

CITY COUNCIL REGULAR SESSION

Ordinance 1) amending the 2021-2027 General Capital Investment Program (CIP) Plan to increase the budget for the 124th Avenue NE – Ichigo Way to Northup Way project (CIP Plan No. PW-R-191) and decrease the budget for the NE Spring Boulevard Zone 4 project (CIP Plan No. PW-R-174) by \$8,018,616; and 2) awarding Bid No. 22000, 124th Avenue NE – Ichigo Way to Northup Way (CIP Plan No. PW-R-191) to Active Construction Inc. as the lowest responsible and responsive bidder, in the amount of \$23,145,830, plus all applicable taxes.

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Transportation Department

EXECUTIVE SUMMARY

This Ordinance will transfer budget from the NE Spring Boulevard Zone 4 project to the 124th Avenue NE – Ichigo Way to Northup Way project in the amount of \$8,018,616; and award Bid No. 22000 to Active Construction Inc. for constructing the last phase of 124th Avenue NE between Ichigo Way and Northup Way.

RECOMMENDATION

Move to adopt Ordinance NO. 6682

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 has been completed in spring of 2021. The segment between NE 12th Street and NE Spring Boulevard is the second phase and is currently in construction. The anticipated date of project completion is summer 2023. This 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.

Following verification of bid submittals, the bids received were as follows:

Active Construction Inc.	\$23,145,830.00
Pivetta Brothers Construction, Inc.	\$23,228,913.20
Interwest Construction, Inc.	\$23,480,377.55
Johansen Construction Company	\$24,250,756.00
Granite Construction Company	\$27,233,851.00
Ceccanti, Inc.	\$28,047,805.00
Mid Mountain Contractors Inc.	\$29,483,820.00
Engineer's Estimate	\$21,157,398.25

To the best of our knowledge and professional judgment, all factors that normally contribute to construction expenses have been accounted for in the plans, specifications and estimates. Based on staff's experience, projects of this type may result in some field changes. All claims are rigorously reviewed and only those that have not previously been provided for and are clearly necessary to accomplish the intent of the contract will be paid.

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

This is one of two items scheduled for Council action tonight for the 124th Avenue NE – Ichigo Way to Northup Way (CIP Plan No. PW-R-191). The other item is a Resolution authorizing the execution of Supplement #8 of the Professional Engineering Services Agreement with HDR Engineering, Inc.

Budget Amendment

The projected costs to fully implement the 124th Avenue NE – Ichigo Way to Northup Way project (CIP Plan No. PW-R-191) is estimated to be \$8,018,616 over the currently adopted budget. Staff proposes that this funding gap be filled by a transfer of budget savings from the NE Spring Boulevard Zone 4 project (CIP Plan No. PW-R-174), which is currently under construction with sufficient budget contingencies remaining. The funding for this transfer of budget is from a reallocation of loan proceeds

from the Transportation Infrastructure Finance and Innovation Act (TIFIA) which the City is using to implement projects included in the BelRed Street Network, for which both projects are a part of.

Award the Contract

Awarding this bid will obligate the City to \$23,145,830, plus all applicable taxes, to construct the last phase of the 124th Avenue NE Roadway Improvements – Ichigo Way to Northup Way. This amount is approximately 9.4 percent over the Engineer's Estimate. After a thorough review of the contractor's bid, qualifications, background, references, and experience on previous City projects, staff believes that the bid from Active Construction Inc. is responsible, meets the requirements of the project specifications, and that they are capable of performing the work per the plans and specifications. The difference between the engineering estimate and low bid prices are related to asphalt, concrete, steel and traffic signal related items. Given current market conditions and inflation rate, it is unlikely that rebidding this project would result in lower prices for these items.

Staff recommends awarding the contract to Active Construction Inc. as the lowest responsible and responsive bidder

With the adoption of this Ordinance, there will be sufficient funding in the 2021-2027 amended Capital Investment Program (CIP) to fully fund this contract through the following:

CIP Plan No.	Description	Amount
PW-R-191	124th Avenue NE - Ichigo Way to Northup Way	\$22,868,630.00
W-16	Small Diameter Water Main Replacement	277,200.00
Total Funding		<u>\$23,145,830.00</u>

The following table provides the project financial status for PW-R-191:

(\$000)						
	Current Budget	Life-to-Date Expenditures	Total Projected Expenditures	Projected Balance	<i>This Action</i>	Actual / Projected Completion Date
Phase I (Design)	\$1,759	\$2,225	\$2,404	(\$645)	\$0	Q2-2022
Phase II (Right-of-Way)	7,994	4,087	7,372	622	0	Q2-2022
Phase III (Construction)	23,368	1,682	31,364	(7,996)	22,869	Q4-2024
Total	\$33,121	\$7,994	\$41,140	(\$8,019)	\$22,869	

The total projected project cost of \$41,140,000 (including this action) assumes full expenditure of project contingencies. Reporting the contingencies in this manner illustrates the City's potential ultimate financial exposure on this project.

OPTIONS

1. Adopt the Ordinance 1) amending the 2021-2027 General Capital Investment Program (CIP) Plan to increase the budget for the 124th Avenue NE – Ichigo Way to Northup Way project (CIP Plan No. PW-R-191) and decrease the budget for the NE Spring Boulevard Zone 4 project (CIP Plan No. PW-R-174) by \$8,018,616; and 2) awarding Bid No. 22000, 124th Avenue NE – Ichigo Way to

Northup Way (CIP Plan No. PW-R-191) to Active Construction Inc. as the lowest responsible and responsive bidder, in the amount of \$23,145,830, plus all applicable taxes.

2. Award the bid to the next lowest bidder if the low bidder is not responsive.
3. Reject all bids and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Vicinity Map
 - B. CIP Project Description (PW-R-191)
 - C. CIP Project Description (PW-R-174)
 - D. CIP Project Description (W-16)
- Proposed Ordinance No. 6682

AVAILABLE IN COUNCIL LIBRARY

Specifications
Plans