City of Tacoma

City Council Action Memorandum
Purchase Resolution – Exhibit "A"

TO: Board of Contracts and Awards
FROM: Michael P. Slevin III, P.E., Director, Environmental Services
Geoffrey M. Smyth, P.E., Division Manager, Science & Engineering
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, Jill Tibbs, Finance/Purchasing, and Jason Turner, Project Manager
SUBJECT: 2016 Wastewater Sewer Rehabilitation CIPP Project, Request for Bids Specification No. ES16-0058F – June 28, 2016
DATE: June 10, 2016

SUMMARY:
The Environmental Services Department recommends a contract be awarded to Insituform Technologies, LLC, Chesterfield, MO, in the amount of $636,514.00, plus a 15 percent contingency, for a cumulative contract total of $731,991.10, excluding sales tax, budgeted from the ES Wastewater Fund 4300, for the rehabilitation of approximately 11,700 linear feet of 8-inch to 24-inch diameter underground wastewater mains utilizing cured-in-place pipe (CIPP) technology in various locations throughout the city.

STRATEGIC POLICY PRIORITY:
- Assure outstanding stewardship of the natural and built environment.

A reduced risk of sewer overflows from this project represents an improvement to human health and the environment. Also, the City is able to perform the less invasive trenchless method to rehabilitate these existing wastewater pipes without undertaking the more expensive and disruptive impact of traditional open-cut construction.

BACKGROUND:
ISSUE: The underground wastewater pipes in these various locations are reaching the end of their design life and are at risk of failure. Replacement will reduce the risk of failure which could result in the overflow of untreated wastewater into the Puget Sound and potentially into the basements of adjacent buildings. Preventative replacement of these underground pipes in these project areas represent the lowest life cycle cost solution to maintaining these assets.

ALTERNATIVES: The first alternative is to take no action and accept the risk of failure of the wastewater pipes. If the existing pipes are not replaced, the rate and magnitude of isolated failures will increase with time. The second alternative is to use traditional open cut trenching, which would result in higher costs and a more significant impact to neighborhoods during construction.

COMPETITIVE SOLICITATION: Request for Bids Specification No. ES16-0058F was opened May 31, 2016. Two companies were invited to bid in addition to normal advertising of the project. Two submittals were received. The table below reflects the amount of the base award.

Respondent	Location *(city and state)*	Submittal Amount	Evaluated Submittal
Insituform Technologies, LLC	**Chesterfield, MO**	**$636,514.00**	**$606,070.25**
Michels Corporation	Salem, OR	$911,919.00	$866,323,05

Pre-bid Estimate: $728,346.24, excluding applicable sales tax
The recommended award is 12.6 percent below the pre-bid estimate.

CONTRACT HISTORY: New contract.
SUSTAINABILITY: When completed, this project will result in structurally sound wastewater pipes. Replacement of these wastewater pipes will reduce the risk of failure thereby reducing the potential for the discharge of untreated wastewater into the Puget Sound or onto neighboring properties.

SBE/LEAP COMPLIANCE: The recommended contractor is in compliance with the Small Business Enterprise (SBE) Regulation requirements per memorandum dated June 3, 2016. The SBE goal for this project is 8 percent. The SBE participation level of the recommended contractor is 7.6 percent. Insituform Technologies, LLC submitted the lowest evaluated bid per the SBE Regulation requirements. The Local Employment and Apprenticeship Training Program (LEAP) goal is 450 hours.

RECOMMENDATION:
The Environmental Services Department recommends a contract be awarded to Insituform Technologies, LLC, Chesterfield, MO, in the amount of $636,514.00, plus a 15 percent contingency, for a cumulative contract total of $731,991.10, excluding sales tax, budgeted from the ES Wastewater Fund 4300, for the rehabilitation of approximately 11,700 linear feet of 8-inch to 24-inch diameter underground wastewater mains utilizing CIPP technology in various locations throughout the city.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4300 ES Wastewater Fund*	ENV-04014-10	5330100	$731,991.10
TOTAL			**$731,991.10**

* Excluding Applicable Sales Tax

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4300 ES Wastewater Fund*	523900	Rate Revenues	$731,991.10
TOTAL			**$731,991.10**

* Excluding Applicable Sales Tax

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: $731,991.10, excluding applicable sales tax.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes