

City of Kodiak Special Council Meeting Agenda for February 21, 2014
Noon at 710 Mill Bay Road, Assembly Chambers (Room 232)

- I. Call to Order**
Roll Call

- II. Public Comments on Agenda Items Only**

- III. Authorization to Pre-Purchase Pipe and Sheet Pile for Pier III Replacement, Project No. 11-07/80241**


- IV. Adjournment**

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Thru: Glenn Melvin, City Engineer 

Date: February 21, 2014

Agenda Item: III. Authorization to Pre-Purchase Pipe and Sheet Pile for Pier III Replacement, Project No. 11-07/8024

SUMMARY: This memo recommends authorization of procurement contracts between the City and two separate vendors, Dominion Pipe and Piling in the amount of \$2,888,888.70 and LB Foster Company in the amount of \$450,837.57 for the provision of certain owner-supplied materials for use in the construction of the Pier III replacement project, Project No. 11-07/8024. The owner-supplied materials authorized for purchases were done through a competitive bid process, per Kodiak's City Code, Title 3. The total amount for the purchase of owner supplied materials, including transportation charges to a storage site in Seattle, is \$3,339,726.27.

PREVIOUS COUNCIL ACTION:

- Jan. 13, 2011, Council approved a Conceptual Design Study for replacing Pier III.
- Nov. 17, 2011, Council approved a Wave and Current Measurements Study for Pier III.
- Feb. 23, 2012, Council approved a Wave Modeling Study for the replacement of Pier III.
- July 12, 2012, Council adopted Resolution No. 2012-18 accepting the legislative grant for \$18.1 million and accepting the additional \$15 million if the bond package passed, which it did.
- Dec. 13, 2012, Council approved the RISE Alaska proposal for initial project management services for Pier III; and Council approved a professional services contract for geotechnical work.
- Jan. 24, 2013, Council approved Amendment No. 1 to the PND professional services contract for survey and preliminary engineering.
- May 23, 2013, Council approved Amendment No. 2 to the PND professional services contract for additional geotechnical work.
- June 27, 2013, Council approved Amendment No. 3 to the PND professional services contract for full design and permitting work.
- Dec. 12, 2013, Council approved Amendment No. 5 to the PND professional services contract for construction administration; and Council approved Amendment No. 1 to the ARCADIS professional services contract for Pier III project management through construction.

DISCUSSION:

The strategy to procure owner-supplied materials for the Pier III replacement project addresses both scheduling risk and budget risk on the project. By procuring the pipe pile, which is a long lead item, the material will be available for the contractor earlier in the construction season, optimizing the scheduling

and progression of the construction work and reducing the scheduling risk associated with securing this long-lead time material. Budget risk is reduced with the elimination of contractor markup on both the pipe pile and sheet pile procured by the City.

In accordance with City's procurement process in Kodiak City Code, Title 3 an invitation to bid was published on December 27, 2013, and posted on the City's Engineering Bid Projects page on the City's website. Three bids were received at 4 p.m. on Monday, January 27, 2014, and opened at the City Manager's office.

The lowest responsible and responsive bidder for the pipe pile comprised of 18,980 linear feet of pipe pile of various diameters was determined by City staff to be Dominion Pipe and Piling in the amount of \$2,888,888.70.

The lowest responsible and responsive bidder for the sheet pile comprised of 12,370 linear feet of sheet pile of various width and shapes was determined by City staff to be LB Foster Company in the amount of \$450,837.57.

The total amount of the two low bids is \$3,339,726.27.

ALTERNATIVES:

- 1) Council may authorize a procurement contract as per the arrangements and amounts noted above, which is staff's recommendation.
- 2) Delay or do not authorize the procurement contract, which is not recommended. With a delay or no procurement, the required project materials would need to be incorporated into the pending contract arrangements with the selected contractor. This would add significant cost and scheduling risks to the project.

FINANCIAL IMPLICATIONS: The funds to effect this procurement have been secured through \$33.1 million in State grants and bonds. Those funds are augmented by more than \$400,000 remaining from the initial project capital budget for a total exceeding \$33.5 million. The provision of requisite materials is integral to the total Pier III Replacement project budget.

LEGAL: The procurement process and documents have been reviewed by the City attorney.

STAFF RECOMMENDATION: Staff and the project manager recommend award of the bid procurement contract for pipe piles to Dominion Pipe and Piling in the amount of \$2,888,888.70 and a separate procurement contract for sheet piles to LB Foster Company in the amount of \$450,837.57, with funds coming from the Pier III Replacement Project No. 11-07/8024.

CITY MANAGER'S RECOMMENDATION AND COMMENTS: The Pier III project design is complete, and we are finalizing permits so we can prepare for construction. The City's pre-purchase of these materials, especially the pipe pile, which is a long lead item, will minimize scheduling risks and protect project funding that would otherwise be spent as material markup charges in the construction contract. I support the project manager and staff's recommendation and recommend Council authorize the purchase of this material from the two lowest responsive bidders as outlined.

ATTACHMENTS:

Attachment A: Bid Tabulation

Attachment B: ARCADIS Memorandum dated February 3, 2014, Procurement of Owner Supplied Materials

PROPOSED MOTION:

Move to authorize award of the bid procurement contract for pipe piles to Dominion Pipe and Piling in the amount of \$2,888,888.70 and a separate procurement contract for sheet piles to LB Foster Company in the amount of \$450,837.57, with funds coming from the Pier III Replacement Project No. 11-07/8024 and authorize the City Manager to execute the contracts on behalf of the City.



Bid Tab Pier III Replacemnt/Pipe & Sheet Piles Procurement PN 11-07

Bid Date: Friday, January 31, 2014

Bid Item	Description	Quantity	Units	Engineers Estimate	Dominion Pipe & Piling	Pipe & Piling Supplies USA Ltd	LB Foster Company
1	Pipe Pile	1	Lump Sum	\$2,888,888.70	\$3,065,486.24	\$3,065,486.24	\$3,924,480.00
			Sum				
2	Sheet Pile	1	Lump Sum	\$467,656.38	\$0.00	\$0.00	\$450,837.57
			Sum				
Grand Total				\$3,356,545.08	\$3,065,486.24	\$0.00	\$4,375,317.57

Attachment A



Memorandum

TO: Aimee Kniazowski
FROM: Roe Sturgulewski
DATE: February 3, 2014
RE: Kodiak Pier III
 Procurement of Owner Supplied Materials

This recommends the Council authorize procurement contracts for the purchase of certain Owner Supplied Materials for use in the construction of the Pier III Replacement project (COK Project No. 11-07/8024). The materials were competitively bid in conformance with COK City Code, Title 3, with the following vendors being identified as the lowest responsible and responsive bidders:

Dominion Pipe and Piling, Auburn, WA 18,980 linear feet of Pipe Pile of various diameters	\$ 2,888,888.70
LB Foster Company, Union City, CA 12,610 linear feet of Sheet Pile and H Pile of various width and shapes	<u>450,837.57</u>
TOTAL	<u>\$ 3,339,726.27</u>

The strategy to procure Owner Supplied Materials for the Pier III Replacement project addresses Project schedule and budget risk. Pile procurement will allow the Contractor to start earlier in the construction season, optimizing the scheduling and progression of the construction work. Costs are reduced with the elimination of contractor markup on both the Pipe Pile and Sheet Pile procured by the Owner.

In accordance with City of Kodiak procurement provision in the Kodiak City Code, Title 3, a public noticed Invitation to Bid was published in a general circulation newspaper on December 27, 2013, and posted on the City's Public Works procurement page.

A total of three (3) bids for Pipe Pile, and two (2) bids for Sheet Pile were received at the City of Kodiak by 4:00 p.m. Monday, January 27, 2014, and were then publicly opened and read.

The lowest responsible and responsive bidder for the Pipe Pile was determined to be Dominion Pipe and Piling. Dominion submitted a paper copy of their bid, but did not submit an electronic copy with their submittal as required by the Invitation to Bid. They submitted an electronic version on February 3, 2014. After consultation with the City Attorney we are recommending award and waiving this irregularity in accordance with Article 3.12.050B of the City Code.

The lowest responsible and responsive bidder for the Sheet Pile was determined to be LB Foster Company.

Project funding will be from the \$33.1 million in State grants and bonds.

Please contact me if you have any questions on this memo.