



CITY OF KIRKLAND

Public Works Department

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www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Aaron McDonald, P.E., Senior Project Engineer
Rod Steitzer, P.E., Capital Projects Manager
Julie Underwood, Interim Director of Public Works

Date: October 8, 2020

Subject: TOTEM LAKE CONNECTOR—AWARD CONTRACT

RECOMMENDATION:

Staff recommends that the City Council award a construction contract to Kraemer North America in the amount of \$13,047,576.45 for the construction of the Totem Lake Connector non-motorized bridge.

BACKGROUND DISCUSSION:

The non-motorized bridge project named "The Totem Lake Connector (TLC)" is a long-standing City priority. It is a bridge designed to span the busy and wide intersection of NE 124th Street and 124th Avenue NE/Totem Lake Boulevard NE, and would provide a safer, grade-separated continuation of the Cross Kirkland Corridor. The TLC is referenced in the City's *Transportation Master Plan*, the *Cross Kirkland Corridor Master Plan*, and the Kirkland 2035 community conversation process. It also is referenced in the planning efforts and documents of other agencies, including the Puget Sound Regional Council and the Eastrail Regional Advisory Council. Further, it is a benefit and a complement to the considerable private and public investments that have been made in this area, such as the redevelopment of what is now called The Village at Totem Lake, the redevelopment and improvement of Totem Lake Park, and numerous transportation improvements.

In August, 2016 COWI North America was selected as the engineering firm to design the bridge. The design concept was accepted by the Council at its June 6, 2017 meeting. Staff also has provided numerous updates to the Council over the years and has conducted an extensive public involvement process. The final engineering documents were completed in December, 2019.

This project has been advertised for construction bids twice.

The first advertisement occurred in January, 2020, and following a six-week bidding period the City received four bids. At that time, the lowest responsible bid was \$13,894,038.00, which was \$4,070,817 higher than the engineer's estimate. This prompted staff to reevaluate the engineer's estimate and to develop a revised funding strategy. At this same time, staff became aware that the

Puget Sound Regional Council (PSRC) had additional contingency funds available for qualifying projects. Staff applied for and ultimately received an additional \$1,535,000 for the TLC. Kirkland was one of seven jurisdictions to receive PSRC contingency funds through that process. However, the source of the PSRC funds was federal, which obligated the City to meet certain requirements, such as revising the bid specifications to include Disadvantaged Business Enterprise goals. Accordingly, staff worked to amend TLC documents to meet those requirements. By resolution, the Council rejected all bids and directed staff to re-advertise the project at its June 2, 2020 meeting.

The TLC was re-advertised for bids beginning August 31, 2020 and on September 30 the City received six bids. The lowest responsible bidder was Kraemer North America in the amount of \$13,047,576.45. The current lowest responsible bid was \$846,461.55 than the previous lowest responsible bid.

Table 1: Bid Results

<i>Revised Engineer's Estimate</i>	\$14,295,825.00
Kraemer North America	\$13,047,576.45
Interwest Construction	\$13,571,390.50
Walsh Construction	\$14,405,664.00
RL Alia Company	\$14,595,372.00
IMCO	\$14,678,588.00
Ceccanti	\$14,881,044.00

Staff has reviewed the bids, checked references, received WSDOT approval, and recommends awarding the construction contract to Kraemer North America.

Provided the Council approves this award, work on the TLC will begin shortly after contract execution. However, there is a considerable amount of procurement and offsite fabrication that needs to be completed in the early phase of construction. Therefore, the public will not see much onsite activity for many months after contract award even though the project has started. At present, a limited notice to proceed is anticipated to be issued in January, 2021.

Because of the uniqueness and complexity of this project, the City has retained David Evans Associations/DEA to assist staff with project management and inspection.

Budget

This project is funded by a combination of City funds, grants, and a projected amount of debt financing. A financing plan for issuing debt for the TLC and other transportation projects is included in the City Manager's preliminary 2021-2022 budget proposal. Some local funds already have been expended for design engineering and project management to date. For construction, projected expenses and funding sources are provided in Table 2 on the following page.

Table 2: Projected Expenses and Sources of Funds

Projected Expenses	
Construction Elements	
Construction	\$13,047,576.45
Contingency (12.8%)	\$1,668,869.55
Mitigation Monitoring and Maintenance	\$250,000.00
DEA Construction Inspection and Assistance	\$1,789,954.00
COWI North America Construction	\$745,000.00
City Staff Project Management	\$1,046,000.00
Preconstruction Preparation*	\$687,621.00
Design/Preparation Elements	
COWI North America Design	\$2,352,900.00
Cost Validation and design option support	\$57,075.00
Permitting	\$32,795.00
Seattle City Light Easement recording	\$10,000.00
City Staff Project Management (to date)	\$673,726.00
Projected Total Expenses	\$22,361,517.00
Projected Sources of Funds	
Local	\$9,903,517.00
PSRC Federal Grant for Design	\$923,000.00
PSRC Federal Grant for Construction	\$1,535,000.00
Debt	\$10,000,000.00
Projected Total Sources	\$22,361,517.00
Balance	\$0.00

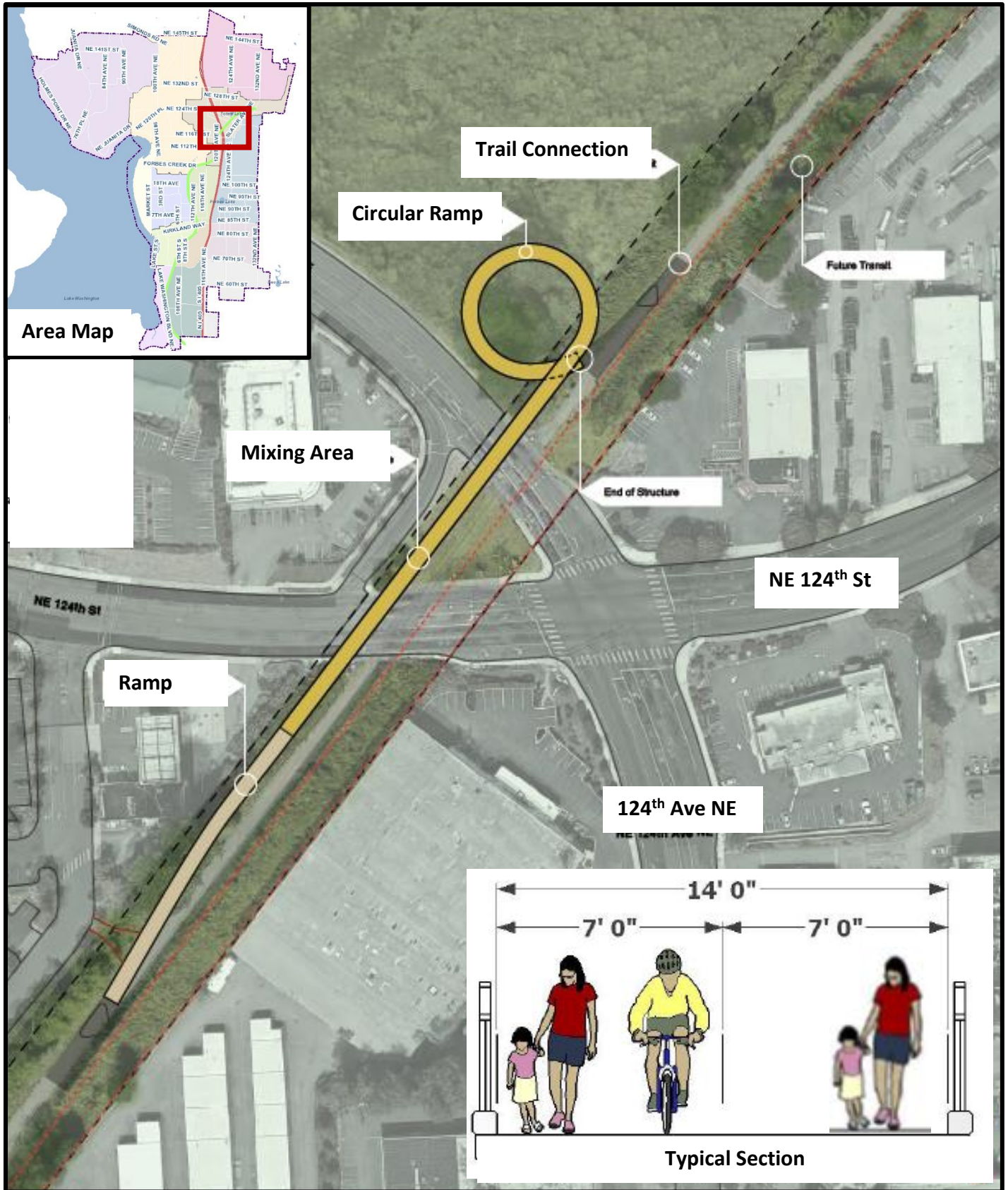
*Note: includes NUD 8-inch sewer relocation for bridge piers, NUD 16-inch sewer main slip lining

While the bid is less than the revised engineer’s estimate, staff does not recommend amending the TLC project budget at this time. There may be an opportunity in the future to revise the budget lower; however, more information and experience on how the project progresses are needed before that determination can be made. Reducing the amount of debt issued is the most likely proposal for any identified savings.

Were the Council to award this contract, staff will provide regular website updates about the project’s progress and status and will continue its coordination with area businesses and property owners, such as The Village at Totem Lake businesses and employees. While ordinarily the City would have large, in-person informational meetings, staff will need to depend on online communication sources.

While weather and other unforeseen conditions could impact the timeline, the project is expected to take an estimated two years to complete.

Attachment A: Vicinity Map with Area Map Inset



Vicinity Map
Totem Lake Connector Bridge (NMC 086)

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Julie Underwood, Interim Director of Public Works							
Description of Request							
One-time request to transfer funds and amend budget sources for the "Totem Lake Connector" Project - 124th Ave NE/NE 124th St Pedestrian Bridge (NMC0861000). Requesting a total of \$2,585,317 in additional funding for the project from two sources: 1) the repurposing of \$1,258,700 in impact fee funding from the 85th St/132nd Ave NE Dual Left Turn Lanes in 2020 (TRC139000), and 2) \$1,277,117 in REET 2 from pending project close outs related to the Advance Mitigation Program (AMP) that will be presented to Council on 11/17/20. Finally, the proposal rebalances the existing project funding sources from the 2019-24 CIP Update (12/10/19) and June 2020 budget adjustments to reflect Council directed changes to the project's debt funding and grant revenues to reflect actual grant awards (see "Other Source" note).							
Legality/City Policy Basis							
Fiscal Impact							
An increase of the NMC0861000 current adopted budget from \$19,825,700 to \$22,361,517, along with rebalancing the project's funding mix to reflect actual grant awards and the most recent debt plan from 1/7/20. Impact fee funding of \$1,258,700 from the repurposing of TRC1390000 as discussed in the 9/1/20 CIP memo is available in 2020, and the additional \$1,277,117 in REET 2 funding from pending project close outs is available in the AMP projects TRC7777017 and NMC0777017 (together they will close out a total of \$1,525,986 when presented at the 11/17/20 council meeting).							
Recommended Funding Source(s)							
	Description	2020 Est End Balance	Prior Auth. 2019-20 Uses	Prior Auth. 2019-20 Additions	Amount This Request	Revised 2020 End Balance	2020 Target
	REET 2 Rsv w/ pending close outs	3,966,193	(6,608,722)	5,606,210	(1,277,117)	1,686,564	1,000,000
Reserve	NOTE: REET 2 balance reflects pending close outs related to the AMP projects that will be presented to Council on 11/17/20. The information above is to show the net effect of this fiscal note and the related AMP project close-outs on the ending balance of the REET 2 reserve.						
Revenue/Exp Savings	2020 impact fee funding of \$1,258,700 from TRC1390000 described above is being reallocated to this project as described in the 9/1/20 CIP memo, other funding budget for TRC1390000 was pending external funding and is not available for this use. TRC1390000 has been re-scoped in the 2021-26 CIP to fund the project's design with new funding in 2022.						
Other Source	Debt and Grant budgets: The project's total debt budget will be reset from \$4,543,100 to \$10,000,000 (increasing \$5,456,900) to reflect the Council debt discussion on 1/7/20 item 3.a. A corresponding reduction of \$5,456,900 will be made to the project's total grant budget to reflect actual awards (from \$7,914,900 to \$2,458,000).						
Other Information							

Prepared By	Kyle Butler, Financial Planning Supervisor	Date	October 9, 2020
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