



Legislation Text

File #: 23-0191, Version: 1

**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Approve the award of Bid 22-294, 11<sup>th</sup> Avenue Water Main Replacement, to Bolder Contractors, for an amount not to exceed \$2,130,027 plus a 3% contingency

**DEPARTMENT:** Water Utilities

**SUBMITTED BY:** Darrell Blenniss, Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

In January 2023, Water Utilities issued Bid 22-294, 11<sup>th</sup> Avenue Water Main Replacement. The project includes water main replacements on 11<sup>th</sup> Avenue between Washington Street and Columbia Street.

The purpose of the project is to replace the aging and deficient water main. The existing 6” water main is a cast iron pipe installed in the 1950s and 1960s. It will be replaced and upsized to either an 8” or 12” ductile iron pipe in accordance with City standards.

This project is viewed as a priority because, in part, the segment of water main between Washington Street and Brainard Street has the highest business risk exposure score in the entire City.

**DISCUSSION:**

Advertisement Date:	1/11/2023	Notices Sent:	360
Opening Date:	2/1/2023	Planholders:	31
		Proposals Received:	5

Bids were received from the following vendors:

Vendor Name	Proposed Cost
Bolder Contractors	\$2,130,027.00
J Congdon Sewer Service	\$2,178,110.00
Swallow Construction	\$2,354,721.00
A Lamp Concrete Contractors	\$2,424,998.00
Mauro Sewer	\$2,499,586.00
<i>Engineer's Estimate</i>	<i>\$2,567,500.00</i>

Bolder Contractors submitted the low bid for the project at \$2,130,027.00. The low bid is 17% lower than the engineer's estimate; however, it is 9% higher than the amount included in the 2023 budget.

Water Utilities staff based the 2023 budget on the average per foot cost of 2022 water main projects. As the consulting design firm prepared bid specifications, it became apparent that costs were continuing to escalate across the construction industry and the engineer's estimate was revised accordingly.

Staff has spoken with bidders who said pricing is being driven primarily by labor and material costs, most notably the cost of concrete and steel. Additionally, construction costs were favorable in recent years due to lower demand. The influx of federal and state infrastructure funding has driven demand much higher, thus increasing the price contractors can charge.

While costs are greater than anticipated, it is not in the City's best interest to cancel, delay, or re-bid the project. Staff anticipates that the factors driving higher costs will continue and there is no guarantee the work can be completed at a lower cost in the foreseeable future.

Staff believes the low bid submitted is reasonable for performing the work as specified. Staff has experience with Bolder Contractors and finds them capable contractors.

**FISCAL IMPACT:**

**CIP# WU400 - 11<sup>th</sup> Avenue Watermain Improvements**

Watermain replacements on 11<sup>th</sup> Avenue are expensed to the account number listed below as part of the Capital Improvement Program. A total of \$1,986,700 is budgeted for this project in 2023. Though the requested award exceeds the budget for this project by \$207,228, the project can be funded within the Water Capital Fund. Staff will monitor expenses in the fund to ensure compliance with budgetary guidelines.

<b>Account Number</b>	<b>Fund Description</b>	<b>Total Budget Amount</b>
41252000-551502	Water Capital Fund	\$39,813,900

Per Council directive, contingency on construction projects is set at 3% on projects over \$500,000 and 5% on projects under \$500,000.