

CITY COUNCIL REGULAR SESSION

Ordinance 1) awarding Bid No. 21022, Fire Station 10 Construction Project (CIP Plan No. PS-64 and PW-R-208), to Cornerstone General Contractors as the lowest responsible and responsive bidder, in the amount of \$32,233,309, plus all applicable taxes; 2) amending the 2023-2024 Land Purchase Revolving Fund to increase appropriation by \$3,517,000 for monies related to the sale of Fire Station No. 3; 3) transferring \$3,517,000 from the Land Purchase Revolving Fund to the General Capital Investment Program (CIP) and amending the 2023-2024 General CIP Fund to increase the appropriation by \$3,517,000; and 4) amending the 2023-2029 CIP Plan to increase the budget for the Fire Station 10 (Levy) Project (CIP Plan No. PS-64) by \$16,267,000 and decrease the budget for the Fire Station 4 (Levy) Project (CIP Plan No. PS-65) by \$12,750,000.

Jay Hagen, Fire Chief, 452-6895

David Beste, Deputy Fire Chief, 452-7872

Fire Department

Laurie Leland, Interim Director, 452-4366

Jamie Robinson, Assistant Director, 452-6843

Janeen Loughin, PM Manager Supervisor, 452-6981

Finance & Asset Management Department

EXECUTIVE SUMMARY

This Ordinance awards Bid No. 21022 to Cornerstone General Contractors for the construction of Fire Station 10 and improvements to the intersection at 112th Avenue NE and NE 12th Street; and amends the 2023-2024 Land Purchase Revolving Fund (LPRF) by appropriating \$3,517,000 from the sale of Fire Station No. 3; and transfers LPRF funds in addition to \$12,750,000 from Fire Levy Project PS-65 to amend the 2023-2029 General CIP Plan and increase the budget for the Fire Station 10 (Levy) project by \$16,267,000.

This action is one of two actions on tonight's consent calendar related to the Fire Station 10 (Levy) project. The other action under separate cover, is for execution of Amendment 4 to increase the Professional Services Agreement with Bohlin Cywinski Jackson for Architectural Design/Engineering Services for Fire Station 10 and Fire Station 5.

RECOMMENDATION

Move to adopt Ordinance No. 6720

BACKGROUND/ANALYSIS

In 2016, City of Bellevue citizens voted to pass a 20-year Fire Capital Levy to fund the department's facilities capital needs, including the design and construction of a new Fire Station 10. The LEED certified building design includes extensive operational programming and environmentally sustainable features. Per the Fire Facility Master Plan, key fire program elements include:

- Facility designed to commercial essential facilities standard with 50-year useful life

- Apparatus and support space for Engine 110, Aerial Ladder 110 (future), Medic 110, Aid 101 and Battalion 101
- Dedicated clean bunker gear storage separate from the apparatus bay
- Dedicated medical clean up rooms adjacent to the apparatus bay
- Separation of fire suppression and EMS operations contaminant zones from living quarters
- Dedicated decontamination zones
- Adequate storage for fire suppression and EMS equipment separated from living quarters
- Dedicated and adequately sized fitness rooms
- Individual gender-neutral bathrooms and sleeping quarters
- Red-lighting system tied to alerting and call system for various unit response to reduce night-blindness
- Battalion Chief and support staff office and living quarters
- Fire Command Center
- Dedicated training room

Environmental sustainability design features include salmon-safe construction practices, restoration of Class II wetlands, electrical vehicle charging stations, green roof system, rooftop photo voltaic array (solar) system, underground geothermal wells for HVAC, rainwater collection and grey water usage for site irrigation, vehicle washing, and toilet flushing.

Fire Station 10 is intended to define the standard for fire facility design and construction to meet the programmatic needs of the Bellevue Fire Department outlined above and as documented in the Fire Facility Master Plan. The architectural and engineering (AE) effort defined the standard and moved the project through permitting (local and federal), design development and review, and conditional land use process. The design cost to develop the standard is intended to be used to streamline design and permitting of future station replacement projects and thus reduce the overall cost to the Fire Levy.

The project was publicly bid on November 10, 2022. The following bid submittals were received for the Fire Station 10 project:

Cornerstone General Contractors	\$32,233,309
Lydig Construction, Inc	\$33,340,421
SpeeWest	\$34,133,894
Bayley Construction, LP	\$34,481,517
Kassel & Associates, Inc	\$36,328,276

All bids exceed the \$25,383,172 engineer's estimate, which includes construction of the Fire Station 10 building, associated frontage improvements, and improvements to the intersection at 112th Avenue NE and NE 12th Street. The substantially higher costs are attributed to increased labor costs, material costs, supply chain issues, and current construction market conditions. Shifts in prices for any one component do not translate one-to-one into the final cost. Materials generally represent the largest share of total cost, followed by labor and margins, but the weight of each component can vary significantly based on the project's location, property type, timeline and other factors.

Before pursuing additional options to address the \$16,267,000 funding gap, staff considered the impacts of station re-design. To make re-design cost-effective, significant reductions in the station's

overall operational program would be required and the project would not meet the Fire Department's programmatic criteria established for the facility as well as the Council adopted Environmental Stewardship Initiative goals. A re-design of the station and removal of programmatic areas incorporated into the current project would potentially take a minimum of 12 months to complete and cost approximately \$2.0 million beyond the current cost. The current permits would be invalid for a revised design and permitting would have to be reinitiated, significantly delaying the Fire Station 10 opening (currently planned for Q2 2024). Taking this approach provides no certainty about future construction market conditions when the re-designed project would be re-bid.

Rebidding the project with no design changes was also assessed but provides no certainty about future construction market conditions and would delay the station opening.

Staff recommends pursuing additional Fire Station 10 funding to bridge the gap in the escalated costs and awarding the contract to Cornerstone General Contractors as the lowest responsible and responsive bidder. After a thorough review of the contractor's bid, qualifications, background, references, and experience on previous City projects, staff believes that the bid from Cornerstone General Contractors is responsible, meets the requirements of the project specifications, and that they can perform the work per the plans and specifications. Once awarded, staff will meet with the contractor and go through the design drawings and specifications to look for potential opportunities to reduce costs and construction schedule.

To the best of staff's knowledge and professional judgment, all factors that normally contribute to construction expenses have been accounted for in the Plans, Specification & Estimate (PS&E). Based on staff's experience, projects of this type may result in some field changes. All claims are rigorously reviewed and only those that are clearly necessary to accomplish the intent of the contract, but have somehow not been provided for, will be paid.

POLICY & FISCAL IMPACTS

Policy Impact

Washington State law (RCW 35A) and the City of Bellevue's Comprehensive Finance and Asset Management Policies and Procedures (VI. Budget Adjustment & Amendment Process) state that Council approval is necessary for budget amendments that will cause the existing appropriation level for a fund to change.

The Fire Facility Master Plan ensures that the Fire Department has safe, survivable, and appropriate facilities that will enable it to maintain its current capacity for providing excellent fire and emergency medical response to the community.

Bellevue City Code 4.28 requires contracts whose values are anticipated to exceed \$90,000 require approval of the City Council.

Fiscal Impact

Budget Amendment

The projected costs to fully implement the Fire Station 10 (Levy) project (CIP Plan No. PS-64) is estimated to be \$16,267,000 over the current adopted budget. Staff proposes that this funding gap be

filled by a transfer of monies from the sale of Fire Station No. 3 and by transfers of previously appropriated funding from Fire Station 4 (Levy) (CIP Plan No. PS-65).

CIP Plan No.	Description	This Action
PS-64	Fire Station 10 (Levy)	\$16,267,000
N/A	Land Purchase Revolving Fund (Fire Station No. 3)	(3,517,000)
PS-65	Fire Station 4 (Levy)	(12,750,000)

Staff proposes utilizing this funding strategy for the construction of Fire Station 10 for the following reasons:

Net Proceeds from Fire Station No. 3 – The building located at 14822 Bel-Red Road was sold in August 2021 and the net proceeds from the sale were deposited into the Land Purchase Revolving Fund. The proceeds have not been designated for another use at this time.

Fire Station 4 (PS-65, Levy Project) – In 2018, the City set aside funding for the purchase of land to support the project. The City spent two years working with a local property owner to purchase a portion of their property for construction of the new Fire Station 4. However, the property owner opted to utilize the property for future affordable housing and the site is no longer available to the City. Purchasing land continues to be challenging as the preferred parcel is not available. Options will need to continue to be explored and are not expected to yield results anytime soon. A study is being initiated in Q1 2023 to explore siting options to replace the current station within its geographical response area to meet the response time metrics established by the Fire Department. The impact of land purchase and design and construction will not be fully realized until a site is identified, and the cost of the land purchase is determined. There remains sufficient funding available in PS-65 to take advantage of land purchase opportunities should they arise. Upon project completion, any unspent funds will be reallocated back to Fire Station 4 Levy project (PS-65). Staff will continue to seek funding opportunities through community and other partners.

Awarding this bid will obligate the City to a total bid award amount of \$32,233,309 plus all applicable taxes. This bid estimate includes the construction of the Fire Station 10 building, frontage improvements, and improvements to the intersection at 112th Ave NE and NE 12th Street. The building and frontage improvements are funded through CIP Plan No. PS-64, Fire Station 10 (Levy) project and improvements to the intersection will be paid by the Transportation Department and funded through CIP Plan No. PW-R-208, 112th Avenue NE at McCormick Park.

With the adoption of this Ordinance, there will be sufficient funding in the 2023-2029 Adopted Capital Investment Program (CIP) to fully fund this contract through the following:

CIP Plan No./Other	Description	Amount
PS-64	Fire Station 10 (Levy)	\$31,907,673
PW-R-208	112 th Avenue NE at McCormick Park	325,636
Total Funding		\$32,233,309

The total projected Fire Station 10 project cost of \$43,468,175, 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) awarding Bid No. 21022, Fire Station 10 Construction Project (CIP Plan No. PS-64 and PW-R-208), to Cornerstone General Contractors as the lowest responsible and responsive bidder, in the amount of \$32,233,309, plus all applicable taxes; 2) amending the 2023-2024 Land Purchase Revolving Fund to increase appropriation by \$3,517,000 for monies related to the sale of Fire Station No. 3; 3) transferring \$3,517,000 from the Land Purchase Revolving Fund to the General Capital Investment Program (CIP) and amending the 2023-2024 General CIP Fund to increase the appropriation by \$3,517,000; and 4) amending the 2023-2029 CIP Plan to increase the budget for the Fire Station 10 (Levy) Project (CIP Plan No. PS-64) by \$16,267,000 and decrease the budget for the Fire Station 4 (Levy) Project (CIP Plan No. PS-65) by \$12,750,000.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Vicinity Map
 - B. CIP Project Description (PS-64)
 - C. CIP Project Description (PS-65)
 - D. CIP Project Description (PW-R-208)
- Proposed Ordinance No. 6720

AVAILABLE IN COUNCIL LIBRARY

N/A