

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Motion to reject the bid protest of Terra Dynamics Inc. and award Bid No. 13270 to Allied Construction Associates as the lowest responsible and responsive bidder for the Hidden Valley Sports Park Site Improvements Project.

FISCAL IMPACT

Awarding this bid will obligate the City to an amount up to \$4,218,650, including Washington State Sales Tax (WSST). The project will be funded by the City and the BGCB as summarized in the table below. Each party is responsible to fund half of the cost of the base bid, or \$2,071,000 each. The City is responsible to fund Alternate 1, or \$76,650. Sufficient funds exist in CIP Project P-AD-86 (Hidden Valley/Surrey Downs Community Park) to fund the City share of the project. The BGCB's share will be funded through the Club's fundraising campaign (See project funding).

	City	BGCB	Total
Base Bid	\$2,071,000	\$2,071,000	\$4,142,000
Alternate 1	76,650	0	76,650
Construction Total	2,147,650	2,071,000	4,218,650
Soft Costs	325,000	325,000	650,000
Project Total	<u>\$2,472,650</u>	<u>\$2,396,000</u>	<u>\$4,868,650</u>

STAFF CONTACTS

Patrick Foran, Director, 425-5377
Glenn Kost, Planning Manager, 425-5258
Scott Vander Hyden, Capital Projects Coordinator, 425-4169
Parks and Community Services Department

POLICY CONSIDERATION

Bellevue City Code

BCC Chapter 4.28 provides for the fair and equitable treatment of persons in the purchasing process. Because of the amount of the purchase, Council approval is required.

BACKGROUND

On August 5, 2013, the City entered into a Ground Lease, Joint Development & Joint Operating Agreement with the Boys & Girls Clubs of Bellevue (Resolution No. 8618). The Agreement provides that the City would lease a parcel of land at Hidden Valley Park to the BGCB to allow them to construct and operate a gymnasium in exchange for public benefits that include sharing the cost to construct athletic field and site improvements at Hidden Valley Park. A site plan depicting those improvements is provided in Attachment 1. The proposed contract will complete these improvements consistent with the site plan and in accordance with the Agreement.

SCOPE OF WORK & PROJECT SCHEDULE

The base bid for the project includes site preparation for the gymnasium site, the installation of synthetic turf on the existing lighted adult softball field, the addition of a third little league field with a synthetic turf infield, the conversion of two existing dirt infields to synthetic turf, parking lot expansion, entry and circulation improvements, and associated earthwork, drainage, lighting, pathway, irrigation, utilities and storm water management improvements. Alternate 1 involves the construction of a small maintenance storage building for City use.

If awarded, construction is expected to start in early February. Gymnasium construction will occur under a separate BGCB contract and expected to start in April. Significant project coordination is required of both contractors, as the two projects will be under construction side-by-side and follow similar timelines. The goal is for both projects to be complete by the end of the year.

BID ANALYSIS

Bids were requested online through the Builders Exchange, and advertised in *The Seattle Times* and the *Seattle Journal of Commerce*. The following bids were opened December 12, 2013:

Bidder	Base Bid (Incl. WSST)	Alternate #1 Maintenance Building	Total
Allied Construction Assoc.	\$4,142,000	\$76,650	\$4,218,650
Terra Dynamics Inc.	4,213,175	120,450	4,333,625
Mid Mountain Cont. Inc.	4,667,600	71,175	4,738,775
A-1 Landscape & Construction	4,764,836	93,075	4,857,911
Ohno Construction Co.	4,823,090	72,708	4,895,798
Interwest Construction	4,870,175	49,275	4,919,450
3 Kings Environmental	5,048,238	94,285	5,142,523
Paul Brothers Inc.	5,133,005	77,159	5,210,164
Macro-Z Technology	6,319,955	87,600	6,407,555
Engineer's Estimate	\$5,250,000		

On December 16, 2013, staff received a formal bid protest from Terra Dynamics Inc. contending that the apparent low bidder (Allied Construction Assoc.) did not meet the bidder criteria and qualifications to meet the requirements of the contract.

After a thorough review of the contractor's bid, qualifications, background, references, and previous projects, staff believes that Allied Construction Assoc. is responsive, meets the requirements of the project specifications, and is capable of performing this work per the plans and specifications.

To the best of staff's knowledge, this project can be constructed within the bid amount and time specified. Only additional work necessary for the complete and proper development of the project will be authorized. Staff recommends awarding the contract to Allied Construction Assoc. as the lowest responsible bidder.

PROJECT FUNDING

The Agreement requires that the City and BGCB share equally in the total project cost to complete these improvements, up to a total of \$6 million, or up to \$3 million for each party. The

construction cost of the base bid is established at \$4,142,000 if Council awards the bid to Allied Construction Associates. Project soft costs, which include design, engineering, permits, inspection and project management is estimated at \$650,000. The total sharable cost of the project is therefore \$4,792,000, obligating each party to half, or \$2,396,000. The City's share of this cost plus the maintenance building (Alternate 1) has been budgeted in CIP Project P-AD-86, and sufficient funds are available to meet this obligation.

The BGCB share of these costs will be obtained through a fundraising campaign initiated by the BGCB in 2012. A summary of the campaign to date, totaling \$10 million, is provided in Attachment 2. Because much of the fundraising has been received in the form of pledges (not cash), the accompanying letter (Attachment 3) from the BGCB outlines the current status and cash flow expectations of this campaign to meet the financial obligations of the Agreement, which requires four equal reimbursement payments to the City throughout the course of the construction contract. Staff is confident that BGCB will be able to meet the financial obligations of the *Agreement*.

Our Partnership Agreement requires the BGCB to furnish a Letter of Credit to secure their financial obligations of this phase of the project. The City and BGCB expect to finalize the terms of the financial security necessary to satisfy this requirement within the next several days.

EFFECTIVE DATE

If adopted by Council, this motion will become effective immediately.

OPTIONS

1. Reject the bid protest of Terra Dynamics Inc. and award Bid No. 13270 to Allied Construction Associates as the lowest responsible and responsive bidder for the Hidden Valley Sports Park Site Improvements Project.
2. Award Bid No. 13270 to another bidder if low bidder is rejected.
3. Reject all bids and provide alternative direction to staff.

RECOMMENDATION

Reject the bid protest of Terra Dynamics Inc. and award Bid No. 13270 to Allied Construction Associates, in the amount of \$4,218,650, including WSST, as the lowest responsible and responsive bidder for the Hidden Valley Sports Park Site Improvements Project.

MOTION

Move to reject the bid protest of Terra Dynamics Inc. and award Bid No. 13270 to Allied Construction Associates, in the amount of \$4,218,650, including WSST, as the lowest responsible and responsive bidder for the Hidden Valley Sports Park Site Improvements Project.

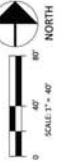
ATTACHMENTS

1. Diagram of Site Improvements
2. Summary of BGCB Fundraising to-date
3. Letter from BGCB regarding fundraising status

Note: The 2013-2019 CIP project page updated for the Mid-Biennium (Ordinance No. 6143) for this project is not yet available. The proposed contract adheres to the project scope that Council approved for the 2013-2019 Amended CIP. Funding for this project was approved including \$5M in 2014 and \$800,000 in 2015.

AVAILABLE IN COUNCIL OFFICE

Copy of Contract



HIDDEN VALLEY SPORTS PARK



**Boys & Girls Clubs of Bellevue
Capital Gifts Raised to Date
12-19-13**

Gift Range	No of Gift Required	Subtotal	Gifts Received	Cumulative Total	Cumulative percentage
2,000,000	1	2,000,000	2	4,000,000	20%
1,000,000	2	2,000,000	1	5,000,000	25%
750,000	3	2,250,000	1	5,750,000	29%
500,000	5	2,500,000	3	7,250,000	36%
250,000	10	2,500,000	5	8,500,000	43%
100,000	20	2,000,000	8	9,200,000	46%
50,000	40	2,000,000	9	9,700,000	48%
25,000	80	2,000,000	5	9,825,000	49%
10,000	125	1,250,000	8	9,905,000	49%
5,000	200	1,000,000	8	9,945,000	49%
Under 5,000		500,000		10,000,000	50%
Totals		20,000,000		10,000,000	50%



December 19, 2013
Glenn Kost
City of Bellevue

RE: Fundraising update

Dear Glenn;

As we fast approach the scheduled groundbreaking for site work at Hidden Valley, we wanted to provide an update for you and the City Council regarding our fundraising efforts and financing.

According to the most recent cost estimates: \$5M for site work (BGCB share \$2.5M) and \$5.9M for the building, we are looking at a total goal of \$8.4M for the Hidden Valley project. To date we have raised \$8M in gifts and pledges that can be used for this project. There is another \$3M in pending requests. It is important to note that 100% of the Board has given to the campaign totaling \$2M.

At the City's request we have provided a letter of credit for \$3M as a backstop for the Club's share of the site work. Three Board members are serving as personal guarantors for this loan facility. In addition, we are in the process of finalizing the financing for the fieldhouse.

From a cash flow stand point, we have \$1.2M in cash in our capital account. By the end of January we expect that number to be \$2M. In addition to the regularly scheduled pledge payments, in spring we will receive an unrestricted cash payment from a local foundation of \$1M once we break ground on the fieldhouse.

Overall we feel we are tracking well on both the fundraising and financing. We are confident we will remain on schedule.

Kind Regards,

Frank Marcus
Board Chair

Kathy Haggart
President / CEO

Campaign Steering Committee:

- Pauline Bach
- Robbie Bach; Campaign Co-Chair
- Leo Backer
- Scott Boyd
- Rich Bray; Board Campaign Chair
- Scott Cameron; Building Co-Chair
- Craig Olson

GREAT FUTURES START HERE.



BOYS & GIRLS CLUBS
OF BELLEVUE

- Jim Voelker; Campaign Co-Chair
- Rip Warendorf
- Phil Wood; Building Co-Chair
- Staff and Consultants:*
- Daniel Johnson; Consultant
- Kathy Haggart; CEO
- Blair Rasmussen; Consultant
- Ryan Scott; COO