

Attachment A – Additional Project Information

Project Name

Targeted Equipment Upgrades for Wastewater Lift Stations 5, 6, 8, 11 and 15 Project

Project Discussion

Equipment replacements at Wastewater Lift Station Nos. 5, 6, 8, 11, and 15 (Project). The equipment replacements will be completed within the footprint of each lift station. No new easements or property acquisition are needed. Equipment replacements will involve replacement of pumps and rails, check valves, piping, on site emergency power generators, telemetry and control equipment and safety equipment.

Bid Results (to be completed after bid opening on March 24, 2022)

The project was advertised in the *Daily Journal of Commerce* on February 23, 2022, and March 2, 2022. Bids were received and opened on March 24, 2022. The City received two bids which are summarized below.

Bidder	Bidder Location	Bid Amount
Award Construction Inc.	Ferndale, WA	\$4,499,016.30
McClure and Sons, Inc	Mill Creek, WA	\$4,728,346.90
Engineer's Estimate		\$3,425,321.10

The escalation in bid pricing beyond the Engineers Estimate can be attributed to the following factors:

- There are only two bidders, indicating the contractors are very busy and probably already have enough work for 2022. Without a lot of competition, prices go up.
- The temporary wastewater pumping costs are substantially higher. Our estimation team got direct pricing from pump rental companies, so the increases are likely due to the contractors concluding our proposed temporary pumping scheme is not sufficient or, prices have substantially changed in the past few months, or they expect to take much longer to do the work.
- We don't know the specifics in the lift station lump sum bid items, so it is difficult to tell what items are driving the increase. It could be piping, concrete, coatings, and/or electrical. Prices for public works construction are increasing rapidly. We added some additional costs to reflect this, but clearly, they are increasing even faster than we thought. The average price between the two bidders shows an increase of more than 30% overall on the large lump sum items.
- Currently, ordering and delivery times are impacting all public works construction. Supplier price guarantees for bidding are limited in duration. These conditions present a great deal of uncertainty in pricing and justify a high risk in bidding which also increases costs.
- Finally, finding good construction staff is very difficult at this time. If the contractors have limited staff or can't hire sufficient people to do the work, that increases the costs.

All bidders' unit prices, extension and additions have been checked for accuracy and unbalanced bid items. The contractor's references were checked and found to be acceptable. Staff recommends awarding contract to Award Construction Inc.

Fiscal Information

Current Project Budget

Wastewater CIP	\$5,810,222
Additional Wastewater CIP	\$1,173,790
Total Funding	\$6,984,012

Estimated Project Costs

Preliminary Design	\$880,799
Design	\$550,000
Right of Way	\$0
Construction	\$5,251,713
Contingency	\$301,500
Total Estimated Project Cost	\$6,984,012

Budget Difference	\$0
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Previous Project-Related Council Touches

Date	Meeting	Action
7/14/2021	Committee of the Whole	Provide Direction
10/5/2021	Regular Council Meeting	Approve Consultant Agreement for Design