



CITY OF KIRKLAND
Department of Public Works
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MEMORANDUM

To: Kurt Triplett, City Manager

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

Date: November 7, 2013

Subject: NE 112th Street Sidewalk Project – Budget Adjustment Request

RECOMMENDATION:

It is recommended that the City Council approves a budget adjustment for the NE 112th Street Sidewalk Project in the amount of \$25,610 using Surface Water transportation reserves.

BACKGROUND DISCUSSION:

The NE 112th Street Sidewalk Project completes a missing sidewalk gap along the north side of NE 112th Street in the Par-mac Industrial Area of the Totem Lake neighborhood, bordering the South Juanita Neighborhood (Attachment A). The Project will also provide a direct sidewalk connection with the Cross Kirkland Corridor as well as Alexander Graham Bell Elementary School.

At their regular meeting of August 6, the City Council awarded the construction contract to Danneko Construction Co., Kirkland, WA, in the amount of \$140,009, with funding for the project coming from a Transportation Improvement Board (\$86,268) grant, plus City contributions (\$179,832). Construction began on September 25, 2013, and has continued to-date with a currently anticipated completion in late November, 2013.

During construction of the new storm sewer for this project, a significant number of unexpected underground conditions were encountered. These conditions required some redesign work, as well as increased inspection services, staff time, and added construction efforts with resultant increased costs for professional engineering, inspection, in-house staff time, and construction material and labor costs; the combination of the increased costs will exceed the previously established 10% construction contingency (Attachment B).

The currently estimated Project cost increase is \$32,100, or more than twice the established construction contingency for the Project (Attachment B). As much of the underground work is now complete, staff recommends the requested budget increase include a reduced construction

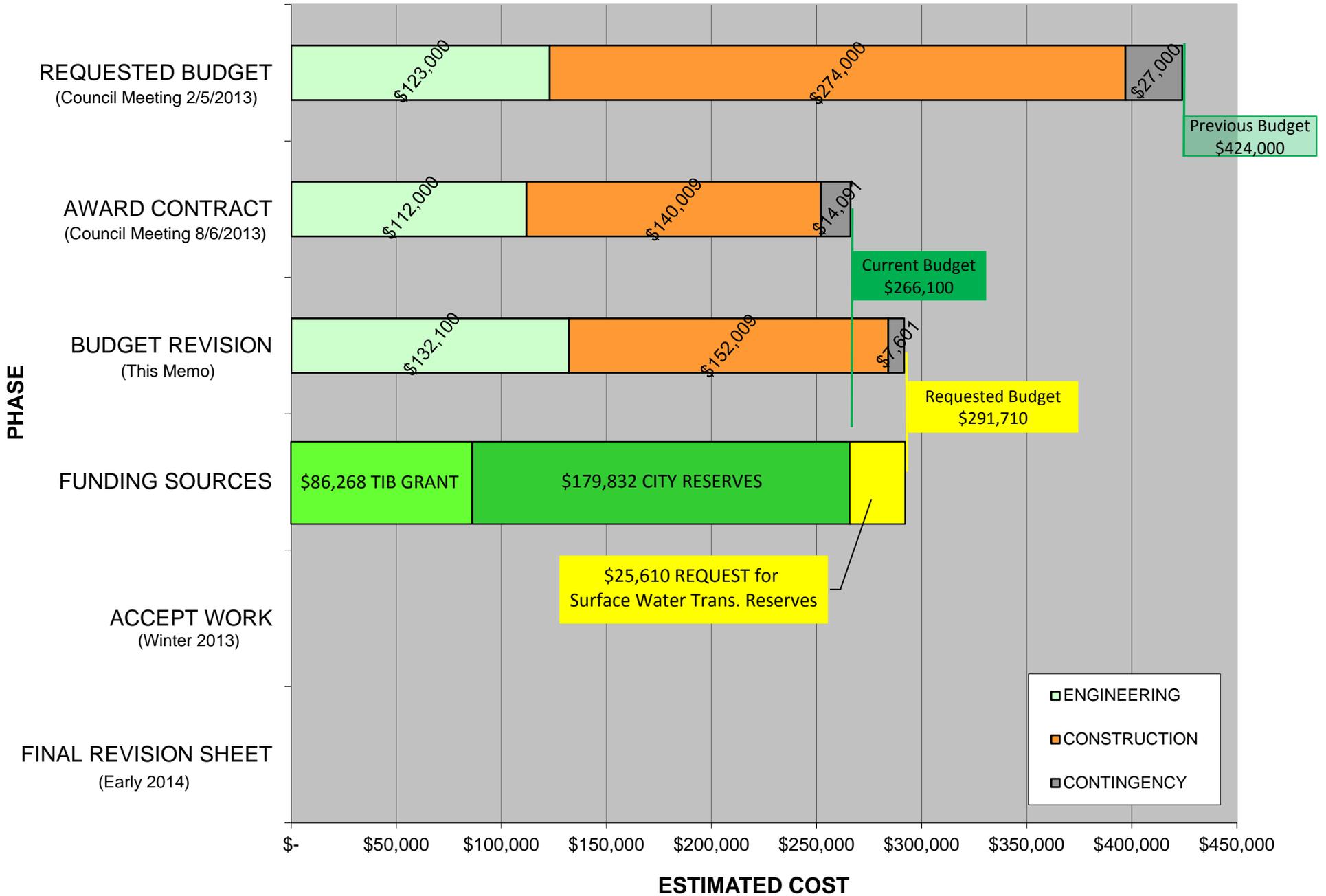
contingency of 5%, resulting in a requested total budget increase of \$25,610 and a final overall budget of \$291,000. (Attachments B and C) Note that even with the increase, the final budget is still significantly less than the original budget of \$424,000 submitted to the Council in February of 2013.

As a reimbursement grant, the TIB considers all project costs with reimbursement ratios spread across the design, construction and construction engineering components. Therefore, as the Project reaches its conclusion over the next few weeks, staff will bring these increased costs forward within the final grant billing paperwork seeking grant reimbursement from the TIB for all new grant eligible expenses. Staff will also review the final distribution of City contributions from both the general government and the surface water utility funds in order to provide City Council with a full accounting of all costs and reimbursement at the time of the contract acceptance, now expected to occur in January 2014.

Attachment A – Vicinity Map
Attachment B – Project Budget Report
Attachment C – Fiscal Note

**NE 112th Street Sidewalk Project
CNM 0053 000/SW1
Project Budget Report**

Attachment B



FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Pam Bissonnette, Interim Public Works Director							
Description of Request							
Request for funding of \$25,610 from the Surface Water Transportation Reserve for NE 112th Street Sidewalk CNM 0053 due to cost changes as identified in the attached memo.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$25,610 from Surface Water Transportation Reserve. This reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2014 Est End Balance	Prior Auth. 2013-14 Uses	Prior Auth. 2013-14 Additions	Amount Request	Revised 2014 End Balance	2014 Target
	Surface Wtr. Transportation	4,580,229	149,009	70,000	25,610	4,475,610	N/A
	Prior Authorized Uses of Reserves: 1) Surface Wtr. Transportation Reserve: 6th Street Sidewalk (\$25,243). Council is also considering additional funding of \$123,766 for NE 120th Street Extension; the reserve balance assumes approval of these requests. Prior Authorized Additions to Surface Water Transportation Reserve: Central Way Sidewalk (\$21,000) and Peter Kirk Elementary Sidewalk (\$49,000).						
Revenue/Exp Savings							
Other Source							
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	November 6, 2013	