CITY OF Tacoma

Resolution No.: _____

Meeting Date: _____

Contract and Award Letter
Purchase Resolution – Exhibit "A"

Initial kF Initial GMS

TO: Board of Contracts and Awards
FROM: Geoffrey M. Smyth, P.E., Interim Director, Environmental Services Department
Kristy Beardemphl, P.E., Engineering Manager, Science and Engineering
COPY: City Council, City Manager, City Clerk, EIC Coordinator, LEAP Coordinator, and Stan Rowden II, Senior Buyer, Finance/Procurement
SUBJECT: Progressive Design Build Puyallup Ave Sewer Utility Replacement Project Request for Proposals, Specification No. ES24-0035F, Contract No. CW2271851 – March 18, 2025, City Council
DATE: February 18, 2025

RECOMMENDATION SUMMARY: The Environmental Services Department (ES) recommends awarding a contract to IMCO General Construction, Inc., Ferndale, WA, in the amount of $7,096,420.60, plus applicable taxes. This project is budgeted from the ES Wastewater Fund 4300 and the ES Stormwater Fund 4301 for Phase 1 of the Progressive Design Build of the Puyallup Avenue Sewer Utility Replacement Project.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.
- Assure outstanding stewardship of the natural and built environment.

This project enhances the natural and built environment and supports a safer city with healthy residents by significantly reducing stormwater flooding in the vicinity of Pacific Avenue and South 26th Street and replacing large-diameter storm and wastewater sewer trunk mains that are reaching the end of their service life.

BACKGROUND: This project will rehabilitate 1,900 linear feet of existing 60-inch diameter stormwater sewer pipe. This project will also replace 1,500 linear feet of 24-inch to 66-inch diameter wastewater sewer pipe and 2,000 linear feet of 24-inch to 84-inch diameter storm sewer pipe.

ISSUE: During intense rain events, significant flooding can occur in the vicinity of Pacific Avenue and South 26th Street, resulting in severe property damage and disruption to traffic. The 60-inch stormwater sewer pipe to be rehabilitated was originally constructed in 1923 and is not currently in full service. Rehabilitating this pipe will increase the current system capacity and reduce the likelihood of flooding.

The wastewater sewer pipe (which currently serves the majority of South Tacoma, conveying millions of gallons of wastewater each day) and the storm sewer pipe being replaced were constructed in 1962. All these pipes are reaching the end of their design life and are at risk of failure.

After a thorough evaluation of various delivery methods, ES determined the Progressive Design-Build contracting method offered significant advantages over the traditional design-bid-build (low bid) delivery method and was best suited to meet the project goals. These goals include having a single point of responsibility for the design and construction of the project (the Design-Builder),

the ability for ES to collaborate with the Design-Builder during progression of the design to help ensure development of the best construction methodology for the project's specialized nature, to increase the opportunity for design and construction innovation, and to better manage the many construction risks associated with this project.

ES is approved by Washington State's Capital Advisory Project Review Board, consistent with RCW 39.10, to utilize the Progressive Design-Build delivery method. Utilizing this delivery method will help ensure ES can partner with a Progressive Design-Build team which is most qualified to deliver an overall project design and construction that will represent the best value to the ratepayers.

This contract allows the project to be delivered in two distinct stages. Stage 1, initiated by this contract, will cover the preliminary services necessary to advance the design to 60 percent. Stage 2, currently estimated in the range of $50-55 million, will include final design and construction of the project and will be brought to City Council for approval under an amendment to this contract in Spring 2026.

ALTERNATIVES: One alternative is taking no action and accepting the risk of significant stormwater flooding in the vicinity of Pacific Avenue and South 26th Street. With no action, ES will also be accepting the risk of future pipe failures in the aging large diameter wastewater mains, portions of which are located on private property underneath buildings, which can result in untreated wastewater overflowing into the Puget Sound or private property and damage to private property.

An alternative to using the Progressive Design-Build contracting method would be to utilize the traditional Design-Bid-Build (low bid) contracting method. This alternative would eliminate the ability for collaboration between the City, design engineers, and the contractor in determining the most innovative and cost-effective project design and present additional risks to all three parties due to unknown or unforeseen conditions or circumstances during construction.

COMPETITIVE SOLICITATION: In accordance with RCW 39.10.330, a two phased solicitation approach was utilized to identify the most qualified design-build team. Request for Qualifications Specification No. ES24-0035F was opened on August 6, 2024 and four submittals were received.

These submittals were scored by the Selection Evaluation Committee based on the proposer's team structure, leadership, alternative delivery experience, permitting experience, stakeholder outreach, design and construction experience, and capability to perform the proposed work. All four submittals met the general requirements. The three highest scoring teams were invited to enter the second phase of the solicitation process which included submitting a Request for Proposal.

Requests for Proposals were opened on November 26, 2024 from all three finalists. Proposals were evaluated and scored by the Selection Evaluation Committee based on the proposer's qualifications and experience, management plan and commercial approach, technical approach and design concept, Phase 1 costs (included in this contract), and a Preliminary Equity in Contracting Inclusion Plan. The rankings for both phases are listed below.

RFQ Respondent	Location	RFQ Rank
IMCO General Construction, Inc.	Ferndale, WA	1
Michels Construction, Inc.	Brownsville, WI	2
Scarsella Bros., Inc.	Kent, WA	3
Ceccanti, Inc.	Tacoma, WA	4

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IMCO General Construction, Inc.	**Ferndale, WA**	**1**
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CONTRACT HISTORY: New contract.

SUSTAINABILITY: Constructing additional stormwater capacity to prevent future flooding and replacing aging wastewater mains to avoid wastewater overflows represents the best solution for minimizing the potential impact on human health and the environment.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Proposers were required to submit a Preliminary Equity in Contracting Inclusion Plan which was evaluated and scored as part of this selection process. There will be a requirement for EIC compliance in the future contract amendment for the construction phase of the project.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: There will be a requirement for LEAP compliance in the future contract amendment for the construction phase of the project.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4300 ES Wastewater Fund	ENV-04026-02-04	5330100	$2,838,568.24
4301 ES Stormwater Fund	ENV-03034-02-04	5330100	$4,257,852.36
TOTAL			**Up to $**7,096,420.60

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4300 ES Wastewater Fund	529700	6310010	($2,838,568.24)
4301 ES Stormwater Fund	524700	6310010	($4,257,852,36)
TOTAL			**Up to ($7,096,420.60)**

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: $7,096,420.60, plus applicable taxes.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A