

CITY COUNCIL AGENDA TOPIC

Ordinance 1) authorizing an increase in the construction contract with Active Construction, Inc. (ACI) (Bid No. 22000) by \$2,303,209.05 for a total contract amount of \$25,449,039.05 plus all applicable taxes, for the 124th Avenue NE - Ichigo to Northup Way Project (CIP Plan No. PW-R-191); and, 2) amending the 2023-2029 General Capital Investment Program (CIP) Plan to decrease the budget for the 130th Avenue NE – Bel-Red Road to NE 20th Street (CIP Plan No. PW-R-170) by \$2,100,000.00; 124th Avenue NE – NE 12th Street to NE Spring Boulevard (CIP Plan No. PW-R-169) by \$1,000,000.00; and NE Spring Boulevard, 130th Avenue NE to 132nd Avenue NE (CIP Plan No. PW-R-174) by \$400,000.00; and increase the budget for the 124th Avenue NE - Ichigo to Northup Way Project (CIP Plan No. PW-R-191) by \$3,500,000.00.

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Transportation Department

EXECUTIVE SUMMARY**ACTION**

This Ordinance increases the construction contract with Active Construction, Inc. (ACI) by \$2,303,209.05 for a total contract amount of \$25,449,039.05, plus all applicable taxes, for the 124th Avenue NE – Ichigo to Northup Way Project and amends the 2023-2029 General Capital Investment Program (CIP) Plan.

RECOMMENDATION

Move to adopt Ordinance No. 6800

BACKGROUND/ANALYSIS

The 124th Avenue NE- Ichigo Way to Northup Way (CIP Plan No. PW-R-191) is part of the broad BelRed Plan and Transportation vision of supporting planned growth and economic vitality, improving access and circulation, and capturing synergistic opportunities with Sound Transit's East Link Project.

The 124th Avenue NE corridor improvement has been implemented in three phases. The first phase between NE Spring Boulevard and Ichigo Way was completed in spring of 2021. The segment between NE 12th Street and NE Spring Boulevard was the second phase and was completed in 2023. The segment between Ichigo Way to Northup Way is the third and last phase of 124th corridor improvements. This project will reprofile and widen the roadway from two lanes to five lanes, improving traffic flow and adding sidewalks on both sides. It will also replace an existing culvert with a new fish-passable culvert.

This project also includes the installation of a Joint Utility Trench (JUT) for the franchise utilities. The

Relocation and JUT Agreement with PSE and Lumen for relocation of the vaults was approved by Council on August 1, 2022 (Resolution No. 10128 and No.10129). The JUT for franchise utilities includes reimbursable agreements with PSE gas, Zayo and Comcast for the relocation and addition of utility infrastructure.

On October 24, 2022, Council awarded Bid No 22000 for the 124th Avenue NE – Ichigo to Northup Way Project to Active Construction, Inc. (ACI) as the lowest and responsive bidder, in the amount of \$23,145,830.00. Construction of the project began on April 9, 2020 and substantial completion is anticipated to occur in the last quarter of 2024.

In June 2024, staff provided Council with an update on the Capital Investment Program (CIP) which included an update on 124th Avenue NE Project.

Several challenges were encountered during construction including: unforeseen utility conflicts, earthwork and traffic control quantity overruns and third party work not included in the original contract.

Utility conflicts encountered on this project typically consisted of underground facilities encountered during excavation work that were not identified during utility coordination performed during the design phase or at the beginning of construction. Some of the costs attributable to utility conflicts are anticipated to be recouped from franchise utility companies.

Quantity overruns are mainly attributable to the use of additional flagging hours and signage necessary to provide safe access to businesses and the King County Metro East Base located along 124th Avenue NE corridor. Additionally, more crushed rock and other fill material has been brought to the site than was anticipated in order to meet final grades set by the reprofiling of the roadway.

Work for King County was added to this construction contract to relocate a county-owned fiber optic line providing critical communications to the King County Metro East Base and for activities related to the county's Lake Hills Sewer Relining Project. All costs for this additional work will be reimbursed to the City of Bellevue by King County.

All executed and pending change orders have resulted in an estimated increase in cost of the construction contract of \$2,303,209.05 which is approximately 10% of the original contract amount authorized by Council.

Active Construction, Inc. (ACI) has provided notice of potential claims resulting from various changes on the project. Staff have engaged construction claim experts and determination of the merit and of cost of the claims is currently underway. This potential cost for claims has not been included in this increase in construction contract value because the merit of the claims has not yet been established. The cost exposure for potential claims is anticipated to be within the new contingencies set as part of this action.

POLICY & FISCAL IMPACTS

Policy Impact

Comprehensive Plan:

- *Overall:* S-BR-4: Developing and implementing a phased approach so that transportation, open space, and other infrastructure is in place or committed to serve the needs of growth.
- *Utilities:* The Utility shall invest resources as necessary to construct, maintain and renew water system infrastructure and equipment such that Utility customers are provided consistent, reliable service.
- *Transportation:* TR-26: Increase system connectivity for all modes by providing vehicular, transit, pedestrian, and bicycling facilities to create a Complete Streets network throughout the City.
- *Implementation:* S-BR-78: Implementing the BelRed Plan through capital investments and other public and private strategies.

Fiscal Impact

Construction Contract Increase

This action will authorize an increase to the construction contract with Active Construction, Inc. (ACI) (Bid No. 22000) by \$2,303,209.05 for a total contract amount of \$25,449,039.05, plus all applicable taxes, for the 124th Avenue NE – Ichigo to Northup Way Project (CIP Plan No. PW-R-191). The increase is approximately 10 percent over the original contract amount. With the CIP Plan amendment that is part of this action, 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-191	124th Avenue NE - Ichigo to Northup Way	\$22,868,630.00	\$2,274,113.05	\$25,142,743.05
W-16	Small Diameter Water Main Replacement	277,200.00	29,096.00	306,296.00
Total Funding		\$23,145,830.00	\$2,303,209.05	\$25,449,039.05

Below are the approved and still pending change orders:

Original Contract Amount: \$23,145,830.00

Change Orders

Change Order #1 – Traffic Barrier Revisions	\$ 4,817.79
Change Order #2 - Eliminating Zayo Work	\$ (43,451.00)
Change Order #3 – PIV	\$ 11,686.83
Change Order #4 – Additional KC Sewer Work	\$ 225,000.00
Change Order #5 – Miscellaneous Channelization	\$ 5,459.80

Change Order #6 – Bid Item and Materials Adjustments	\$ 2,663.30
Change Order #7 – Lumen Vaults	\$ 24,482.09
Change Order #8- Culvert Trench Flood	\$ 16,540.00
Change Order #9 – 120 th Crosswalk	\$ 26,430.68
Change Order #10 –127 th Work	\$ 10,877.26
Change Order #11 –Wall 2	\$ 5,014.88
Change Order #12 –Multiple Water Utility Issues	\$ 58,811.35
Change Order #13 –KC Metro Fiber	\$ 34,650.91
Change Order #14 –Miscellaneous Electrical	\$ 25,000.00
Change Order #15 –Overruns on Traffic Control	\$ 813,234.00
Change Order #16 –Unforeseen utility conflicts	\$ 125,498.00
Change Order #17 –Overruns on earthwork	\$ 818,993.16
Change Order #18 –Carport Demolition	\$ 12,500.00
Change Order #19 –Wall 7A modification	\$ 125,000.00
Total Change Orders	\$ 2,303,209.05
Total Revised Contract Amount	\$25,449,039.05

CIP Plan Amendment

This action will also amend the 2023-2029 General Capital Investment Program (CIP) Plan to decrease the budget for the 130th Avenue NE – Bel-Red Road to NE 20th Street (CIP Plan No. PW-R-170) by \$2,100,000.00; 124th Avenue NE – NE 12th Street to NE Spring Boulevard (CIP Plan No. PW-R-169) by \$1,000,000.00; and NE Spring Boulevard, 130th Avenue NE to 132nd Avenue NE (CIP Plan No. PW-R-174) by \$400,000.00 and increase the budget for the 124th Avenue NE - Ichigo to Northup Way Project (CIP Plan No. PW-R-191) by \$3,500,000.00. All four projects are included as part of the city’s BelRed Street Network project package, funded in part by a loan from the USDOT’s Transportation Infrastructure Finance and Innovation Act (TIFIA).With this amendment there will be sufficient funding in 2023-2029 General CIP Plan PW-R-191 to fully fund the construction contract increase noted above and to fund contingencies for ongoing property acquisition and construction activities necessary to complete the project.

OPTIONS

1. Adopt the Ordinance 1) authorizing an increase in the construction contract with Active Construction, Inc. (ACI) (Bid No. 22000) by \$2,303,209.05 for a total contract amount of \$25,449,039.05 plus all applicable taxes, for the 124th Avenue NE - Ichigo to Northup Way Project (CIP Plan No. PW-R-191); and, 2) amending the 2023-2029 General Capital Investment Program (CIP) Plan to decrease the budget for the 130th Avenue NE – Bel-Red Road to NE 20th Street (CIP Plan No. PW-R-170) by \$2,100,000.00; 124th Avenue NE – NE 12th Street to NE Spring Boulevard (CIP Plan No. PW-R-169) by \$1,000,000.00; and NE Spring Boulevard, 130th Avenue NE to 132nd Avenue NE (CIP Plan No. PW-R-174) by \$400,000.00; and increase the budget for the 124th Avenue NE - Ichigo to Northup Way Project (CIP Plan No. PW-R-191) by \$3,500,000.00.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS

- A. Vicinity Map
- B. Project Description (PW-R-191)
- C. Project Description (W-16)
Proposed Ordinance No. 6800

AVAILABLE IN COUNCIL LIBRARY

N/A