



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance & Administration
Barry Scott, Purchasing Agent

Date: September 15, 2010

Subject: REQUEST FOR WAIVER OF COMPETITIVE PROCESS– Reservoir Cable Shrouds

RECOMMENDATION:

It is recommended that the City Council authorize a waiver of competitive purchasing process requirements and authorize the purchase of two existing cable shrouds for the North Rose Hill Reservoir.

BACKGROUND DISCUSSION:

The Public Works Department has requested authorization to purchase two cable shrouds for the North Rose Hill Reservoir that have been manufactured to specifications provided by the cellular phone companies that lease space on the reservoir for their antennas and telecommunications service equipment (Attachment A).

In the request submitted by the Public Works Department, the estimated cost for both cable shrouds is \$55,000 to \$65,000. When asked if a firm price could be determined, Dave Snider, Interim Capital Projects Manager, responded by saying the current total cost to the City will be \$61,767 for both shrouds. This cost takes into consideration the change order to the general contractor to deduct \$15,000 from the contract amount. Dave Snider also stated that he believes that he may be able to negotiate an arrangement to bring the cost down further.

The request from the Public Works Department refers to two cable shrouds that were installed on a reservoir in Redmond. At our request, Dave Snider has checked and found that the total cost for the shrouds installed in Redmond was approximately \$120,000. The shrouds for Redmond were built by a different contractor. This is an indication that we would be paying a competitive price.

This request is consistent with KMC 3.85.210, which allows for the purchase of goods or services in excess of \$50,000 without using a competitive process if the purchase is limited to a single source of supply or special market conditions exist. While other sources to fabricate the cable shroud could be found, the cable shrouds have already been fabricated to the specifications provided by the cellular phone service providers, and we believe that it would be impractical and costly to now seek competitive bids for this purchase. Conducting a competitive bid process at this time would delay the completion of the North Rose Hill Reservoir project by an estimated one to two months. (If a more competitive bid were to be received, the project would be delayed longer while a new cable shroud is fabricated and painted.) The project is already approximately two months behind schedule.

**CITY OF KIRKLAND**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

www.ci.kirkland.wa.us**MEMORANDUM**

To: Barry Scott, Purchasing Agent

From: Ray Steiger, P.E., Interim Public Works Director
Dave Snider, P.E., Interim Capital Projects Manager

Date: September 8, 2010

Subject: Waiver of Competitive Bid – Purchase of Specialty Items
North Reservoir Repainting and Rehabilitation Project – CWA 0094

At their regular meeting of July 7, 2009, Council awarded a construction contract to Ebenal General, Inc, Bellingham, WA, in the amount of \$2,465,666.25 for the repainting and rehabilitation of the City's North Rose Hill Reservoir (Tank). The contract provided for the recoating of the Tank's interior, the repainting of its exterior and significant seismic upgrades. Other work items included new roof access and fall protection safety railings for maintenance personnel, the installation of rain gutters and a variety of improvements for the telecommunications/cell phone companies (Sprint, T-Mobile, AT&T and Clearwire) who lease space on the Tank for their antennas and other cell phone service equipment.

Included in Ebenal's contract was a schedule-of-value amount of \$15,000 for supplying and installing a large but single cable shroud for the benefit of the telecommunications cabling. The design of the cable shroud came to the City from an engineering company who had been hired directly by the cell phone companies.

After the repainting and seismic work had begun on the Tank, the cable companies' representative requested a more substantial shroud system identical to what they had recently and very successfully installed on water tanks in Redmond and elsewhere. This system would require two cable shrouds, with the design of the requested shrouds being the preferred "standard" for concealing and preserving numerous cables on the side of the Tank; its design will make future work on cabling easier with less potential for damage to the Tank's exterior coating and tree mural.

Throughout the course of the Tank work, Ebenal General has carried out the terms of the City's contract while a specialty construction company (Wren Construction) was hired by the cell companies to move their cables and antennas, as necessary, to facilitate Ebenal's work. In an effort to accommodate the desire of the cell companies, with respect to the preferred standard cable shrouds, we attempted to negotiate a change order through the City's existing contract with Ebenal. Over the course of those negotiations it became apparent that the City could save \$10,000 to \$20,000 and the installation of the new shrouds could be done faster and more efficiently by dealing directly with Wren Construction. The new preferred cable shrouds are a "shelf ready" product produced by Redmond Welding, and Wren Construction is the preferred installer of the new cable shrouds when working around the sensitive cabling and equipment serving the cell companies.

The overall Tank Project budget is sufficient to pay for the added cost of the new shrouds and Ebenal General has agreed to a deductive change order in the amount of \$15,000 for the original shrouds. It is anticipated that the final cost of the preferred cable shrouds will be \$55,000 to \$65,000 while also saving the City approximately \$10,000 to \$20,000 for what would be a contractor mark-up on these specialty items. In addition, future negotiations for lease rates with the cell phone companies will take into account this more substantive and easier to access shrouds.

Therefore, by this memo, Public Works is requesting a waiver of competitive bid and approval to purchase and install the specialty cable shrouds using the services of Wren Construction.