



CITY OF KIRKLAND
Department of Public Works
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MEMORANDUM

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
Erin J. Leonhart, Public Works Facilities & Administrative Manager

Date: July 6, 2006

Subject: NORTH KIRKLAND COMMUNITY CENTER ROOF REPLACEMENT –JOB NO. 16-06-PW
AWARD CONTRACT AND BUDGET INCREASE REQUEST

RECOMMENDATION:

It is recommended that the City Council award the contract for the North Kirkland Community Center Roof Replacement Project (as part of the Kirkland Facility Lifecycle Program) to Northwest Roofing Solutions of Arlington, Washington in the amount of \$81,125.00. It is also recommended that Council approve the transfer of \$25,000 from the Facilities Sinking Fund Reserve to this project.

BACKGROUND DISCUSSION:

There are approved funds in the 2006 Capital Improvement Program for replacement of the roof at the North Kirkland Community Center, consistent with the Kirkland Facility Lifecycle Program. The total approved funds for this work is \$63,000. The cost of consulting services is \$6,500 and the cost of installation is \$81,125.00. The total anticipated project cost is \$87,625.00.

On May 11, 2006, the City sent notice to the City of Lynnwood small works roster soliciting interested vendors. Three vendors attended an optional pre-bid conference on June 14, 2006. On Friday, June 23, 2006, the City received two bids with Northwest Roofing Solutions as the low bidder with a total bid cost of \$81,125.00 (including Washington State Sales Tax). The total bid prices are as follows:

Contractor	Total Bid
<i>Engineer's Estimate – Lifecycle Model</i>	\$ 63,000
Northwest Roofing Solutions	\$ 81,125
Meyer Brothers	\$ 85,252

After analyzing the bids received, staff and the consultant concluded that the estimate included in the Lifecycle has become compromised by the current state of escalating construction industry pricing due, in part, to increasing energy costs and high nationwide demand resulting from the 2005 hurricane season. In developing options for Council action on this matter, staff evaluated the following: 1) award the contract to the lowest responsive bidder and identify a funding source to make up for the shortfall, and 2) reject all bids and re-advertise after making plan revisions in an attempt to complete the project with the money available.

City staff has conducted reference checks on Northwest Roofing Solutions and recommends that the Council approve award of the North Kirkland Community Center Roof Replacement Project, Job 16-06-PW, to Northwest Roofing Solutions.

In considering a recommendation to reject all bids, staff determined that a scope change or a delay of bids would most likely not result in new pricing coming in significantly lower than current bids and, given the current rapidly

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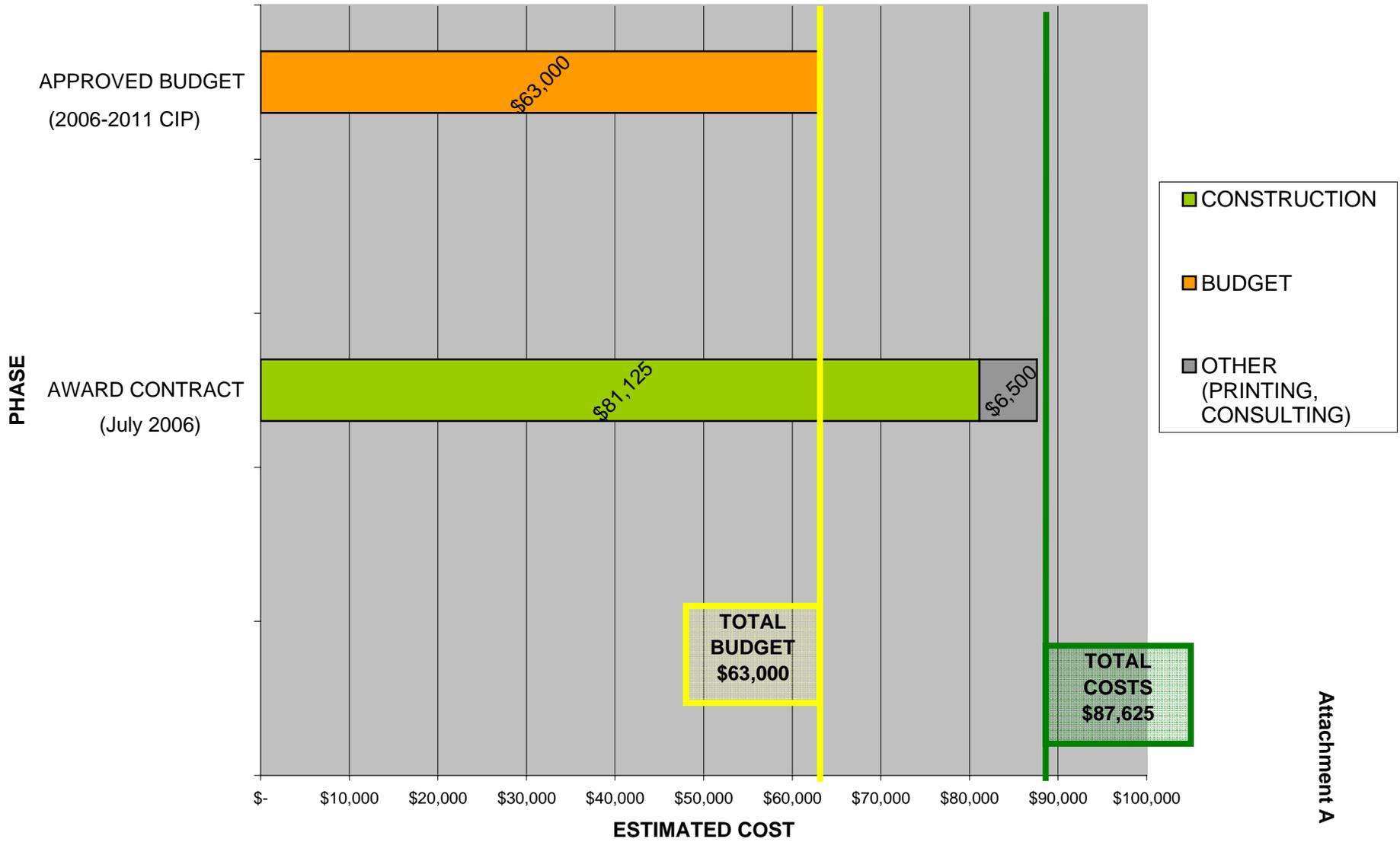
changing state of construction industry pricing., there is little reason to conclude that pricing will get any better in the near or long-term. In addition, there is a timing issue as the roof will need to be replaced this year and, to avoid impact to community programs, it will be done during the annual closure of the Community Center. Therefore, staff recommends option #1 above as the most effective and expedient way to complete this necessary project. Staff is recommending a funding increase using \$25,000 of Facilities Sinking Fund Reserve funds as identified within the attached Fiscal Note.

With Council award of this project, construction can be completed between August 26 and September 10.

Attachments

cc: Gwen Chapman, Acting Director of Finance and Administration

BUDGET COMPARISON (Expenditures)
2006 NKCC ROOF REPLACEMENT, JOB NO. 16-06-PW



FISCAL NOTE

Source of Request							
Daryl Grigsby, Public Works Director							
Description of Request							
Request for additional funding of \$25,000 from the Facilities Sinking Fund Reserve for the North Kirkland Community Center Roof Replacement project. The total cost of the project has increased due to higher than estimated bids because of the current state of escalating construction industry pricing. Nationwide demand for resources and increasing energy costs are driving construction prices up.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$25,000 of the Facilities Sinking Fund Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
	Description	2006 Est End Balance	Prior Auth. 2005-06 Uses	Prior Auth. 2005-06 Additions	Amount This Request	Revised 2006 End Balance	2006 Target
Reserve	Facilities Sinking Fund Reserve	925,240	0	0	25,000	900,240	925,240
Revenue/ Exp Savings							
Other Source							
Other Information							

Prepared By	Sandi Miller, Financial Planning Manager	Date	July 6, 2006
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