



CITY OF KIRKLAND

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MEMORANDUM

To: Kurt Triplett, City Manager

From: Aaron McDonald, P.E., Senior Project Engineer
Dave Snider, P.E., Capital Projects Manager
Kathy Brown, Public Works Director

Date: May 23, 2019

Subject: GOAT HILL STORM DRAINAGE REPAIR—AWARD CONTRACT

RECOMMENDATION:

City Council to:

- Award a construction contract for the Goat Hill Storm Drainage Repair to Grade Inc. of Monroe, WA in the amount of \$567,363.05, and
- Authorize a project budget adjustment of \$210,000 as the amount needed to complete the Project.

By taking action on this memo during approval of the consent calendar, City Council is authorizing the award of a public works construction contract for the subject Project and authorizing a Project budget increase.

BACKGROUND DISCUSSION:

In 2011, the City undertook a study to evaluate the overall condition of the storm water infrastructure in the Juanita and Finn Hill areas, which at the time the City had recently annexed. Through that analysis, system deficiencies in the Goat Hill area were identified, and three capital improvement projects were created as part of the 2015-2020 CIP: SDC 07700, SDC 09000, and SDC 09900 (see Attachment A, "Vicinity Map").

The highest priority project and the subject of this memo is SDC 07700 – *Goat Hill Storm Drainage Repair* (Project). The Project will upsize the drainage system from the basin outfall for the Goat Hill area to accommodate increased flows and future development. The other two projects are related to the first, and both are slated to begin construction in 2021. Project SDC-09000 improves existing upstream drainage infrastructure, and project SDC 09900 expands upstream drainage infrastructure. These two projects were combined into one during the 2019-

2024 CIP update and now both are referred to as SDC 09000 - *Goat Hill Drainage Ditch and Channel Stabilization*, with construction currently planned for 2021/22

Staff recognized that the three projects were geographically close to each other and saw the opportunity to achieve time and budget savings (see Attachment B, "Project Map"). The savings were possible because the consultant could collect site data, conduct survey work, and perform drainage basin analyses in essentially the same area. Therefore, the scope of work for SDC 07700 was amended to include preliminary design for the other two projects (now called SDC 09000). The direction to the consultant for the other two elements was to take them to the 60% design level, which would mean they would be ready to submit for permits in 2021. However, all engineering costs to date have been accounted for in SDC 07700.

Bid Results

With an engineer's estimate of \$558,600, the project was first advertised on April 22 and on May 8, 2019 two contractor bids were received. The results are shown below in Table 1:

Table 1 – Bid Results

	Amount
<i>Engineer's Estimate</i>	<i>\$558,600.00</i>
Grade Inc.	\$567,363.05
Kar-Vel Construction	\$722,320.00

The low bid received is \$8,763.05 (1.6%) over the most current opinion of probable costs (i.e., the engineers estimate). Grade Inc., as the low-bid contractor, has been verified as the lowest responsive and responsible bidder with no outstanding holds placed on it by Washington State. Bidder reference checks were favorable, with those contacted expressing satisfaction with the contractor and the contractor's work. Therefore, staff recommends awarding the construction contract to Grade Inc.

Funding and Expenses

The approved funding for this Project is \$993,700 currently. The table below illustrates actual and anticipated expenses to construct the project:

Table 2 - Funding and Expenses

Pre-Design Expenses	
Stormwater Study (All Projects)	\$50,000
Preliminary Design (60%--All Projects)	\$178,804
Sub-Total A	\$228,804
Actual and/or Anticipated Expenses	
Design/Permits (Final--SDC 0077)	\$112,937
Inspection	\$54,000
Staff/Admin	\$196,664
Construction	\$567,363
Contingency	\$43,932
Sub-Total B	\$974,896
Project Total Anticipated Cost (A+B)	\$1,203,700
Current Funding	\$993,700
Estimated Funding Shortfall	(\$210,000)

On [April 4, 2019](#), the City Council received a pre-bid Project update including the budget adjustment discussed above and a projected budget shortfall estimated to be \$215,775. At this time, staff recommends reducing the project contingency to approximately 7.5% of the contractors bid (\$43,932) with a resultant shortfall of \$210,000. Staff recommends utilizing Utility Reserves to cover the funding shortfall (see Attachments C and D).

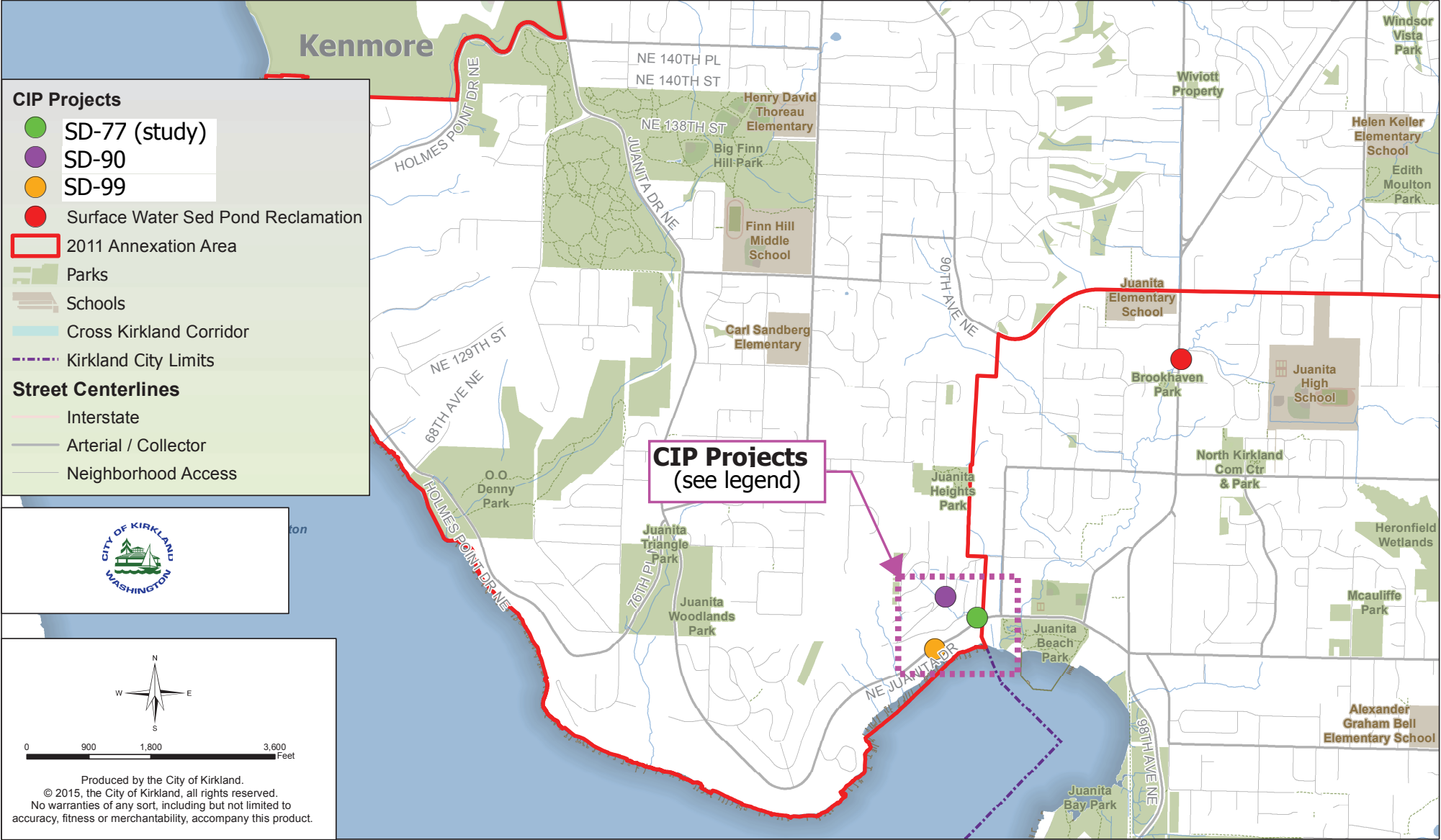
Since January of 2017, staff have observed rising utility construction bids, generally ranging from 6- to 10-percent over estimates. In 2019, however, significant increased pressure on the large trucking and heavy civil project construction materials associated with Sound Transit, WSDOT, and a major Microsoft campus rebuild has led to even higher contractor bids and engineer's estimates. The City establishes its utility rates to cover the costs of operations, provide for capital improvements, and to set aside reserves to address emergent issues and to meet the need for additional funds when the cost of capital improvements proves higher than anticipated. Using some reserves to fill the budget shortfall for this Project is consistent with the one of the reasons the City has reserves.

Schedule

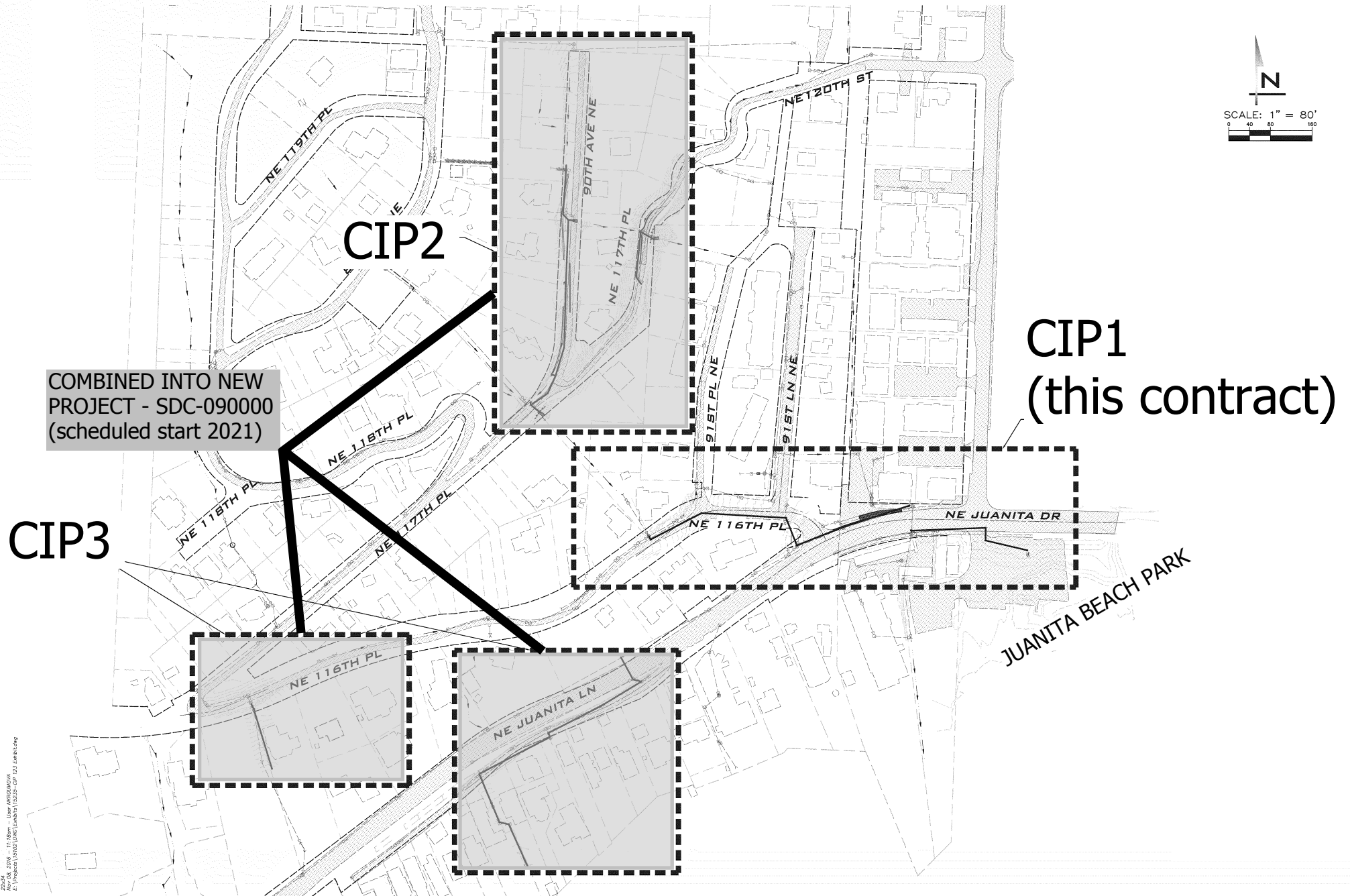
With a contract award at the June 4 meeting, staff anticipates issuing a Notice to Proceed for construction activities in early July 2019. Construction is scheduled for 50 working days, with an expected completion at the end of September 2019.

Restricted working hours are assigned in this area, limiting the contractor to the hours of 9 a.m. to 3:30 p.m. while performing work on Juanita Drive to minimize traffic impacts. Other streets within the project footprint (non-arterial) have no assigned restrictions; the contractor must provide for two-way traffic control and limit traffic interruptions to reasonable lengths of time (generally no more than five minutes). Staff will keep the public informed through regularly-updated construction timelines and pertinent Project [information on the City's Public Works Projects web site](#).

Attachment A: Vicinity Map
Attachment B: Project Map
Attachment C: Project Budget Report
Attachment D: Fiscal Note



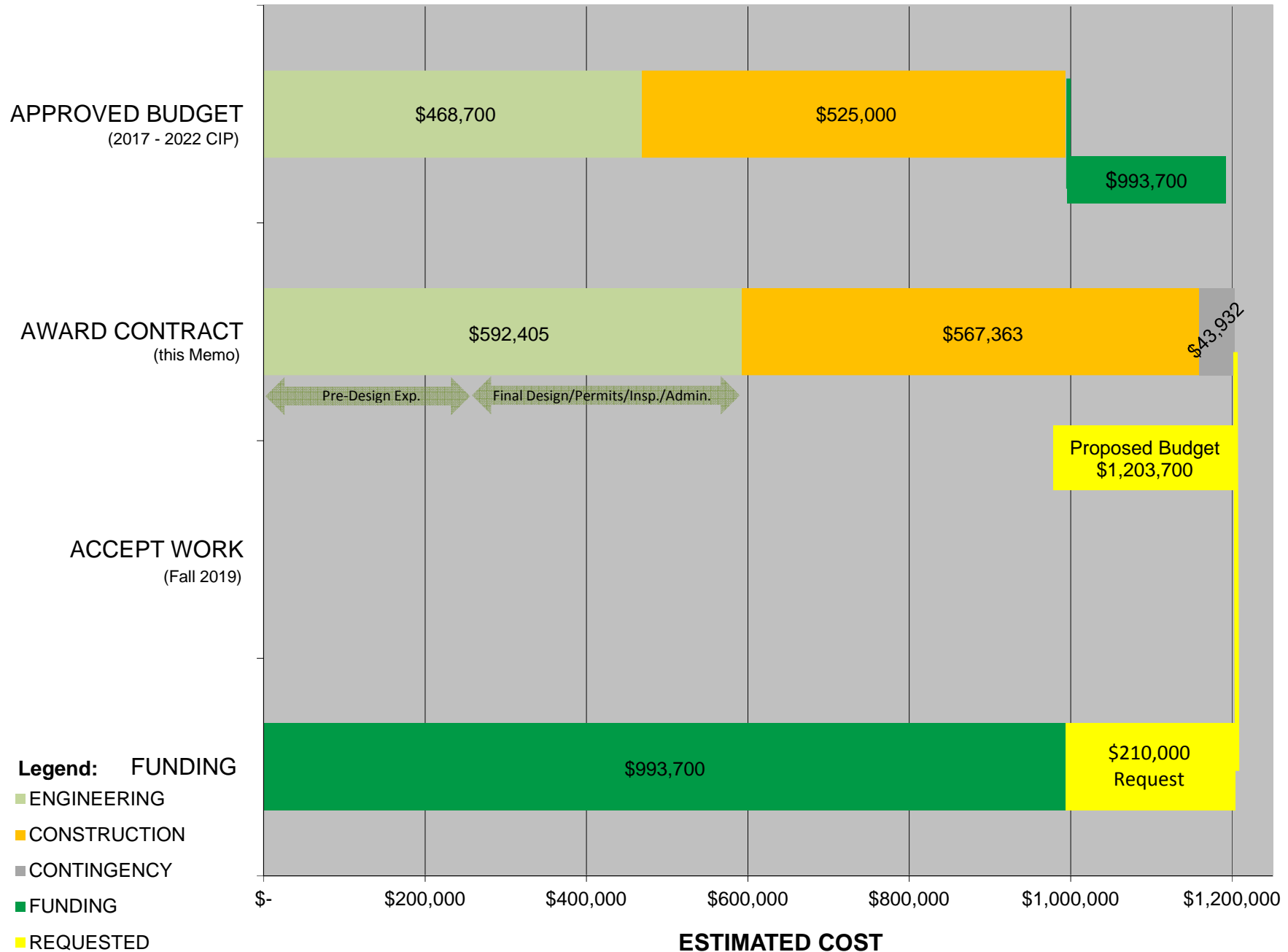
VICINITY MAP
GOAT HILL PROJECTS



PROJECT MAP - GOAT HILL CIP PROJECTS

**Goat Hill Storm Drainage Repair
(SD 0077 000)
PROJECT BUDGET REPORT**

Attachment C



FISCAL NOTE*CITY OF KIRKLAND*

Source of Request														
Kathy Brown, Public Works Director														
Description of Request														
Award contract for the Goat Hill Storm Drainage Improvements Project (SDC 077 0000) and approve \$210,000 in additional funding for the project from the Surface Water Construction Reserve.														
Legality/City Policy Basis														
Fiscal Impact														
One-time use of \$210,000 from the Surface Water Construction Reserve. The balance of the reserve is sufficient to meet this request.														
Recommended Funding Source(s)														
Reserve	Description	2020 Est End Balance	Prior Auth. 2019-20 Uses	Prior Auth. 2019-20 Additions	Amount This Request	Revised 2020 End Balance	2020 Target							
	Surface Water Const. Reserve	2,307,965	(295,000)	48,149	(210,000)	1,851,114								
			0	0										
	Prior uses of the Surface Water Construction Reserve include \$295,000 for the NE 141st Street & 111th Avenue NE Culvert Replacement Project. Prior additions include \$48,149 from the 120th Avenue NE Stormwater Pipe Replacement project.													
Revenue/Exp Savings														
Other Source														
Other Information														

Prepared By	Doug Honma-Crane, Budget Analyst	Date	May 14, 2019
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