



Memorandum

Date: 4/6/2021
Meeting of: City Council

File No. AM No. 21-045
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Public Works	Dave Juarez	425-556-2733
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DEPARTMENT STAFF:

Public Works	Colin Sherrill	Engineer
Public Works	Lisa Rigg	Senior Utility Engineer
Public Works	Steve Hitch	Interim Engineering Manager
Public Works	Mike Haley	Interim Engineering Supervisor

TITLE:

Adoption of a Resolution Rejecting all bids for the Pump Station 15 Abandonment Project

- a. Resolution No. 1545: A Resolution of the City Council of the City of Redmond, Washington, Rejecting All Bids Received by the City on the Pump Station 15 Abandonment, Project No. 20021204

OVERVIEW STATEMENT:

Wastewater Pump Station 15 low bid exceeded the engineers estimate and created a significant project funding deficit. Staff are recommending to adopt the resolution to reject all bids.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information** ☐ **Provide Direction** ☒ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Council approval is required to award contracts/agreements over \$300,000 per 2018 City Resolution 1503. RCW 35.23.352 requires Council action by resolution to reject all bids.
- **Council Request:**
N/A

- **Other Key Facts:**

Requesting for this to be a consent item for Council approval at the April 6, 2021 Council business meeting.

OUTCOMES:

The low bid exceeded the project budget and caused a project deficit of \$1.4 million. City staff do not feel that Pump Station 15 is in a critical enough condition to warrant additional funding. Staff recommends that Council reject all the bids and staff will return to council when a new plan is devised.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

City staff have informed the Home Owners Association of The Point community that the planned project will not be taking place and that other more cost effective solutions will be considered.

- **Outreach Methods and Results:**

City staff called and emailed the Home Owners Association of The Point community.

- **Feedback Summary:**

N/A

BUDGET IMPACT:

Total Cost:

\$3,737,872

Approved in current biennial budget:

☒ Yes

☐ No

☐ N/A

Budget Offer Number:

2021-2022 CIP

Budget Priority:

2021-2022 Healthy and Sustainable City Wastewater Priority

Other budget impacts or additional costs:

☒ Yes

☐ No

☐ N/A

If yes, explain:

The current budget is \$2,308,703 and after the bid opening there is a deficit of \$1,429,169.

Cost of construction is higher than originally anticipated due to the following:

- Limited supply of qualified contractors to do this work
- Construction pricing has increased since 30% design
- Complicated pipe installation due to deep sewer, limited working hours, and major utility crossings.

Further explanation is in Attachment A.

Funding source(s):

Wastewater CIP Fund

Budget/Funding Constraints:

The funding for this project is derived from allocated funds in the 2021-2022 Wastewater CIP.

☒ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
3/23/2021	Committee of the Whole - Finance, Administration, and Communications	Approve

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

The City is obligated to either accept or reject all bids within 45 days after the bid opening.

ANTICIPATED RESULT IF NOT APPROVED:

The City Council could choose to accept the bids and award the contract to the apparent low bidder, KLB Construction; however, this action is not recommended based on the current project funding. The current Plans and Specification package can be ready for a re-advertisement of this project until January 2022, since Washington Dept. of Transportation Standard Specifications are updated annually.

ATTACHMENTS:

Attachment A - background, bid, and fiscal information

Attachment B - Resolution: Reject All Bids