

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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**ITEM NO:** A - 10

**DATE:** December 11, 2008

**SUBJECT:** Authorize Issuing a Notice of Award to the Apparent Low Bidder for the Centrifuge Project

**CONTACT PERSON:** Connie Dunn, Public Works Director 

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**ISSUE:**

The issue before the City Council is to authorize the Mayor to sign a Notice of Award to the Apparent Low Bidder for the purchase and installation of the Centrifuge Project.

**STAFF RECOMMENDATION:**

Authorize issuing a Notice of Award to the Apparent Low Bidder, Triad Mechanical for \$637,748.90, to purchase and install the Centrifuge Project at the Wastewater Treatment Plant (WWTP).

**SUMMARY:**

On August 28, 2008, the City Council approved Amendment No. 5 to Brown and Caldwell's contract. The amendment authorized Brown and Caldwell to design the Centrifuge Project. This Project will not only address immediate solids dewatering needs at the WWTP, but also provide capacity for future flows. The centrifuge will be installed in the existing Equipment Building and is expected to be reused as part of the future plant upgrade phases. With this approach, the City has actively adapted the overall WWTP upgrade project phasing to meet the immediate and future capacity needs at the WWTP in a way that makes best use of available funding.

Because the Bid Opening for this Centrifuge Project was scheduled for Friday, December 5, 2008 at 2:15 pm, the low bid amount is \$637,748.80 from Triad Mechanical. The City Engineer, Tadd Giesbrecht has the lowest three bid documents and will have the final bid tabulation for the Council Meeting on December 11, 2008. In consideration of issuing a Notice of Award to the apparent low bidder, the project schedule and funding are two key factors discussed in more detail below.

**Project Schedule**

The driver for the Centrifuge Project schedule is the expected long lead time for the packaged centrifuge system. In order to install the centrifuge before the rainy season of 2009 (before the end of October 2009), the City was notified by the basis of design

centrifuge manufacturer (Alfa-Laval) that a purchase order for the packaged centrifuge system needs to be issued by the Contractor by December/January.

Therefore, providing that a responsive and responsible low bidder is identified, it is imperative that a Notice of Award is issued to trigger the following activities:

- Dec 12: Notice of Award letter sent from City to Bidder
- Dec 15 – 29: Bidder submits bonds, insurance documentation etc.
- Dec 30: Signed contract/Notice to proceed issued and Centrifuge Package is ordered
- August/September 2009: Contractor begins demolition and installation of Centrifuge
- October 2009: Centrifuge Project complete

Any delay in getting a Contractor under contract will result in compressing the already tight schedule. It is expected that pushing the contract signing beyond mid-January 2009 could jeopardize getting the centrifuge system installed before the start of the rainy season in 2009.

### **Project Funding**

The City received a \$500,000 legislative proviso for upgrading the WWTP. Based on discussions with the Department of Ecology Grant Administration, this proviso could be applied toward the Centrifuge Project since it is essentially a component of the overall upgrade project and the centrifuge itself is planned to be reused as part of any future WWTP upgrades.

It should be noted that only about 10% of the contract value would be required towards the beginning of the project, while the remaining amount would not be required until around August/September of 2009 should the project remain on schedule.

Regardless, the City will need to consider other funding sources in order to advance the project. A preliminary list of options includes:

- Additional legislative proviso money - the City's current lobbyist is aware of the additional amount that is required, allowing a specific amount to be targeted in order to complete a project that the State has already invested
- PWTF loan
- Federal Economic Stimulus. This project is ready to construct. It is a strong candidate for federal funding.

**Alternatives:**

1. Authorize issuing a Notice of Award to the apparent low bidder. The bid amount is greater than \$500,000, the fiscal impact will depend on the amount and source of additional money required.
2. Do not authorize issuing a Notice of Award. Any delay in issuing a Notice to Proceed beyond mid-January 2009 could jeopardize constructing the project in 2009. If project construction is delayed until spring of 2010, the overall construction cost could be greater.

**FISCAL IMPACT:**

The apparent low bid amount was \$637,748.90 is greater than \$500,000, requiring funds in addition to the proviso. However, it should be noted that only about 10% of the contract value would be required towards the beginning of the project, while the remaining amount would not be required until around August/September of 2009 should the project remain on schedule.

The City would continue to seek additional funding from Public Works Trust Fund, additional legislative proviso.

**RECOMMENDED ACTION:**

Authorize issuing a Notice of Award to the Apparent Low Bidder for the construction of the Centrifuge Project.

**ATTACHMENTS**

Attachment A                      List of Bidders from the December 5, 2008 bid opening

# BID OPENING RESULTS

City of Sultan

Dewatering Centrifuge Bid Opening Results

12/5/2008 at 2:00pm

CONTRACTOR	APPARENT BID
<b>Triad Mechanical</b> 1419 NE Lumbard PL Portland OR 97211	\$637,748.90
<b>Award Construction, Inc.</b> 980 Willeys Lake Rd Ferndale WA 98248	\$678,423.38
<b>McClure and Sons, Inc.</b> 15714 Country Club Dr Mill Creek WA 98012	\$714,993.30
<b>Gary Harper Construction, Inc.</b> 14831 - 223rd Street S.E. Snohomish, WA 98298-3938	\$715,667.09
<b>Stouder Construction</b> 3381 Brown Rd Ferndale WA 98248	\$730,953.00
<b>Tek Construction</b> 4167 Mitchell Way Bellingham WA 98226	\$771,701.82
<b>VLS Construction</b> PO Box 630 Ravensdale WA 98051	\$894,270.02