



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6062
April 19, 2022
Consent Agenda

AGENDA BILL INFORMATION

TITLE:	AB 6062: 2022 Water System Improvements (Madrona Crest East) Project 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
RECOMMENDED ACTION:	Award the 2022 Water System Improvements construction contract to Fury Site Works, Inc.	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations Clint Morris, Capital Division Manager Rona Lin, Utilities Engineer
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Project Location Map
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ 2,767,115
AMOUNT BUDGETED	\$ 2,798,000
APPROPRIATION REQUIRED	\$ 0

EXECUTIVE SUMMARY

The purpose of this agenda bill is to award a public works construction contract for the upgrade of the aging and undersized water system in the Madrona Crest East neighborhood.

- This project replaces over 4,300 linear feet of watermain, along with water services, fire hydrants, and other components.
- Three bids were received, and the low construction bid is \$1,864,262.
- This project is included in the 2021-2022 Capital Budget and is funded with Water Utility Funds.
- Construction will occur in summer and fall of 2022.

BACKGROUND

One of the City's top priorities is to provide safe and reliable drinking water to its residents and the community. A major component of achieving that goal is on-going, planned replacement of portions of the water system that have reached the end of their service life.

Each biennium, the City constructs at least one watermain replacement project, as well as performing other capital water system upgrades. The City owns and maintains over 115 miles of water mains, ranging in size from 4-inches to 30-inches in diameter. During each CIP budget planning process, City staff evaluate and

prioritize water mains for replacement using a scoring matrix that applies rating factors to attributes such as pipe material, age, diameter, condition, water quality and fire flow.

The Madrona Crest neighborhood is one of the oldest on the Island. It is bounded by SE 36th and SE 40th Streets and by 84th and 90th Avenues. This area was originally platted in 1946 and many of the original homes were built in the 1950s. The water system is old, undersized, and has experienced numerous breaks over the years. The water system in this area is primarily comprised of cast iron pipe, but it also contains some Asbestos Cement (AC) pipe. Pressurized AC pipe is a material known for developing leaks and breaks as it nears the latter part of its expected useful life.

Construction of the Madrona Crest West water improvements in 2016 replaced all the water system components in the western half of the Madrona Crest plat (from 84th to 86th Avenues), in conjunction with some stormwater and sidewalk improvements. This provided much-needed utility improvements and roadway reconstruction in the neighborhood.

The 2022 Water System Improvements will provide needed water utility improvements in the eastern half of the Madrona Crest neighborhood, strengthening reliability of the distribution system, increasing fire flow, and improving water quality. See Exhibit 1 for the project location.

ISSUE/DISCUSSION

PROJECT DESCRIPTION

The 2022 Water System Improvements project consists of replacing over 4,300 linear feet of 4-inch and 6-inch cast iron water mains in the east half of the Madrona Crest plat with new 8-inch ductile iron pipe, and the abandonment of over 1,500 linear feet of redundant cast iron and AC water mains in SE 40th Street between 86th Avenue and Greenbrier Lane. In addition, 112 water services and ten fire hydrants will be replaced, and three new air/vacuum valve assemblies will be installed.

Design of the Madrona Crest East project began in November 2021 and was completed in mid-March 2022. The project was advertised for bids immediately after design work was finalized. At completion of design, the engineer's estimated construction cost of the project was \$1,999,600.

BID RESULTS

Three construction bids were received and opened on March 30, 2022. The lowest bid was received from Fury Site Works, Inc for \$1,864,262, which is approximately 7% below the engineer's construction cost estimate. The following table shows the bid results.

COMPANY NAME	TOTAL BID AMOUNT INCLUDING 10.1% WASHINGTON SALES TAX
Fury Site Works	\$1,864,262
B & B Utilities and Excavating	\$1,934,492
Laser Underground & Earthworks	\$2,143,473
Engineer's Estimate:	\$1,999,600

The apparent low bidder, Fury Site Works, Inc. ("Fury") from North Bend, Washington was established in 1976. They have completed several water main and other utility infrastructure construction projects for public agencies and private developments in Western Washington under the current ownership since 2011. In

2016, Fury completed the Standalone Air Vacuum Release Valve Assemblies Upgrade project for the City of Mercer Island. In 2013 and 2014, Fury completed multiple stormwater repairs and improvements for the Public Works Department's Right-of-Way team. Fury is currently finishing a two-year \$5.5 million AC water main replacement project for the City of Bellevue.

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 review of Fury's bid submittal and reference checks, staff has determined that Fury is the lowest responsive bidder for this project and staff recommends awarding the 2022 Water System Improvements project to Fury Site Works, Inc.

PROJECT BUDGET

Adding amounts for construction contingency, design, construction inspection, and project management brings the total estimated project cost to \$2,767,115. 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.

2022 WATER SYSTEM IMPROVEMENTS (MADRONA CREST EAST) PROJECT BUDGET	
Description	TOTAL
Construction	\$1,693,245
Washington State Sales Tax @ 10.1%	\$171,018
Total Construction Contract Award to Fury Site Works	\$1,864,262
Construction Contingency @ 20%	\$372,852
Project Design - Consultant	\$160,000
Construction Support Services - Consultant	\$60,000
Project Management/In-House Staff Support	\$240,000
Construction Inspection	\$70,000
Total Project Cost	\$2,767,115
2021 - 2022 Budget - Water Fund for Design	\$350,000
2021 - 2022 Budget - Water Fund for Construction	\$2,448,000
Total Budget Available for Project	\$2,798,000
Budget Appropriation Needed	\$0

NEXT STEPS

Staff recommends authorizing the City Manager to execute a contract with Fury Site Works, Inc. for the construction of the 2022 Water System Improvements (Madrona Crest East) project and set the total project budget at \$2,767,115.

As a result of the COVID-19 Pandemic, public agencies, contractors, and suppliers are all experiencing shortages of materials and long lead times on critical items, such as ductile iron pipe, pipe fittings, and other water system accessories. Staff anticipated starting construction on this project in late May with completion in October; however, given the current supply chain problems, mainline pipe laying activities likely will not

begin until August and the project will not be completed until December. Staff will work closely with the Fury team to manage the project timeline and work schedule.

Work on SE 40th Street near Northwood Elementary will be performed primarily in July and August, to avoid school traffic. Construction notifications will be provided to residents after the bid award and prior to the start of construction.

RECOMMENDED ACTION

1. Award the 2022 Water System Improvements (Madrona Crest East) project to Fury Site Works, Inc.
2. Authorize the City Manager to execute a contract with Fury Site Works, Inc. in an amount of \$1,864,262.
3. Set the total project budget at \$2,767,115.