

CITY COUNCIL AGENDA TOPIC

Resolution authorizing execution of a Heavy Civil General Contractor/Construction Manager (GC/CM) Contract with Kraemer North America, LLC for the I-405 Crossing – Downtown to Eastrail project (CIP Plan No. G-126) in an amount up to \$1,921,842.04, plus all applicable taxes, for initial performance of Preconstruction Services within the General Contractor – Construction Manager (GC-CM) project delivery framework governed by Chapter 39.10 RCW.

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Office of the Grand Connection

EXECUTIVE SUMMARY**ACTION**

This Resolution authorizes the execution of a Heavy Civil General Contractor/Construction Manager (GC/CM) Contract with Kraemer North America, LLC for initial performance of preconstruction services through the development and issuance of construction documents for the I-405 Crossing. GC-CM project delivery will allow the selected Engineer of Record, selected GC-CM owners advisor, the city, and Kraemer North America, LLC to collaborate during design and permitting in efforts to minimize project construction, schedule, and cost risk. This action is one of three actions on tonight's consent calendar related to the I-405 Crossing – Downtown to Eastrail project. The other actions on tonight's consent calendar (under separate cover) are 1) Resolution to authorize a Professional Services Supplemental Agreement (SA04) with WSP USA, Inc. for final design and permitting and 2) Resolution to authorize a Professional Services Supplemental Agreement (SA01) with HNTB Corporation to provide owner advisory, preconstruction, and project management services.

RECOMMENDATION

Move to adopt Resolution No. 10636

BACKGROUND/ANALYSIS

The Bellevue City Council has included the Grand Connection in its Council priorities since 2012. Significant work has taken place since that time, including the preliminary design work for the I-405 Crossing- Downtown to Eastrail project (CIP Plan No. G-126, previously known as CIP Plan No. PW-R-216).

The Grand Connection is Bellevue's signature downtown place-making initiative. This program functions as a series of cohesive, connected, and memorable spaces and pedestrian-focused experiences and initiatives through Bellevue's thriving central business district. With a length of more than 1.5 miles, the Grand Connection begins at the waterfront of Lake Washington at Meydenbauer Bay Park, and winds through Old Bellevue and Downtown Park. It continues through Bellevue's

dynamic retail and civic-focused parts of downtown, across I-405 and ultimately connects with the regional Eastrail in the Wilburton commercial area.

General Contractor/Construction Manager (GC/CM) is an alternative delivery method in which the contractor is selected early in design to provide Preconstruction Services, where the contractor is engaged in a collaborative effort with the project team to refine the project's design, cost, schedule, and construction approach with the goal of optimizing the project before construction begins. The cost of construction is not established at the time the contractor is selected; instead, it is developed collaboratively during preconstruction and negotiated at the conclusion of the Preconstruction Services phase. In accordance with RCW 39.10, Alternative Public Works Contracting Procedures, the most qualified contractor is selected using a best value procurement process that includes scores from three components: qualifications and approach, interviews, and cost factor.

Significant milestones in advancement of the I-405 Crossing - Downtown to Eastrail project using GC-CM project delivery include:

- In 2017, the city adopted the Grand Connection Framework Plan as the high-level vision for the corridor between Meydenbauer Bay and the Civic Center District.
- On March 11, 2025, the council directed the project team to initiate alternative delivery procurement including seeking Washington State approval for the use of the GC-CM contracting method. Subsequently, the city advertised a request for contractor proposals for the project on December 11, 2025.
- On June 24, 2025, the council approved Resolution No. 10522 authorizing execution of a Professional Services Agreement with HNTB to provide Project Manager and Owner Advisor services for the I-405 Crossing - Downtown to Eastrail project to facilitate 30% design and GC-CM alternative delivery contracting.
- On September 29, 2025, the State of Washington Project Review Committee (PRC) determined the city met the criteria established in RCW 39.10.280 and authorized the city to utilize the GC/CM alternative contracting procedure.
- On December 11, 2025, the city issued a Request for Proposals (RFP) seeking firm qualifications, relevant project experience, and an approach to delivering the project. Seven proposals were received on January 29. An interdepartmental staff evaluation committee reviewed and scored submittals based on the evaluation criteria established in the RFP.
- On March 2, the city shortlisted the three firms with the highest proposal scores and issued a Request for Final Proposal (RFFP) to them. The RFFP included an invitation to interview, and a request for a sealed cost proposal consisting of the contractor's profit markups to be applied to the cost of construction.
- On March 26, the shortlisted firms submitted the sealed cost proposal and were interviewed by the evaluation committee. In the interview, the evaluation committee scored the firms on team alignment, project understanding, and collaborative approach. On March 30, the sealed proposals were publicly opened. The firm submitting the lowest cost factor received the maximum available points for the cost component; the other proposers received

correspondingly lower scores based on their percentage above the lowest proposal.

The proposal scores, interview scores, and cost proposal scores were combined to determine the highest-ranked proposer.

- The city issued notice of the highest-ranked proposer on March 30, selecting Kraemer North America, LLC. The protest period concluded on April 3. No protests were received. The city then entered negotiations with Kraemer North America, LLC for Preconstruction Services.

The objective of this contract is to construct the project. The initial Preconstruction Services objective is acceptance of a negotiated Maximum Allowable Construction Cost (MACC). This is one of three main categories of costs within a Total Contract Cost (TCC) under a GC-CM alternative delivery framework as represented in Table 1 below. The TCC represents costs associated with only the GC-CM contract, not overall project programming such as design, engineering, real property acquisition, construction inspection and administration etc.

Table 1

Total Contract Cost (TCC)				
		Maximum Allowable Construction Cost (MACC)		
Contractor's Fee ¹	Specified General Work Conditions ²	Construction Work Costs ³	Negotiated Support Services ⁴	Contractor's Risk Contingency ⁵

1 Contractor's Fee – Negotiated GC-CM fee for profit and overhead

2 Specified General Work Conditions – Cost of administrative requirements; General contract conditions; Administration of subcontract work; Cost accounting; Progress scheduling; Project meetings; Safety plan; Quality control; Warranties etc.

3 Construction Work Costs – Costs to build the project including Subcontract Bidding, Alternative Subcontractor Selection, and Negotiated Self-Perform.

4 Negotiated Support Services – Services provided that encompass the entire project such as site security, scaffolding, cranes etc.

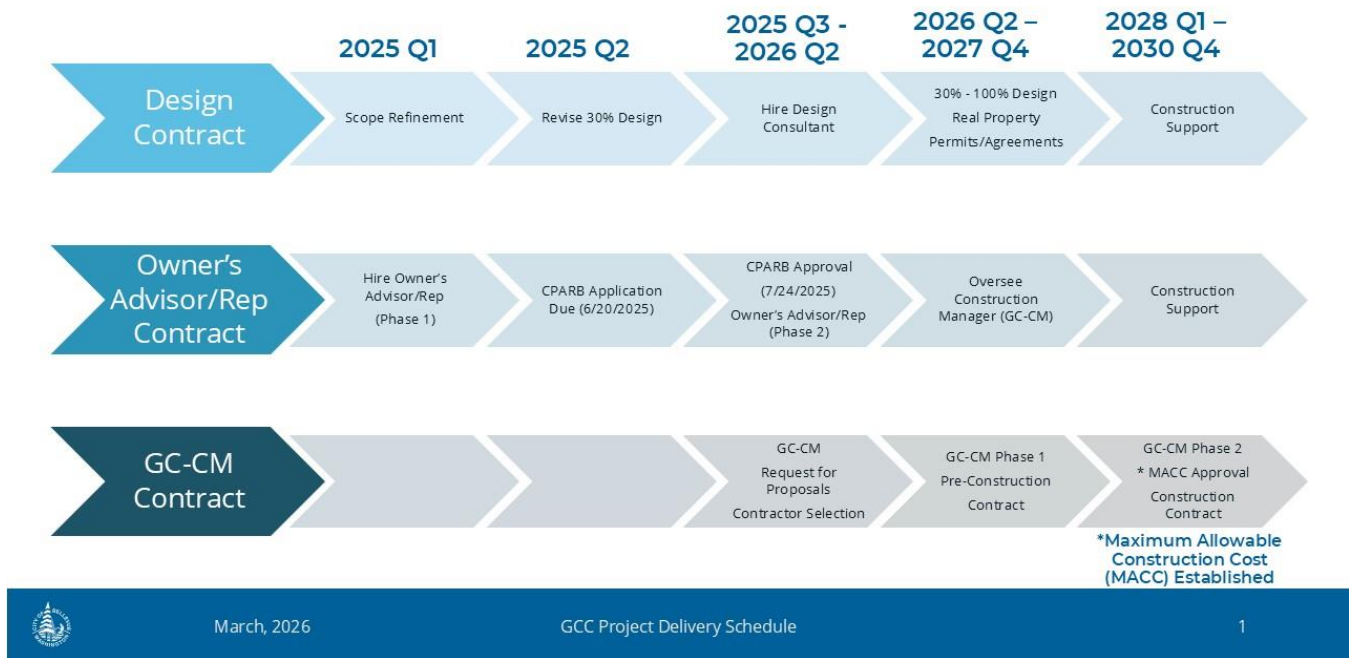
*5 Contractor's Risk Contingency – MACC risk contingency required by RCW.

The scope of work for negotiated Preconstruction Services includes the following GC-CM tasks.

- Project Management
- Meeting Attendance and Coordination
- Construction Cost Estimating
- Construction Scheduling
- Constructability, Value Engineering, and Risk Management
- Subcontract Packaging and Development
- Total Construction Cost (TCC) Proposal Package

The following schedule illustrates the overall project GC-CM delivery strategy for the I-405 Crossing – Downtown to Eastrail.

GCC Project Delivery Schedule



POLICY & FISCAL IMPACTS

Policy Impact

The efficient and effective delivery of the Grand Connection: I-405 Crossing – Downtown to Eastrail project supports the *Safe and Efficient Transportation System* and *High Quality Built and Natural Environment* target areas of the City Council Vision as well as *Council Priority 8: Eastrail*. Specifically, this project supports the following target area objectives:

- 3.4 Expansion of travel choices and facility connectivity for non-motorized users.
- 3.6 Regional collaboration for multimodal connections in and out of Bellevue.
- 3.7 Ensure transportation facilities are accessible for all users.
- 4.4 Create iconic destinations and vibrant spaces.

Fiscal Impact

If approved, this action authorizes staff to obligate the city up to \$1,921,842.04, plus all applicable taxes, for preconstruction services through the development and issuance of construction documents for the I-405 Crossing – Downtown to Eastrail project (CIP Plan No. G-126). These expenditures were anticipated and are included in the adopted 2025-2030 General Capital Improvement Program (CIP) fund to support this action.

Future funding for consideration to support will be addressed through the 2027-28 biennial budget process.

OPTIONS

1. Adopt the Resolution authorizing execution of a Heavy Civil General Contractor/Construction Manager (GC/CM) Contract with Kraemer North America, LLC for the I-405 Crossing – Downtown to Eastrail project (CIP Plan No. G-126) in an amount up to \$1,921,842.04, plus all applicable taxes, for initial performance of Preconstruction Services within the General Contractor – Construction Manager (GC-CM) project delivery framework governed by Chapter 39.10 RCW.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

- A. Vicinity Map
Proposed Resolution No. 10636

AVAILABLE IN COUNCIL LIBRARY

Heavy Civil GC/CM Contract