



CITY OF KIRKLAND
Department of Public Works
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Frank Reinart, P.E., Project Engineer
David Snider, P.E., Capital Projects Manager
Kathy Brown, Public Works Director

Date: February 19, 2015

Subject: PARK LANE PEDESTRIAN CORRIDOR ENHANCEMENTS PHASE 2 & WATER MAIN REPLACEMENT PROJECT – PROJECT UPDATE

RECOMMENDATION:

Staff recommends that City Council:

- Receives an update on the Park Place Project, focusing on the initial construction conditions encountered during January and February, 2015, and
- Approves staff recommendations for additional funding in the amount of \$115,000 to provide for a 6.5 percent construction contingency for the completion of the Project, using Surface Water Construction Reserve funds, Water/Sewer Construction Reserve funds, and REET 2 funds previously allocated by Council in support of proposed revisions to the nearby parking lot policies during construction.

BACKGROUND DISCUSSION:

The Park Lane Pedestrian Corridor Enhancement Project has a deep history going back to 2008, when the City Council first approved funds for a study to establish a vision for the Park Lane corridor between Lake Street and 3rd Street. The Study was driven by the *Downtown Strategic Plan* and the conditions of the existing infrastructure along Park Lane. A number of issues were identified in the Study:

- Park Lane's aging pavement surface.
- Failing concrete curbs and sidewalks.
- Obstructed pedestrian access: pedestrian surface areas too narrow and irregular to meet current Americans with Disabilities Act (ADA) standards.
- Inefficient street lighting and an inadequate electrical capacity to support current street illumination requirements.
- Health issues for the existing trees and significant root intrusion beneath concrete pavement surfaces.
- Water and surface water utilities with increasingly limited capacity that are reaching the end of design life expectancy.

The results of the Study and the associated robust public involvement and input process identified a "Flexible Street" concept as the favored concept vision for Park Lane. City Council adopted that concept at its February 2, 2010 meeting.

City Council received a full Project update on September 2, 2014, that included an overview on the Project's schedule and funding for both the City's level of contribution plus two substantial funding partners for the Project: 1) the Washington State Department of Ecology *2010 Storm Water Retrofit and LID Grant Program* and, 2) the federal *Transportation Alternatives Program (TAP)*.

The final construction funding approval and authorization to proceed with an Invitation to Bid from the Project's TAP federal grant partner was delayed. The delay was apparently due to workload factors at the federal agency level and were outside of the control of City and WSDOT Local Programs Office staff. As a consequence of this delay, the revised bid schedule no longer matched with the City Council meeting schedule during November and December, 2014. As it was critical for construction completion by early May, 2015, a Contract needed to be awarded as soon as possible and, as a result, on November 18, 2014, City Council authorized the City Manager to sign a Public Works construction Contract to the responsible bidder with the lowest responsive bid with an award threshold cap of 105 percent of the final Engineer's Estimate, plus contingency.

With final approval on the federal level received, the City began advertising for bids on November 10, 2014. Bids were opened on December 2, 2014, with a total of seven bids received. The lowest responsive bid was from Marshbank Construction in the total amount of \$2,301,967.22. The bid results were reviewed and approved by the WSDOT Local Programs Office, as a requirement of the federal grant. Since the bid price is lower than the award threshold cap authorized by City Council at their November 18, 2014 meeting, Marshbank Construction was awarded the Contract and is now proceeding with all necessary contracting and pre-construction procedures in order to start construction as soon as possible in January, 2015.

STAFF REVIEW OF CURRENT PROJECT STATUS

Current Contingency Level

Though the lowest bid was below the City Council pre-authorized threshold cap, it represents an amount that effectively reduces the Project's overall construction contingency. At the time of award, the Project's construction contingency was approximately \$36,000, including a basic split of \$21,000 in REET and Surface Water Construction funding and \$15,000 from water utility funding. Overall, that represented a contingency amount of less than 2% compared to a more typical construction contingency of between 5% and 10% for projects of this nature.

In the update to City Council on January 8, 2015, it was indicated \$36,000 may not be sufficient contingency to cover potential changes encountered during construction due to the very short construction schedule in winter months. In particular, significant winter weather-related changes or unknown underground conditions are two of the most compelling factors considered in recommending a construction contingency of between 5% and 10%. Such factors are nearly impossible to predict accurately ahead of construction, and often are not encountered or identified until construction is well underway.

In the post-contact award update to City Council on January 8, 2015, staff noted that a follow-up to City Council would be appropriate once a full month of construction activities had occurred. By doing so, an appropriate level contingency could be established once early risk factors, such as unexpected scope of work, weather related changes and early public outreach enhancements would be known.

January and February Construction Activities

A moderately significant number of unexpected site conditions have been encountered during the first several weeks of construction. These changes have resulted in the use of the existing construction contingency in order to make minor additions and changes to the construction phase in an effort to keep the Project on track for a May 2015 completion. Additionally, certain design changes were needed to accommodate unanticipated existing site conditions encountered during construction.

In general, these Project changes include:

- Puget Sound Energy encountered several significant soil and underground utility conflict conditions while performing their gas and electrical utility relocation, delaying the productive start of the Park Lane Project for about two weeks. Both staff and Marshbank Construction provided supporting work efforts to enable the Puget Sound Energy contractor to complete their work in support of the Project and to minimize overall project delays.
- A reconfiguration of the existing City-owned wireless access on Park Lane was necessary once the work began.
- The existing water main in the west block of Park Lane was found to be in a far more critical condition than originally thought. The pipe was found to have "bowed" underground over the years, with a bend rising within a foot of the ground surface. As pressurized service through the existing water main to all the Park Lane business services (as well as several Kirkland Way businesses) and existing hydrants needed to be maintained during January and February, this condition added cost for all the additional work needed to prioritize and complete the new water main and all service connections before any other Project work could be performed.
- When uncovered prior to construction, the roots of the mature Park Lane trees were discovered to have entangled the existing water service connections. Due to a combination of the condition of the water main described above and the need to maintain service through the lines to the local businesses, removal of these roots became a slow and delicate task. Removal could not be postponed because the root masses were in the way of the new water service connection lines. Additional cost was incurred by the City in order to minimize the delay to the Project construction schedule.
- Soil conditions across the project are extremely variable, with sandy soil encountered towards the intersection of Park Lane with Lake Street, and clay soil near the intersection of Park Lane with Main Street. Differing soil types have required different methods for excavation work, and will continue to do so for the rest of the Project construction.

As of the end of February, much of the current \$36,000 in Project contingency has been exhausted, with construction still to continue to May. At this time, not all of Park Lane has been excavated and the full extent of potential unexpected site conditions have not been identified. The winter weather also remains a significant risk factor for the project, particularly for work in areas where moisture-sensitive soils, such as the clay mentioned above, have been identified. Consequently, all the factors that may still contribute to the need for contingency have not been fully identified and quantified.

Staff Recommendation

Staff recommends City Council approve additional funding of \$115,000 in order to provide for a 5% construction contingency for the completion of the Project. This, together with the previous contingency funds expended, reflects an overall construction contingency of 6.5%, which is still at the low end of the typical contingency level during construction of 5% to 10%. Enough potential risk factors have been identified during construction in January and February to suggest the lower-range contingency is reasonable for this Project at this time.

Based on the proportionality of the contract unit prices and the effects of the various factors on the various elements of the Project, the table below summarizes the recommended sources for additional funding (also Attachment A).

TABLE 1: RECOMMENDED FUNDING SOURCES

Funding Source	Amount \$
September 9, 2014 Council Allocation for Parking (from REET 2)	50,317
Surface Water Construction Reserve	59,683
Water/Sewer Construction Reserve	5,000
TOTAL	115,000

At the request of local businesses, City staff initially suggested that the Project fund free parking at the Lake Street and Antique Mall parking lots. At City Council's September 9, 2014 meeting, City Council provided staff an alternative to the proposed City funded parking at the two parking lots during construction. Staff reviewed the alternative and found it did not change the pre-construction policy of the Lake Street parking lot, and so no change was implemented during construction. The Antique Mall parking lot is private property used by the City for public parking under an agreement with the property owner. Upon review, the existing agreement did not authorize the City to make temporary changes to the parking lot agreement without written concurrence by the property owner, which could not be obtained before the project construction began in January. Consequently, the funding for changes to the parking lot policy approved by City Council using REET 2 funds are not anticipated to be used for the Project for the purpose authorized by Council. Staff recommends the REET 2 funding source for contingency related to transportation and/or pedestrian improvements, as noted above.

Attachment A – Fiscal Note

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Kathy Brown, Public Works Director							
Description of Request							
Additional funding for Park Lane Pedestrian Improvements (CNM 0064 001) and Watermain Replacement (CWA 0148 000) as described in the attached memo. Request of \$59,683 from the Surface Water Construction Reserve for CNM 0064 001 and \$5,000 from the Water/Sewer Construction Reserve for CWA 0148 000.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$59,683 from Surface Water Construction Reserve and \$5,000 from the Water/Sewer Construction Reserve. These reserves are fully able to fund this request.							
Recommended Funding Source(s)							
<i>Reserve</i>	Description	2015 Est End Balance	Prior Auth. 2015-16 Uses	Prior Auth. 2015-16 Additions	Amount This Request	Revised 2015 End Balance	2015 Target
	Surface Wtr. Const. Rsv.	7,828,203	329,900	0	59,683	7,438,620	N/A
	Water/Sewer Const. Rsv.	10,591,907	0	0	5,000	10,586,907	N/A
	Prior Authorized Uses of Surface Water Construction Reserves: 100th Ave NE Corridor (\$204,700), Decant Facility Upgrade (\$125,200). No prior use of Water/Sewer Construction Reserve.						
<i>Revenue/Exp Savings</i>							
<i>Other Source</i>							
Other Information							

Prepared By	Neil Kruse, Senior Financial Analyst	Date	February 17, 2015
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