



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
 Rod Steitzer, P.E., Capital Projects Supervisor
 Marilynne Beard, Interim Public Works Director

Date: June 4, 2014

Subject: NE 85TH STREET CORRIDOR IMPROVEMENT PROJECT – AWARD CONTRACT

RECOMMENDATION:

It is recommended that City Council awards the contract for construction of the NE 85th Street Corridor Improvement Project to Johansen Excavating, Inc., of Buckley, WA, in the amount of \$7,473,494.44.

BACKGROUND:

The NE 85th Street Corridor Project is the largest non-facility Capital Improvement Project ever undertaken by the City. The overall corridor enhancement project includes the following separate CIP projects and amounts (see also Vicinity Map Attachment A):

Reference Number	Project Number	Project	Status
1	NM 51	Rose Hill Business District Sidewalks	This Contract
2	TR 78	NE 85 th Street & 132 nd Ave NE Intersection Imp.	This Contract
3	TR 79	NE 85 th Street & 114 th Ave NE Intersection Imp.	Complete
4	TR 80	NE 85 th Street & 124 th Ave NE Intersection Imp.	This Contract
5	ST 06002	NE 85 th Street One-Time Overlay	To be Completed 2015
6	SD 25	NE 85 th Street Detention and Sediment Control	This Contract
7	WA 140	NE 85 th Street Water main Replacement	This Contract
8	ST 75	NE 85 th Street Utility Conversion	Construction Completed – Project Closeout Pending Final Billing by Contractor

	Project	Budget	Expenses to Date	Anticipated Expenses	Total
NM 51	Rose Hill Business District Sidewalks	\$8,075,700	\$5,100,037	\$3,036,322	\$8,136,359
TR 78	NE 85 th Street & 132 nd Ave NE Intersection Imp.	\$2,149,900	\$1,242,192	\$897,980	\$2,140,172
TR 79	NE 85 th Street & 114 th Ave NE Intersection Imp.	\$1,271,000	\$1,271,000	-	\$1,271,000
TR 80	NE 85 th Street & 124 th Ave NE Intersection Imp.	\$2,022,300	\$815,679	\$1,225,300	\$2,040,979
ST 06002	NE 85 th Street One-Time Overlay	\$1,469,000	\$7,874	\$1,461,126	\$1,469,000
SD 25	NE 85 th Street Detention and Sediment Control	\$621,800	\$140,566	\$401,711	\$542,277
WA 140	NE 85 th Street Water main Replacement	\$3,992,200	\$251,387	\$3,750,726	\$4,002,113
ST 75	NE 85 th Street Utility Conversion	\$2,691,400	\$2,065,583	\$625,817	\$2,691,400
	Total	\$22,293,300	\$10,894,318	\$11,398,982	\$22,293,300

The transportation elements of the NE 85th Street Corridor Project (numbers 1 - 5 above) represent a partnership between the City, Sound Transit, the Transportation Improvement Board (TIB) and Washington State for the creation of a vibrant transportation corridor. As planned, the whole Project will provide non-motorized and motorized improvements, utility upgrades, intelligent transportation signal upgrades, enhancements to transit service, and a complete overlay of the roadway surface between 114th and 132nd Avenues NE.

Of the eight individual projects listed above, two are currently fully constructed (3 & 8) with five projects (1, 2, 4, 6, & 7) included in this recommended construction contract award.

The Rose Hill Business District Sidewalks (number 1 above) is a two-phased project with the construction of the first phase now complete. A separate memo recommending acceptance of work is scheduled for the June 17, 2014 City Council meeting.

The final project making up the NE 85th Street Corridor Improvement Project is the NE 85th Street One-Time Overlay Project (number 5) which is funded in part through state and federal grants with completion scheduled for 2015 as the final element of the whole Corridor Improvement Project. The overlay will be a separate contract.

Contract Bid Results

With an engineer's estimate of \$6,915,912, the NE 85th Street Corridor Project was first advertised on April 17 for a three week period. With Supplemental Bidder Responsibility Criteria added to the contract documents, bids were opened on May 8, 2014. A total of 3 bids were received with Johansen Excavating being the lowest responsive bidder submitting a total bid of \$7,473,494.44. A summary of the bid results is found in Table 1 below:

Table 1: Bid Results

Contractor	Amount	Difference from Engineer's Estimate
<i>Engineer's Estimate</i>	\$6,915,912.00	-
Johansen Excavating	\$7,473,494.44	\$557,582
Coluccio Construction	\$7,697,801.75	\$781,889
Marshbank Construction	\$9,085,307.78	\$2,169,395
Average bid	\$8,085,535.00	

As shown above, the low bid is \$557,582 above the engineer's estimate. In order to offset the difference, Public Works and Finance staff looked closely at the overall project budget to identify appropriate sources for making up that difference. Through those efforts the following sources were identified:

- Additional external funding was secured.
- A revised amount for anticipated engineering and consultant costs for inspection and contract administration was negotiated.
- A reduction in the construction contingency was made from the initial estimating/planning level of approximately 13.5% to a project-specific post-bid amount closer to 10%.

External Funding

With the higher than estimated contractor bids received, staff successfully secured an additional \$217,500 in Transportation Improvement Board (TIB) authorized funding for the Project. That external funding increase raised the TIB's contribution from \$1,450,000 to \$1,667,500. While the TIB funding is for exclusive use on the Rose Hill Business District Sidewalks (NM 51 – number 1 above), the net result is an increased total Project funding from \$16,644,400 to \$16,861,900, as shown in Table 2 below:

Table 2: Project Funding

Project	Original Funding Amount	Current Funding Amount
WA 140	\$3,992,200	\$3,992,200
SD 25	\$621,800	\$621,800
TR 78	\$2,149,900	\$2,149,900
TR 80	\$2,022,300	\$2,022,300
NM 51	\$7,858,200	\$8,075,700
Total	\$16,644,400	\$16,861,900

Revised Soft Costs

In conjunction with the additional TIB funding, a reduction of anticipated soft-cost expenses totaling \$340,082 effectively provides the remaining offset to fund the entire \$557,582 deficit arising from the bid outcome.

By reducing the overall construction contingency from approximately 13.5% to near 10%, the result is a reduction of \$186,000 from the amount used in estimating prior to receiving bids; the net result is an overall five project construction contingency of \$747,350. Johansen Excavating has successfully completed several projects with the City of Kirkland, making the reduction in contingency reasonable. The quality of the contractor also enabled a reduced estimate for internal project management staff time of \$78,082.

Finally, staff successfully renegotiated a lower consultant inspection fee for an additional savings of \$76,000. A summary of funding and cost reductions is shown in Table 3 below:

Table 3: Additional Funding & Cost Reductions

Items	Amount
Additional TIB	\$217,500
Reduced Contingency	\$186,000
Reduced Staff Time	\$78,082
Reduced Inspection	\$76,000
Total	\$557,582

Night Construction

The NE 85th Street Water main Replacement Project (WA 0140 - number 7 above) was advertised and bid to be constructed at night. Night construction work, as suggested by the NE 85th Street Construction Advisory Group (CAG), will minimize impacts to surrounding businesses, reduce costs for traffic control, and minimize the time needed for the water main replacement work. Currently, the remaining projects are programmed and scheduled for day work; however, the bid documents and bid amount allow for both day and night work for the remaining corridor improvements if it is determined that night construction for other work

elements is feasible and would be a prudent course of action. Staff will monitor progress of the nighttime water main work, including any adverse impacts, and report back to City Council if there is any move towards increased night construction activities (beyond the water main replacement work).

Channelization

As per the Kirkland Comprehensive Plan, City Council is required to approve the final roadway channelization plan (i.e., lane striping, median islands, etc.) whenever changes are made. The final Channelization Plan will be part of NE 85th Street One-Time Overlay Project (ST 0006 02 - number 5 above) currently in design and scheduled for construction in 2015. To date, staff has met often with individual property and business owners along the corridor to keep them informed of the planned changes and have worked through a few individual concerns for access control to and from certain properties. Staff also presented the preliminary Channelization Plan to the Transportation Commission for concurrence and will return to the City Council for adoption of the final Channelization Plan later this year.

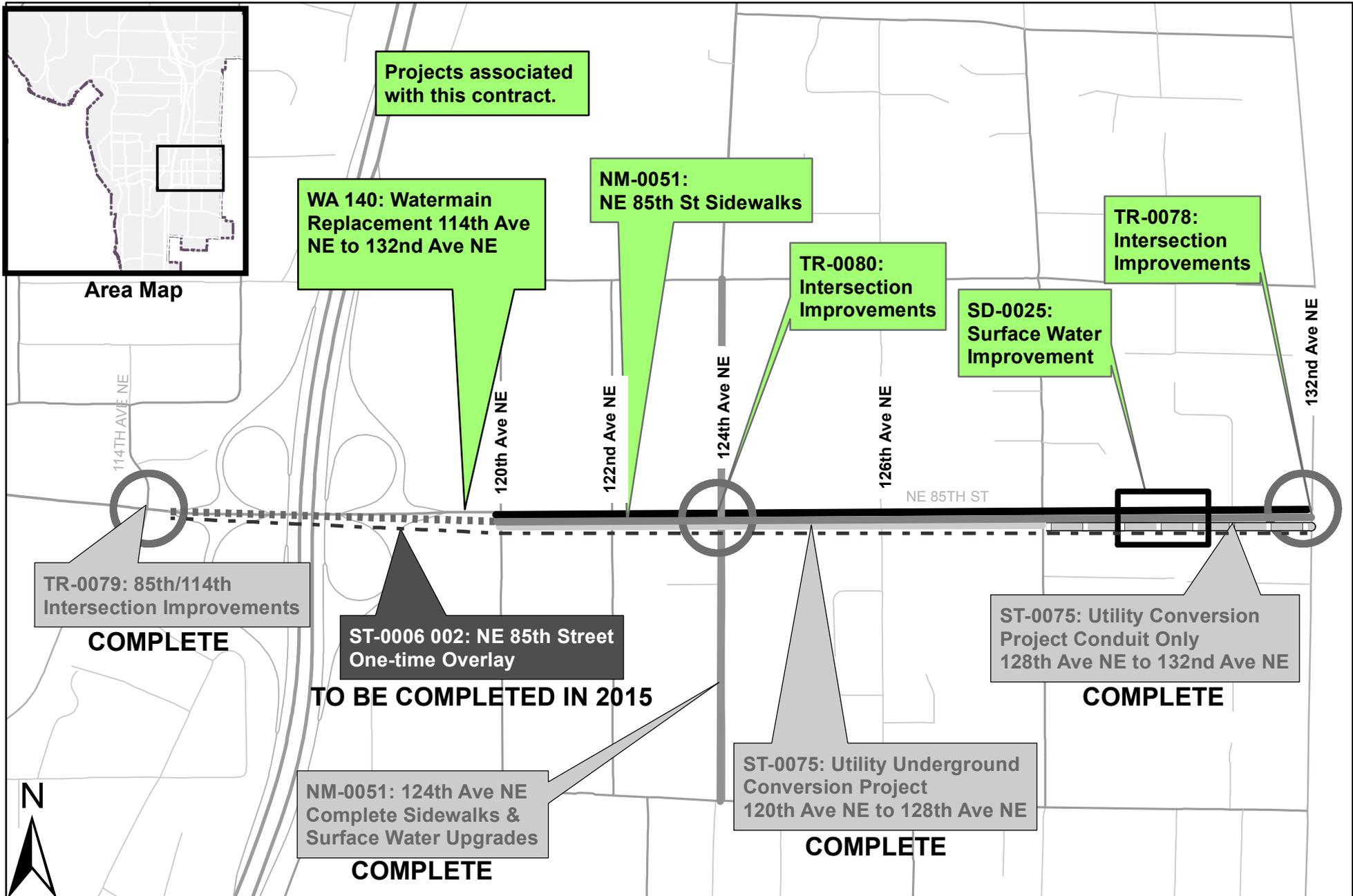
Summary

With a City Council award of the construction contract at the June 17 meeting, staff will begin the pre-construction public outreach process by notifying adjacent property owners, interested North and South Rose Hill Neighborhood Association members and other interested persons. Project updates, various List Servs, along with regular Construction Advisory Group (CAG) meetings will support the outreach plan. Project information such as closures and pedestrian detours will also be posted on the City's web site.

Since the Corridor Project includes a significant amount of sidewalk and ramp reconstruction, staff did include specific contract language related to signage for sidewalk closures and a requirement for the general contractor to provide clearly delineated detour routes for pedestrians. The construction management and inspection team will ensure the contractor maintains safe travel routes for pedestrians at all times.

A June 17 award will result in construction starting in late July to early August. The contract documents provide for a 240 working day schedule, resulting in an anticipated completion date during the third quarter of 2015.

Attachment A – Vicinity Map



Vicinity Map
NE 85th Street Corridor Improvement Project