

CITY COUNCIL AGENDA TOPIC

Motion to increase the construction contract with Active Construction, Inc. (ACI) (Bid No. 19063) by \$786,745.36 for a total contract amount of \$7,316,274.36 plus all applicable taxes, for the SE Newport Way – Somerset Boulevard to 150th Avenue SE Project (CIP Plan No. PW-R-185, PW-R-199, PW-M-19, D-64 and S-24).

Andrew Singelakis, Transportation Director, 452-6468

Maher Welaye, Assistant Director, 452-4879

Dale Lydin, Construction Manager 452-2734

Paul Krawczyk, Project Manager, 452-7905

Transportation Department

EXECUTIVE SUMMARY**ACTION**

This Motion will increase the construction contract with Active Construction, Inc. (ACI) by \$786,745.36 for a total contract amount of \$7,316,274.36 plus all applicable taxes, for the SE Newport Way – Somerset Boulevard to 150th Avenue SE Project.

RECOMMENDATION

Motion to increase the construction contract with Active Construction, Inc. (ACI) (Bid No. 19063) by \$786,745.36 for a total contract amount of \$7,316,274.36 plus all applicable taxes, for the SE Newport Way – Somerset Boulevard to 150th Avenue SE Project (CIP Plan No. PW-R-185, PW-R-199, PW-M-19, D-64 and S-24).

BACKGROUND/ANALYSIS

The SE Newport Way – Somerset Boulevard to 150th Avenue SE Project constructs a 10-foot-wide multiuse sidewalk from 150th Street to Somerset Boulevard. The project provides much needed access to several Bellevue sites including the Newport Way Library, South Bellevue Community Center, Tyee Middle School and multiple residents along the roadway.

On December 9, 2019, Council awarded Bid No. 19063 for the Newport Way Project SE to ACI, Inc. as the lowest and responsive bidder, Active Construction, Inc. (ACI) in the amount of \$6,529,529.00. Construction of the project began on April 9, 2020 - just as the COVID-19 epidemic began - and reached substantial completion on August 11, 2021.

Several challenges were encountered during construction of the project including scheduling impacts due to COVID, unforeseen underground utility conflicts and higher than anticipated traffic control costs. During construction of the project, 18 change orders were processed totaling \$536,745.36 for a total contract amount of \$7,066,274.36 (approximately 8.2 percent above the original bid amount).

Following construction of the project, staff were made aware of a potential claim from the contractor for COVID-related scheduling conflicts. In December 2021, staff provided Council with an update on the Capital Investment Program (CIP) which included an update on Newport Way project budget and noted a potential COVID-related claim.

Following the December Council meeting, the Contractor submitted a formal request for an Equitable Adjustment in the amount of \$819,565 for COVID-19 related direct costs, storm drain installation delays, and additional wall Installation costs. The City engaged the services of a claims consultant to evaluate the claim. Following evaluation and negotiation with the Contractor the parties agreed to an Equitable Adjustment of \$250,000. Settling this claim will release the city from any and all claims against this project.

Settlement of the contractor's claim for \$250,000 will result in a cumulative change order amount of \$786,745.36 and total contract amount of \$7,316,274.36 (approximately 12 percent above the original contract amount authorized by Council). Since the increase exceeds 10 percent, Council action is required to authorize this amendment to the construction contract.

POLICY & FISCAL IMPACTS

Policy Impact

Comprehensive Plan:

- Policy TR-39. Design, maintain, and protect the transportation system to be resilient to disaster.
- Policy TR-53. Maintain and enhance safety for all users of the roadway network.

Sound management practice—Major Maintenance Program:

- This project responds to one of the City's primary responsibilities for public safety and minimizes the City's liability by preserving transportation infrastructure.

Fiscal Impact

This action will authorize an increase to the construction contract with Active Construction, Inc. (ACI) (Bid No. 19063) by \$786,745.36 for a total contract amount of \$7,316,274.36 plus all applicable taxes, for the Newport Way SE Project (CIP Plan No. PW-R-185, PW-R-199 and S-24). The increase is approximately 12 percent over the original contract amount. Sufficient funding exists in the 2023-2029 CIP to complete this project. The construction contract will be funded with the following programs:

CIP Plan No.	Description	Original Contract	Change Orders	Revised Contract
PW-R-185	Newport Way Improvements - Somerset Blvd to 150th Ave	\$5,756,651.00	\$565,436.94	\$6,322,087.94
PW-R-199	Neighborhood Safety and Connectivity (Levy)	728,700.00	35,000.00	763,700.00
PW-M-19	Major Maintenance Program	44,178.00	137,110.00	181,288.00
D-64	Storm Water System Conveyance Infrastructure Rehabilitation		15,942.65	15,942.65
S-24	Sewer System Pipeline Repairs and Replacement		33,255.77	33,255.77
Total Funding		\$6,529,529.00	\$786,745.36	\$7,316,274.36

The following change orders #1 through #18 have been approved and are within the 10 percent contingency originally authorized by the Council. Change order #19 is pending:

Original Contract Amount:	\$6,529,529.00
Change Order #1 DB-120 Conduit to SCH 40 PVC	\$ 6,152.88
Change Order #2 Type 1 Junction Boxes to Type 2 with Riser	\$ 8,133.35
Change Order #3 Smaller Drill for Soldier Pile Installation	\$ 52,501.80

Change Order #4 Side Sewer Sleeves	\$ 27,772.57
Change Order #5 Additional Tree Removal	\$ 39,038.08
Change Order #6 Contaminated Soil Removal	\$ 18,755.91
Change Order #7 Added Rebar for Footing Curb	\$ 22,562.84
Change Order #8 Additional Shotcrete at Wall 8	\$ 12,340.00
Change Order #9 Remove/Replace Existing Concrete Storm Pipe	\$ 14,493.32
Change Order #10 Added 290 Sq. Ft. Gravity Block Wall	\$ 29,886.82
Change Order #11 Move Storm Drain Inlet Due to Conflict	\$ 15,358.55
Change Order #12 Added 12" Diam. Ductile Water Pipe	\$ 16,617.90
Change Order #13 Temporary Striping and Asphalt	\$ 32,629.94
Change Order #14 Added Cost for Electronic Speed Sign	\$ 3,574.67
Change Order #15 Revise Traffic Island	\$ 10,686.15
Change Order #16 Site Cleanup and Project Completion Items	\$ 60,490.58
Change Order #17 Additional Traffic Control Labor Hours	\$ 39,000.00
Change Order #18 Additional Traffic Control Labor Hours	\$ 126,750.00
Change Order #19 Equitable Adjustment	\$ 250,000.00
Total Change Orders	\$ 786,745.36
Total Revised Contract Amount	\$7,316,274.36

OPTIONS

1. Move to increase the construction contract with Active Construction, Inc. (ACI) (Bid No. 19063) by \$786,745.36 for a total contract amount of \$7,316,274.36 plus all applicable taxes, for the SE Newport Way – Somerset Boulevard to 150th Avenue SE Project (CIP Plan No. PW-R-185, PW-R-199, PW-M-19, D-64 and S-24).
2. Do not approve the increase to the construction contract and provide alternative direction to staff.

ATTACHMENTS

- A. Vicinity Map
- B. Project Description (PW-R-185)
- C. Project Description (PW-R-199)
- D. Project Description (PW-M-19)
- E. Project Description (D-64)
- F. Project Description (S-24)

AVAILABLE IN COUNCIL LIBRARY

N/A