completed a responsibility review using the City’s standard bidder responsibility checklist and other accessible records, including verification of the bidder’s:

- UBI registration
- Active L&I account and applicable prevailing wage training status
- Industrial insurance/workers’ compensation coverage
- Proof of insurance
- State debarment status (L&I)
- Department of Revenue account standing
- Federal debarment status (SAM)

In addition, staff reviewed City records and prior project experience and is not aware of performance concerns or any information indicating the apparent low bidder would not meet the supplemental responsibility criteria. Staff further determined the omission did not affect bid pricing, competition, or provide an unfair competitive advantage.

Staff Recommendation: Staff recommends the supplemental responsibility documentation issue does not warrant rejection of the apparent low bid and that the City may proceed with a responsibility determination under RCW 39.04.350(3) using available information.

**BENEFITS TO THE COMMUNITY:** The project will improve water system capacity and reliability for customers in the Hathaway Road area by replacing aging infrastructure and upsizing the existing water main.

**STRATEGIC PLAN:** This project aligns with the strategic plan's priority "Stewardship of City Assets" by Investing in critical water infrastructure that enhances system reliability, provides operational flexibility, and supports long-term community growth.

**POTENTIAL CHALLENGES:** Construction activities will disrupt traffic during construction hours. Camas staff will coordinate with contractor and School District Transportation to keep school traffic flowing.

**BUDGET IMPACT:** The Hathaway Road Waterline Replacement Project is funded through the Water/Sewer Fund and has a 2026 capital budget of \$1,190,000. Based on the bids received, award to the apparent low bidder would result in an estimated total project cost of \$639,392. If the apparent low bid is rejected and award is made to the second-low bidder, the estimated total project cost would be \$770,999, approximately \$131,607 higher than the low bid option.

**Budget:**

Hathaway Road Waterline Replacement Project (2026 Capital Budget)	\$ 1,190,000
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**Estimated Construction Expenses (Low Bid):**

Construction	\$ 555,084
Construction Contingency (10%)	\$ 55,508
<u>Construction Management (Staff Time)</u>	<u>\$ 28,800</u>
Total Estimated Construction Cost	\$ 639,392

**Estimated Construction Expenses (2<sup>nd</sup> Bidder):**

Construction	\$ 674,726
Construction Contingency (10%)	\$ 67,473
<u>Construction Management (Staff Time)</u>	<u>\$ 28,800</u>
Total Estimated Construction Cost	\$ 770,999

**RECOMMENDATION:** Based on staff discussions with the City attorney, it is recommended that Council award the project to North Cascade Excavating. Listed below, however, are three options:

<b>OPTIONS:</b>	<b>RESULTS:</b>
<i>If the Council determines that the protested reasons were a minor irregularity which may be waived as a reserved right to the City, they can award the project to North Cascade Excavating.</i>	<i>Council waives the minor bid irregularities and awards the bid to North Cascade Excavating for the amount of \$555,083.76 and authorizes the Mayor or designee to sign the contract and change orders up to ten percent of the original contract amount.</i>
<i>If the Council determines that the omissions were a major irregularity, they can reject the apparent low bid and award the bid to Grade Werks.</i>	<i>Council rejects the bid of North Cascade Excavating as non-responsive due to a major irregularity and awards the bid to Grade Werks for the amount of \$674,725.59 and authorizes the Mayor or designee to sign the contract and change orders up to ten percent of the original contract amount.</i>
<i>The Council can reject all bids</i>	<i>Direct staff to rebid the project.</i>