



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action - 9th Avenue Waterline Replacement Project – Contract Award

Preferred Agenda: August 9, 2022

Submitted By: Trish Rice, Engineering Tech 2

Reviewed By: Christy Wurster, City Manager Pro Tem
Greg Springman, Public Works Director

Type of Action: Resolution ___ Motion ___ Roll Call X Other ___

Relevant Code/Policy: n/a

Towards Council Goal: Goal 1.1 Develop specific steps for implementation of the adopted infrastructure master plans

Attachments: 9th Avenue Waterline Replacement Project bid tabulation
9th Avenue Waterline Replacement Project contract documents
Addendum #1
Pre-Bid Meeting sign-in sheet

Purpose of this RCA:

Staff requests Council approval to award the contract for the 9th Avenue Waterline Replacement Project and authorization to expend overlay funds for Grape St overlay improvements.

Background/Context:

On May 10, 2022, Council approved soliciting bids for the 9th Avenue Waterline Replacement Project. The bid consisted of Schedule A, 9th Avenue between Cedar St and Oak Ter, Grape St and Catalpa St off of 9th Ave; and Schedule B, Alder St from South Hills Trail to 9th Ave, 8th Ave from Alder St to Cedar St, and Birch St; and an additive alternate for Schedule B street paving. The work includes replacement of the waterlines and services, added fire hydrants, and street restoration overlay and corner ramp replacements (which is an ADA requirement when overlaying improved streets).

The construction budget is \$985k. The engineer's estimate for Sch A + Sch B was \$1,024,320. The project was purposely structured as Schedule A (9th Ave) and Schedule B (8th Ave) so that if the bids came in low enough then we could make the most efficient use of the funds to achieve the most work, and if not then we could also remove a schedule.

The mandatory pre-bid meeting on May 25 was attended by eight contractors. Bids closed on June 8 and we received 6 bids.

All of the bids exceeded the budget. The low base bid (Sch A + Sch B) was Trench Line Excavation, Inc at \$1,013,925.55. Staff then evaluated the bids for only Sch A. Low bid was

\$663,865.27 also by Trench Line Excavation, Inc. Staff recommends cutting Sch B to remain in budget and award only Sch A. This is well within budget, even after adding the industry standard 15% contingency.

Subsequent to staff's previous presentation on May 25, we recalled that paving Grape St in Sch A, which is an unimproved street, is not fundable by ARPA and will require an alternative funding source to complete. Staff request authorization to allocate streets overlay funds to complete Grape St paving. Grape St paving is estimated at \$35-40k. The request is to authorize up to \$45k to provide for paving contingency. Sufficient overlay funds are available.

Approx. \$290k ARPA funds will remain available to reallocate to another project.

Council has an option to award the full contract if desired by reallocating funds from other water line items and/or streets line items, however staff does not recommend doing so at this time. The needed budget to include 15% contingency on a \$1,013,925.55 contract would total \$1,166,014.38. Therefore, awarding only Schedule A is recommended.

The Challenge/Problem:

How do we make efficient use of limited funds to complete needed water projects?

Stakeholders:

- Sweet Home Residents – Residents deserve well-maintained City infrastructure that meets their needs and improves their quality of life.
- Sweet Home City Council – The City Council has a goal to provide viable and sustainable infrastructure that serves development and improves residents' quality of life.
- Sweet Home City Staff – City Staff have an interest in completing projects that empower them to meet the Council's goals and which reduce staff time spent on reactive repairs.

Issues and Financial Impacts:

The low bid for Sch A only is \$663,865.27, well within budget, even with 15% contingency.

The project will be funded using ARPA funds as per previous Council direction to allocate \$1M to the small diameter replacement program. Subsequent to staff's previous presentation on May 25, we recalled that paving Grape St in Sch A, which is an unimproved street, is not fundable by ARPA and will require an alternative funding source to complete. Staff request authorization to allocate streets overlay funds to complete Grape St paving. Grape St paving is estimated at \$35-40k. The request is to authorize up to \$45k to provide for paving contingency. Sufficient overlay funds are available.

Approx. \$290k ARPA funds will remain available to reallocate to another project.

Elements of a Stable Solution:

A stable solution will provide efficient completion of needed water maintenance and improvements.

Options:

1. Option 1 – Award the contract for Schedule A to Trench Line Excavation, Inc., for \$663,865.27, and reallocate \$45k overlay funds for Grape St paving improvements. Staff will execute the contract and give the contractor notice to proceed.
2. Option 2 – Award the contract for Schedule A to Trench Line Excavation, Inc. and remove Grape St paving from the project. Staff will execute the contract and give the contractor notice to proceed. The project cost would be reduced to approx. \$630k.
3. Option 1 – Award the contract for the full project for \$1,013,925.55 to Trench Line Excavation, Inc., and allocate additional funds to complete the project. Not recommended. The needed budget to include 15% contingency on a \$1,013,925.55 contract would total \$1,166,014.38.

4. Option 4 – Reject all bids and re-bid the project. This option will delay the completion of needed water system work and may result in more expensive bids now that the previous bid results are public knowledge.
5. Option 5 – Reject all bids and cancel the project. This option will delay the completion of needed water system work. The project will remain in the CIP and the unspent funds will be available for re-budgeting.

Recommendation:

Staff recommends Option 1 – Award the contract for Schedule A to Trench Line Excavation, Inc. for \$663,865.27, and reallocate \$45k overlay funds for Grape St paving improvements.