

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a change order with IMCO General Construction in the amount of \$651,002.67, inclusive of applicable taxes, for a total contract amount of \$16,397,427.55 for Meydenbauer Bay Park Phase 1 construction, and execution of all documents necessary to implement settlement of a potential claim by IMCO for additional construction related costs.

Michael Shiosaki, Director, 452-5377

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Parks & Community Services

EXECUTIVE SUMMARY

This Resolution authorizes execution of a change order with IMCO General Construction for the construction of Meydenbauer Bay Park Phase 1 and execution of all documents necessary to resolve a potential claim by IMCO for additional construction related costs.

RECOMMENDATION

Move to adopt Resolution No. 9917

BACKGROUND/ANALYSIS

On March 6, 2017, Council approved Resolution No. 9243 authorizing execution of a contract with IMCO General Construction to construct Meydenbauer Bay Park Phase 1.

This two-year park construction project began in the spring of 2017. The project team of IMCO General Construction, Anchor QEA and City staff collaborated through challenges and design changes to bring the construction project to completion in the spring of 2019.

During Phase 1 construction, five contract change orders were evaluated and approved, increasing the original contract by a total of 7.9 percent (available in the Council Library). The changes were informed by the complexity of the work that included various in-water work activities such as pile driving and steel trestle construction, concrete floating dock installation, lake-line asbestos sewer removal and abandonment, deep sewer, and wet well construction. Winter construction required special efforts to protect the shoreline and sensitive areas. Unexpected site conditions included contaminated soils encountered during excavation, additional third-party underground and overhead utility relocations, and differing soil conditions resulting in design and cost changes. The construction of walls to stabilize the steep slope, an 80-foot drop between Lake Washington Boulevard and the shoreline, represented the largest working challenge and contract cost change.

In the winter of 2018-19, IMCO General Construction submitted a proposed sixth and final contract change to address alterations in the contracted scope of work. Although City staff agreed that a change order was warranted, there was not consensus on how the changes to the contract impacted the total cost. IMCO was directed to proceed with the work and complete the park construction. The City Attorney's Office, staff, consultants and IMCO Construction have worked to negotiate a final change order in the amount of \$651,002.67, which includes all taxes, insurance, and other incurred costs

(available in the Council Library). No legal action has been filed, however, based on the complexity and length of negotiations related to IMCO’s claim for additional compensation, and in an abundance of caution, the City Attorney’s Office is also recommending execution of settlement documents which release the City from any additional claims by IMCO (available in the Council Library).

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code chapter 4.28 provides for the fair and equitable treatment of persons in the purchasing process. Because the accumulated change orders exceed 10 percent of the original contract amount, Council approval is required.

Fiscal Impact

Executing this contract change order obligates the City to additional costs of \$651,002.67 inclusive of all applicable taxes. Sufficient funding exists in the 2021-2027 CIP Project No. P-AD-92 Meydenbauer Bay Phase 1 Park Development to conclude this project. All change orders are listed below.

		% Change
Original Contract	\$14,589,501.56	
Change Order 001 (term extension)	\$ 0.00	0%
Change Order 002	\$647,950.46	4.4 %
Change Order 003	\$349,876.39	6.8 %
Change Order 004	\$145,600.00	7.8 %
Change Order 005	\$13,496.47	7.9 %
Proposed Change Order 006	\$651,002.67	12.4 %
Final Contract Total	\$16,397,427.55	

OPTIONS

1. Adopt the Resolution authorizing execution of a change order with IMCO General Construction in the amount of \$651,002.67, inclusive of applicable taxes, for a total contract amount of \$16,397,427.55 for Meydenbauer Bay Park Phase 1 construction, and execution of all documents necessary to implement settlement of a potential claim by IMCO for additional construction related costs.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

A. CIP P-AD-92 Meydenbauer Bay Phase 1 Park Development
Proposed Resolution No. 9917

AVAILABLE IN COUNCIL LIBRARY

Change Orders 1-6
Proposed Settlement Agreement