



**CITY OF KIRKLAND**  
Public Works Department  
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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Rod Steitzer, P.E., Capital Projects Manager  
John Starbard, Deputy Director  
Julie Underwood, Director of Public Works

**Date:** November 5, 2020

**Subject:** ADVANCE MITIGATION PROJECT—ACCEPT WORK

### **RECOMMENDATION:**

Staff recommends that the City Council:

- Accept the work on the Advance Mitigation Project (Project), as completed by OMA Construction, Inc., of Maple Valley, Washington, in the amount of \$732,023.50, thereby establishing the statutory lien period; and
- Return excessive funds \$493,754 to their original funding source: REET 2 Reserves.

By taking action on this staff report during approval of the Consent Calendar, the City Council is accepting the work for the Project and authoring the return of excess funds.

### **BACKGROUND DISCUSSION:**

In late 2016, staff discussed the concept of "advance mitigation" with City Council when the Council was reviewing and adopting amendments to Chapter 90 of the *Kirkland Zoning Code*, "Critical Areas," (Item 10. g., KZC 90.145.4.c, Ordinance 4551, December 13, 2016). That adopted code provision allows for smaller, scattered mitigation to be centralized into larger mitigation projects, and that this centralization approach is intended for City implemented public projects.

At its August 6, 2018 meeting, staff discussed with the Council a proposed scope of work and budget for an initial advance mitigation project (agenda item 11.a). That Project scope included wetland and buffer mitigation work in certain areas of Juanita Bay Park, identified as "Forbes A" and "Forbes B," to provide significant opportunity for wetland and wetland/stream buffer restoration through removal of invasive plants then the hand-planting of hundreds of live willow stakes (see Attachment A, Vicinity, Area, and Project Location Maps). The Project scope and funding of \$1,900,000 was authorized at the August 6, 2018 meeting.

The Project was first advertised for contractor's bid on September 10, 2018 and bids were opened on September 24, 2018. Five bids were received.

At its October 16, 2018 meeting, the Council awarded a construction contract to OMA Construction, Inc., in the amount of \$887,219.30. Work began January 7, 2019 and was physically complete on April 30, 2020. A total of \$732,023.50 was earned by the contractor, with construction costs \$155,195.80 less because material quantities were less than estimated. There were no change orders on this project.

Although the work for this contract is complete, there will still be activity at the Forbes A and Forbes B sites to ensure that the plants remain healthy, invasive species continue to be abated, and that the desired benefits are being realized as designed. Through a separate competitive process, OMA Construction was awarded a five-year maintenance contract at the August 7, 2019 Council Meeting, in the amount of \$236,715. In the event monitoring reveals items that need correction, the maintenance contract will address those needs. The five-year maintenance commitment also requires time for monitoring; that monitoring will be completed using consultants for the first two years and staff for the remaining three years. A summary of the AMP project budget is shown in Table 1, below, and the Project Budget Report (see Attachment B). Specific expense elements for maintenance and monitoring are shown in Table 2, below.



**Table 1: Funding vs Expenses for the AMP Project (Forbes A & Forbes B)**

<b>Funding</b>	<b>Amount</b>
NM 7777: Annual Non-Motorized CAO/SWDM Surface Water Support	\$1,400,000
TR 7777: Annual Traffic CAO/SWDM Surface Water Support	\$500,000
<b>Total Funding</b>	<b>\$1,900,000</b>
<b>Expenses</b>	
Construction Contract (this memo to accept work)	(\$732,024)
Design, Soft Cost, and Permitting	(\$252,203)
5-year Maintenance and Monitoring (see Table 2)	(\$422,019)
<b>Total Expense</b>	<b>(\$1,406,246)</b>
Balance	<b>\$493,754</b>

**Table 2: AMP Project Maintenance and Monitoring**

<b>Expenses</b>	<b>Amount</b>
5-year Maintenance Contract (OMA award August 7, 2019)	\$236,715
5-year Monitoring Staff and Consultant	\$125,304
Water Connection for Irrigation	\$30,000
Contingency	\$30,000
<b>Total Expense (shown in Table 1 above)</b>	<b>\$422,019</b>

With construction of the Forbes A and Forbes B sites complete, staff recommends returning the Project's positive balance of \$493,754 (see Table 1, above) to REET 2 Reserves, as described in the Fiscal Note (see Attachment C).

The construction contract was funded originally through the Annual Non-Motorized and Traffic CAO/SWDM Surface Water Support (NMC7777 and TRC7777). However, to align the AMP's expenses with appropriate surface water funds, as intended in the 2019-24 CIP, staff is recommending the transfer of funds from the Kirkland Advance Mitigation Program Project (SDC1210) to the Annual Surface Water Support, as described in the Fiscal Note.

Additionally, staff will track the performance of the five-year monitoring and maintenance period. At the end of five years, staff will return to the Council for the acceptance of that contract.

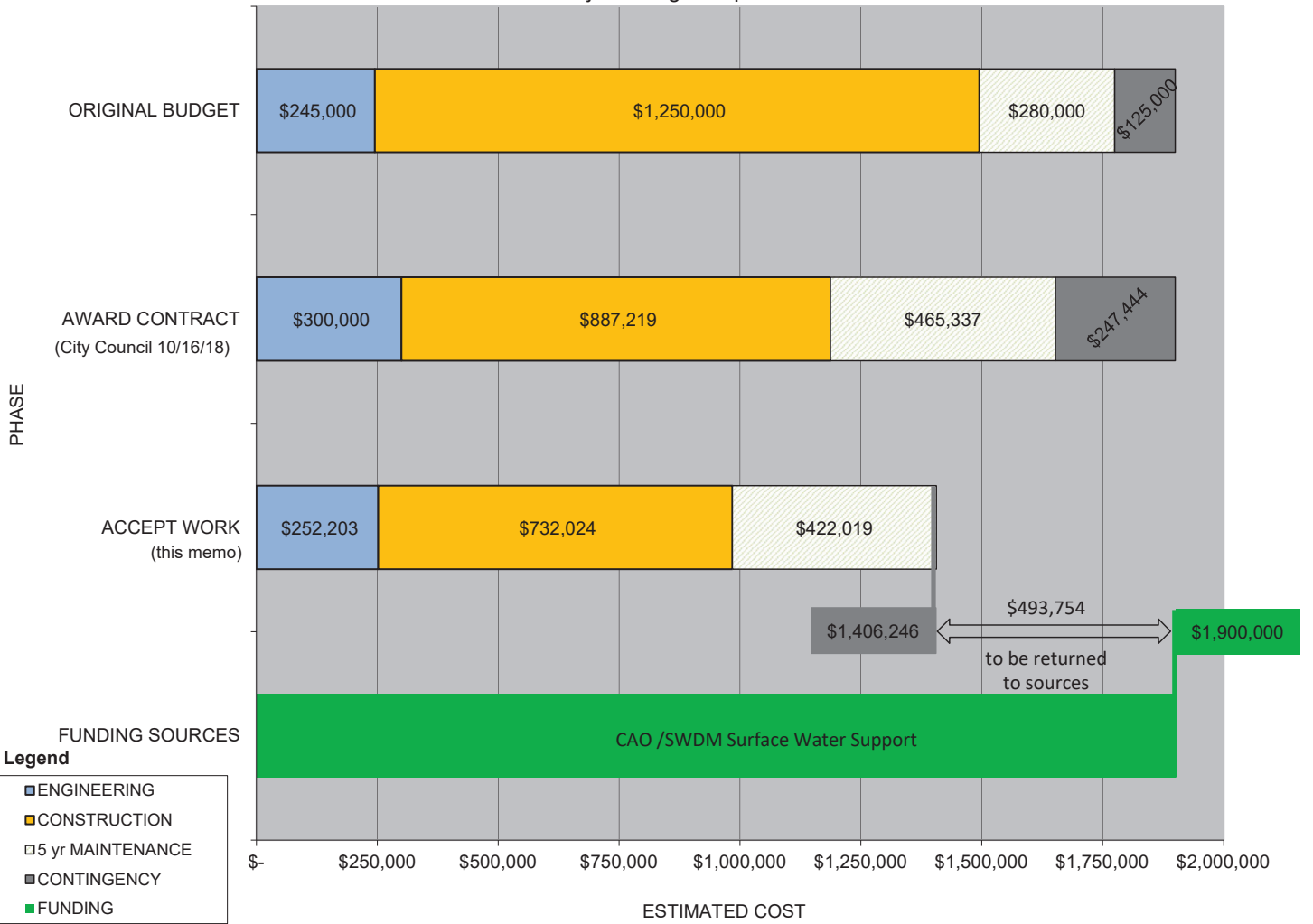
- Attachment A: Vicinity, Area, and Project Location Maps
- Attachment B: Project Budget Report
- Attachment C: Fiscal Note



**ADVANCE MITIGATION PROJECT  
(NM7777 and TR 7777)**

**Attachment B**

**Project Budget Report**



**Attachment B**

**FISCAL NOTE**

CITY OF KIRKLAND

Source of Request							
Julie Underwood, Interim Director of Public Works							
Description of Request							
The Surface Water Utility's SDC121000 "Kirkland Advance Mitigation Program" project will transfer funding of \$1,000,000 to the Transportation Capital Fund's NMC7777017 to align this funding with the Advance Mitigation Program's expenses as intended in the 2019-24 CIP. Following this transaction, there will be two one-time transfers returning REET 2 funding to its original source: \$493,754 of available balance from TRC7777017 and \$1,032,232 available funding from NMC7777017. This action will close out TRC7777017. NMC7777017 will remain open with an encumbrance of \$422,019 for 5-year monitoring and maintenance of the site.							
Legality/City Policy Basis							
Fiscal Impact							
<b>One-time revenue of \$1,000,000 from the 423 fund to the 320 fund to correct funding for the Advance Mitigation Program costs (expense from SDC121000 and revenue to NMC7777017). One-time transfer of \$1,032,232 of REET 2 funding from NMC7777017 to REET 2 Reserves. One-time transfer of \$493,754 in REET 2 funding from TRC7777017 to REET 2 Reserves.</b>							
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 Reserves	3,966,193	(6,608,722)	4,080,224	1,525,986	2,963,681	N/A
<b>Reserve</b>	Finance processing notes: <u>REET 2 Reserve</u> - 19018305*599012*REET2 - Current balance 10.8.20 = \$1,437,695						
<b>Revenue/Exp Savings</b>							
<b>Other Source</b>							
Other Information							
Project close outs from NMC7777017 and TRC7777017 have been identified as funding sources for the NMC0861000 "Totem Lake Connector" bridge - these are referenced as "pending project close outs" in the 10.20.20 TLC memo and fiscal note.							

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