



CITY OF KIRKLAND

Department of Public Works

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MEMORANDUM

To: Kurt Triplett, City Manager

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

Date: April 19, 2012

Subject: NE 68th STREET & 108th AVE NE INTERSECTION IMPROVEMENTS
PROJECT UPDATE / BUDGET ADJUSTMENT

RECOMMENDATION:

It is recommended that City Council receive an update on the NE 68th Street & 108th Avenue NE Intersection Improvement Project. It is also recommended that City Council authorize an increase of the overall Project budget.

BACKGROUND DISCUSSION:

The NE 68th Street & 108th Avenue NE intersection improvements are currently under construction, providing significant modifications to this heavily traveled intersection (Attachment A). The construction activities include work on all four corners of the intersection with an all-new traffic signal and signal equipment, new Intelligent Transportation System (ITS) components, new video detection elements and a new westbound to northbound right turn lane. The Project also includes pedestrian enhancements with wider sidewalks and new crosswalk amenities.

At their meeting of June 21, 2011, City Council awarded the construction contract to Sanders Construction of Maple Valley, WA, in the amount of \$541,254; a 10% construction contingency was included in the budget. The physical work was anticipated to begin in the summer of 2011. However, relocation of overhead utilities by Puget Sound Energy was needed prior to the start of the contractor's full operations. After experiencing delays in pre-construction activities by Puget Sound Energy and various communications companies jointly located on the existing utility poles, Sanders Construction began work on January 3, 2012.

As construction progressed, design modifications, differing site conditions, and a significant increase in staff resources necessary to manage the Project has led to increased costs. As a result, it is now anticipated that the existing Project contingency will not be sufficient to cover those added costs. While some of the added costs are reimbursable to the City, specifically from the design consulting firm, Puget Sound Energy and Shell Oil, others will be borne by the Project. The current negotiations for proportionate shares of increased costs will not be completed in time to allow construction to proceed unhindered. Additional funding will be required to complete the Project, as envisioned, thus staff is seeking City Council concurrence on a recommended budget increase.

Examples of differing site conditions leading to cost impacts include encountering subsurface contaminated soils from petroleum products originating from the Shell Gas Station, field design changes related to signal pole and pedestrian push button field requirements, a field change need for a new electrical service, PSE power line conflicts (encountered after relocation efforts by PSE crews), and ongoing work efforts associated with a new driveway that was part of an earlier property settlement agreement.

The contaminated soils issue is the responsibility of Shell Oil Company. Staff has been in close and frequent contact with representatives from Shell, and these discussions have been productive with Shell representatives being very cooperative in assisting staff in dealing with the contaminated materials and the associated Project impacts. Shell representatives have assured City staff of their intentions to reimburse the City for increased Project costs due to the release of its petroleum product. With regard to design changes, staff is in discussions with Puget Sound Energy and the Project's design consultant to arrive at reasonable reimbursement for utility conflicts and design deficiency costs.

In July, 2009, the City entered into an agreement (Agreement) with Sound Transit for the construction of the Kirkland Transit Center. As associated transit route improvements were also being planned, the City negotiated a lump sum financial participation by Sound Transit for improving four Kirkland intersections (see Table 1 below). As stated in the Agreement, Sound Transit "shall reimburse the City a total amount not to exceed One Million, Three Hundred Thirty-eight Thousand Three Hundred Four Dollars (\$1,338,304) for the design and construction" of the four intersections. The Agreement gives the City full control over individual project scopes while also providing considerable flexibility in how and when reimbursement is sought; there are no specific Sound Transit intersection improvement requirements identified within the Agreement and there is also no established deadline for when the Sound Transit money must be spent. Sound Transit staff has indicated verbally, however, their preference for the City to perform improvements and invoice Sound Transit "sooner as opposed to later".

At the time of contract award, and based on anticipated costs, staff proposed utilizing \$353,000 of the total \$1,338,000 amount identified in the Agreement. Including staff time for project management and consultant inspection services, it is anticipated that up to an additional \$100,000 may be needed to complete all elements of the Project, prior to receipt of any/all construction related reimbursable expenses from Shell Oil, PSE and the design consultant. Therefore, due to the currently projected costs, it is recommended that the Sound Transit participation be increased to \$453,000, as shown below:

Table 1 - Current Sound Transit Contribution to Kirkland Intersection Improvements

Intersection	% Complete	Original Proposed	Billed to-date	Est. to be Invoiced	TOTAL PROPOSED
3 rd Street S & Kirkland Way	90	\$600,000	\$420,000	\$230,000	\$650,000
3 rd Street S & Central Way	N/A	\$0	\$0	\$0	\$0
NE 68th Street & 108th Avenue NE	90	*\$353,000	\$0	\$453,000	**\$453,000
6 th Street S & Central Way	100	\$0	\$0	\$32,000	\$32,000
Total Proposed					\$1,135,000
Agreement Amount					\$1,338,000
<i>Remaining Available as of 4/19/12</i>					<i>\$203,000</i>

* Recommended at award of construction

** Current recommended contribution

As shown in Table 1 above, three of the four identified intersections are currently being worked on or have been completed. The 6th Street S & Central Way project is complete, improvements associated with 3rd Street S & Kirkland Way are currently being finalized and this memo addresses the NE 68th Street & 108th Avenue NE Project. The last of the four projects listed, 3rd Avenue S & Central Way, has received a few recent minor upgrades through other external funding sources and will be further improved through existing grant funding for the Kirkland Intelligent Transportation System (ITS) Improvement Project. There is no other currently funded or unfunded CIP project planned for this intersection. However, staff will continue to investigate future opportunities to fully utilize the entire Sound Transit contribution.

As per the Agreement with Sound Transit, the City's actual costs are billed after the work is complete. As a result, with construction on the NE 68th Street & 108th Avenue NE Project moving towards completion, now anticipated in May, staff will continue to negotiate on all directly reimbursable expenses associated with the contaminated soils, PSE conflicts and design deficiencies. Staff will then return to City Council at the time of construction work acceptance with a summary of those reimbursable costs. Once all Project costs are known and City Council has accepted the work, staff will present Sound Transit an invoice for its contribution towards the improvements.

Attachments: (2)



Vicinity Map



Legend

Map Reference Number



NE 68th St / 108th Ave NE Intersection Improvement Project

**NE 68th Street & 108th Avenue NE Intersection Improvements
PROJECT BUDGET REPORT**

