

**Subject: Motion to Reject all Bids for N. 51st Street Retaining Wall Project to Lowest Responsible Bidder and Instead to Seek New Bids**

**Dept. Origin:** City Engineer's Office

**Prepared by:** Jennifer Robertson  
 City Attorney's Office

**For Agenda of:** May 2, 2017

**Exhibits:** None.

**Proposed Council Action:**

Pass Motion to Reject All Bids.

**Concurred by Mayor:** \_\_\_\_\_ Initial & Date

**Approved/form by City Atty:** JSR /4-26-17

**Approved by City Engineer:** \_\_\_\_\_

**Approved by Department Head:** \_\_\_\_\_

**INFORMATION / BACKGROUND**

**Project Description.** The N. 51st Street Retaining Wall Project includes the re-construction and improvement of the Retaining Wall which fronts Mr. John Schroeder's property on N. 51<sup>st</sup> Street at the corner of Shirley Street. The City engaged in litigation with Mr. Schroeder over the condition of this wall and the impact on the sidewalk. As part of a settlement, the City received payment in an amount that was expected to cover the cost of replacement of the wall and related repairs.

**Public Bidding Process.** In accordance with State law,<sup>1</sup> any public works project over \$300,000 must be awarded via the full competitive bidding process. The full public bidding process was utilized in an effort to secure the best price. The bid opening took place at 10:00 am on Tuesday, April 25<sup>th</sup> at the Community Center. The City received four (4) bids as follows:

- 1. Serpanok Construction, Inc.: \$162,181.63
- 2. Nordic Construction, Inc: \$174,809.16
- 3. Iron Creek Construction, LLC: \$210,939.61
- 4. Gary Harper Construction, Inc: \$213,969.99

**Engineer's Estimate \$115,000.00**

The lowest bid (Sepanok) was forty-one percent (41%) above the Engineer's Estimate and exceeds the available budget for this project. The highest bid exceeded the Engineer's Estimate by eighty-six percent (86%). With other costs of doing the project, the amount of expenditure even with the lowest bid will exceed the \$175,000 payment from Schroeder that was part of the

<sup>1</sup> Chapter 39.04 RCW; RCW 35.23.352.

settlement. Upon examination of the bids, it was determined that many of the bid item prices received from each of the bidders were inordinately high.

The settlement was expected to not only cover the full cost of the wall, but the full cost of the litigation, emergency repair, and technical experts that were part of this project and litigation. Additionally, there have been engineering costs in order to get this project ready to go out to bid. If the bid is awarded to the current low bidder, the City will have a significant additional expenditure for this project and the Council would need to determine where the additional resources could be appropriated from. This may include the need to amend the City's budget.

**FISCAL CONSIDERATION**

Rejecting this bid does not commit the City to a contract; however, the City would lose the costs already expended in labor, printing, and advertising costs as part of the prior bid process.

**RECOMMENDATION / MOTION**

Reject all bids.

MOTION: I move to reject all bids for the 51<sup>st</sup> Street Retaining Wall Replacement Project, and to go back out to bid using the small works roster process.