



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Capital Projects Manager
Pam Bissonnette, Interim Public Works Director

Date: April 3, 2014

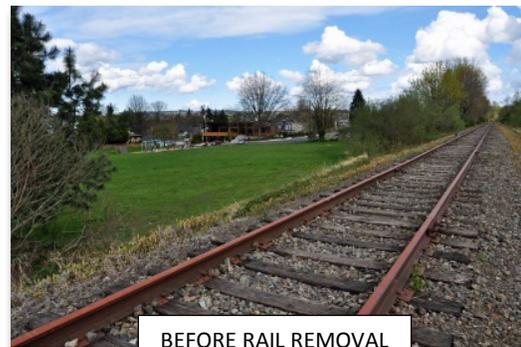
Subject: Cross Kirkland Corridor Rail Removal -- Accept Work

RECOMMENDATION:

It is recommended that City Council accepts the work on the Cross Kirkland Corridor (CKC) Rail Removal Project, as performed by A&K Railroad Materials Inc. (A&K), Salt Lake City, UT, and establishes the statutory lien period.

BACKGROUND DISCUSSION:

At their August 7, 2012 meeting, the City Council authorized the removal of the rail along the CKC. The Project included the removal of all rail spikes, plates, steel rails, and wood cross-ties along the Corridor. The rail removal contract also provided for the final grading of the former rail-bed ballast (i.e., rock) material in order to make the Corridor a usable trail ahead of the installation of a more universally accessible interim trail consisting of a smaller gravel material more commonly used for trail construction for users of all abilities. The rail removal work did not include any excavation or earth moving and, as a result, the rail removal contractor did no rail removal or repaving work on the nine existing street crossing locations along the Corridor. The removal of rails and other rail material, together with concrete and pavement work at the existing road crossings, will be performed as a part of the Interim Trail Project, as the contractor selected to perform that work will be better equipped to accomplish those types of activities.



The work required for the removal of the steel rail, the miscellaneous materials and railroad cross-ties was originally estimated to cost less than the current market value for the salvaged material. As a result, and in order to begin rail removal in as timely a manner as possible, City Council pre-authorized the City Manager to sign a public work construction contract for the removal of the existing rails at their regular meeting of March 5, 2013, with the following provisions:

- The City received bids from more than one contractor deemed responsive and responsible for performing the specified work, and
- The total cost to the City from the lowest responsive and responsible bid was less than \$50,000, or if the City was to receive a net credit for the work.

The Rail Removal project was first advertised on February 25 with five bids received on March 15, 2013. With a responsive bid that resulted in a net credit to the City, the City Manager signed a construction contract with A&K on April 26, 2013, in the amount of \$473,419 with a listed salvage value of \$579,979 at that time. The resultant estimated net credit to the City was \$106,560. Subsequently, due to third-party legal challenges, the construction contract was suspended with an agreement reached between the City and A&K dated May 2, 2013, that the contract would be reinstated when those legal challenges were resolved.

On August 1, 2013, the City received a favorable ruling from the Surface Transportation Board indicating that the removal of the CKC rails and other infrastructure was allowable. Staff immediately notified A&K that the contract suspension was lifted; A&K was directed to initiate work as soon as practical. The City issued a renewed Notice-to-Proceed on August 9 and the contractor began work August 22, 2013.

The contractor completed the work within the updated (post-challenge) schedule and was very responsive to requests by staff to accelerate work in order to accommodate a previously scheduled October 27 Community Walk along the Corridor. All contract work was completed at a cost of \$451,463 with a total construction cost savings of nearly \$22,000, with those funds being retained within the Project to support on-going work efforts related to the overall Corridor and the Interim Trail.



While much of the existing railroad signal equipment was re-purposed to other rail operators in Washington, through coordination with the Washington Utilities and Transportation Commission, the rails, ties, and other rail metal materials were able to be successfully marketed by the contractor resulting in a final gross credit to the city of \$541,366. This credit is reduced from the amount originally estimated due to price changes in the surplus steel market that occurred while the original contract was suspended, as was negotiated through a change order with the contractor during the time of the work suspension. The final surplus/salvage credit offsets the total cost of the removal (\$451,463), resulting in a net credit to the City of \$89,903(Attachment A).

Staff recommends including the addition of this credit amount within the overall CKC Project budget through the on-going 2014 – 2018 Capital Improvement Program Update in order to support ongoing design and future construction activities along the Corridor.

Attachment A: Payment Accounting Summary/Agreement

PAYMENT ACCOUNTING

CNM-0024

CROSS-KIRKLAND CORRIDOR RAIL SALVAGE

JOB #: 20-12-PW

#	Item	Amount	NOTE:
1	<i>Original Contract Bid</i>	<i>\$473,419.00</i>	
2	Total Amount Earned (Work)	\$446,463.38	Work Performed
3	Change order #1 (Work Adj.)	\$5,000.00	Adj. for Delay – Legal Challenge
4	<i>Total Amount Earned (Work)</i>	<i>\$451,463.38</i>	<i>#2 plus #3</i>
7	Original Rail Salvage Value	\$579,979.00	At Bid opening
8	Change order #1 (Salvage)	(\$38,613.00)	Adj. for Delay – Legal Challenge
9	<i>Total Adj. Rail Salvage Value (Salvage Adj.)</i>	<i>\$541,366.00</i>	<i>#7 minus #8</i>
	Net Credit to the City (from A&K)	\$89,902.62	# 9 minus #4