



**BUSINESS OF THE CITY COUNCIL  
CITY OF MERCER ISLAND**

**AB 6446  
April 16, 2024  
Consent Agenda**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6446: Phase 1 PRV Station Replacement-Bid Award	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Award the Phase 1 PRV Station Replacement Construction Contract to Fury Site Works, Inc.	

<b>DEPARTMENT:</b>	Public Works
<b>STAFF:</b>	Jason Kintner, Chief of Operations Clint Morris, Capital Division Manager George Fletcher, Senior Project Manager
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Project Location Map
<b>CITY COUNCIL PRIORITY:</b>	3. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.

<b>AMOUNT OF EXPENDITURE</b>	\$ 1,928,787
<b>AMOUNT BUDGETED</b>	\$ 2,025,000
<b>APPROPRIATION REQUIRED</b>	\$ n/a

**EXECUTIVE SUMMARY**

The purpose of this agenda bill is to award a public works construction contract for the replacement of aging and poor condition Pressure Reducing Valve (PRV) Stations at four locations.

- This project (WU0140) replaces four PRV Stations, one fire hydrant, three customer water service lines and other minor water system components.
- Six bids were received. The lowest responsive bid amounted to \$1,350,406.06.
- This project is included in the 2023-2024 Biennial Budget and Capital Improvement Program (CIP) with a 2024 budget of \$2,025,000, funded by the Water Fund.
- Design work began in 2022 with budget authority of \$395,000 in ARPA funding.
- Construction is scheduled to begin this summer with estimated completion by the end of 2024.

**BACKGROUND**

One of the City’s top priorities is to provide safe and reliable drinking water to the community. A major component of achieving that goal is ongoing planned replacement of portions of the water system that have reached the end of their service life.

The City of Mercer Island currently operates 85 PRV stations within the water system. These stations reduce water pressure from high elevations to lower elevations to maintain acceptable water pressures for customers. Pressure zones usually range between 40 to 80 pounds per square inch (PSI). The stations are housed in underground utility vaults and contain various valves and piping. Previous investigations by the City found that approximately 25 percent of the existing PRV stations were in poor condition and had operational issues.

A detailed assessment of the 20 poorest condition PRV stations was performed in 2021. It included a visual condition survey and analysis to rank and prioritize PRV station replacements and upgrades in the coming years. Through this assessment, the four highest risk stations were selected for replacement in the Phase 1 PRV Station Replacement project. Additional PRV stations are planned for upgrade or replacement in the current 2023-2028 CIP.

Design of the Phase 1 PRV Station Replacement project began in March 2022 with \$395,000 budgeted in ARPA funding. Once design work was completed in February 2024, the project was immediately advertised for bids. The engineer’s estimated construction cost for the project was \$1,689,375.50.

**ISSUE/DISCUSSION**

**PROJECT DESCRIPTION**

The Phase 1 PRV Station Replacement project (WU0140) consists of work at four locations:

- 7500 block SE 29th Street (Schedule A): Work includes removing the old station and vault, installing a new vault with new internal components, reconstructing a nearby timber pedestrian staircase and handrails, and overall site restoration.
- 2800 block 82nd Avenue SE (Schedule B): This location includes abandoning the old station and vault, installing a new vault within 82nd Ave, new internal components, relocating a short length of watermain, and restoring the concrete roadway.
- 4100 block 78th Ave SE (Schedule C): Work includes removing the old station and vault and installing a new vault with new internal components in the same location.
- 4700 block Fernridge Lane (Schedule D): This location includes removing the old station and vault, installing a new vault nearby, new internal components, as well as relocating and replacing the adjacent fire hydrant.

**BID RESULTS**

Six construction bids were received and opened on March 21, 2024. The lowest bid was received from Fury Site Works Inc (Fury) with a bid of \$1,350,406.06, approximately 20% below the engineer’s construction cost estimate. The following table shows the bid results.

COMPANY NAME	BID AMOUNT + 10.1% SALES TAX
Fury Site Works	\$1,350,406
Northwest Cascade Inc.	\$1,640,677
Laser Underground & Earthworks	\$1,686,077
Kar-Vel Construction	\$1,771,349
Ryatt Construction	\$2,080,850
Road Construction Northwest, Inc.	\$2,085,611
<b>Engineer's Estimate:</b>	<b>\$1,689,376</b>

The apparent low bidder, Fury Site Works Inc. (Fury) from North Bend, Washington has completed water utility and other infrastructure construction projects for public agencies and private developments in Western Washington under the current ownership since 2011. In 2013 and 2014, Fury completed stormwater work for the Mercer Island Public Works Right-of-Way team. In 2022, Fury completed the 2022 Water System Improvements project for the City of Mercer Island. Fury recently completed an Asbestos Cement (AC) water main replacement project, including a PRV Station, for the City of Bellevue with contract value of \$5.5 M.

A review of the Labor and Industries (L&I) website confirms Fury is a contractor in good standing with no license violations, outstanding lawsuits, or L&I tax debt. Based on the review of Fury’s bid submittal and reference checks, staff has determined that Fury Site Works, Inc. is the lowest responsive bidder for this project and recommends awarding the Phase 1 PRV Replacement project to Fury Site Works, Inc.

**PROJECT BUDGET**

Adding amounts for construction contingency, construction inspection, and project management brings the total estimated project cost to \$1,928,787. Historically, staff applies a 20% contingency to utility construction due to the unknowns associated with underground work. Project Costs are summarized in the following table.

<b>PHASE 1 PRV STATION REPLACEMENT (WU0140) PROJECT BUDGET</b>	
<b>Description</b>	<b>TOTAL</b>
<b>Construction (Schedules A, B, C and D)</b>	\$1,214,015
Washington State Sales Tax @ 10.1%	\$136,391
<b>Total Construction Contract Award to Fury Site Works</b>	<b>\$1,350,406</b>
Construction Contingency @ 20%	\$270,081
Construction Support Services - In-House	\$33,300
Project Management/In-House Staff Support	\$175,000
Construction Inspection	\$100,000
<b>Total Estimated Project Cost</b>	<b>\$1,928,787</b>
<b>Total 2023-2024 Budget Available for Project WU0140</b>	<b>\$2,025,000</b>
<b>Budget Appropriation Needed</b>	<b>\$0</b>

**NEXT STEPS**

Staff recommends awarding the bid to Fury Site Works Inc., authorizing the City Manager to execute a contract with Fury Site Works Inc. for the construction of the Phase 1 PRV Station Replacement project, and setting the total project budget at \$1,928,787.

Construction activities are tentatively scheduled to begin in summer and, depending on materials availability, should be completed by the end of 2024.

**RECOMMENDED ACTION**

Award the Phase 1 PRV Station Replacement Project to Fury Site Works Inc, a Washington-based company, and authorize the City Manager to execute a contract with Fury Site Works Inc. in an amount not to exceed \$1,350,406 and set the total project budget at \$1,928,787.