

August 3, 2015

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT:

Motion to reject all bids for Bid No. 15000, Northup Way Connection to the SR520 Trail (CIP Plans PW-R-146), and rebid the construction contract at a later date.

FISCAL IMPACT:

Rejecting this bid will not obligate the City to a contract. Rejection of all bids will result in minimal costs to prepare the contract for rebid. Sufficient funds exist in the Northup Way Corridor Improvements project budget (CIP Plan No. PW-R-146) to cover the costs to re-package the contract documents.

The current low bid is 13.53% above the Engineer's Estimate and would result in a project budget deficit of approximately \$1.26 million. Staff will revise the Engineer's Estimate, to reflect the latest bidding climate, and will rebid the construction contract. Staff will also develop options, for Council's consideration, to fund any potential project deficit prior to bid award.

STAFF CONTACT:

Dave Berg, Director, 452-6468
Ron Kessack, Assistant Director, 452-4631
Mike Mattar, Design Manager, 452-4318
Steve Costa, Senior Project Manager, 452-2845
Transportation Department

POLICY CONSIDERATION:

Supports Council Interest Statements and Regional Investment Policies

This proposal supports completing a major east-west non-motorized system through Bellevue, is intended to provide for an array of safe travel choices, and reflects regional transportation investment policies approved by Council and reflected in a number of Council interest statements, including an October 2012 letter to Chair Judy Clibborn of the House Transportation Committee from Mayor Conrad Lee of the City of Bellevue and Mayor Joan McBride of the City of Kirkland requesting additional project support.

Consistent with 2009 Ped/Bike Plan and 2015-21 Capital Investment Program

This project has high priority and is consistent with the 2009 Pedestrian and Bicycle Transportation Plan Report. Council approved this project as part of the 2015–2021 CIP. The project will:

- Work actively and cooperatively with other Eastside jurisdictions and regional and state agencies to plan, design, fund and construct regional transportation projects that carry out the City's transportation and land use goals (Policy TR-2);
- Provide regional and local pedestrian and bicycle system connectivity to neighborhoods, commercial uses, transit, and transportation facilities including the SR 520 Regional Trail, the Lake Washington Loop Trail, 116th Avenue NE, and 120th Avenue NE;
- Improve safety along the Northup Way corridor for pedestrians and bicyclists by separating them from vehicular travel lanes; and,
- Address pedestrian and bicycle goals within the Comprehensive Plan.

BACKGROUND:

The Northup Way Corridor Improvements, (CIP Plan No. PW-R-146), which entails construction of bike lane and sidewalk improvements on Northup Way between NE 24th Street and NE 33rd Place for public use, was adopted as part of the 2013-2019 CIP. These bike lane and sidewalk improvements will also serve as an interim trail connection between the existing SR 520 trail terminus (near NE 24th Street) and NE 33rd Place where a new regional pedestrian and bicycle path will be built by the Washington State Department of Transportation (WSDOT) as part of the SR 520 project. Given the significance of this connection to both local and regional non-motorized travel, the City has entered into a partnership with WSDOT to construct these sidewalk and bike lane improvements.

On February 22, 2011, Council approved Resolution No. 8201 authorizing execution (and supplements as necessary) of an Interlocal Agreement between the Washington State Department of Transportation and the City of Bellevue for completing preliminary design of pedestrian and bicycle improvements along Northup Way (GCA 6668, SR 520 Interim Regional Pedestrian and Bicycle Path).

On April 18, 2011, Council approved Resolution No. 8220 authorizing the execution of a consultant agreement with Jacobs Engineering Group, Inc., to develop preliminary design for the Northup Way Corridor Improvements (CIP Plan No. PW-R-146).

On April 16, 2012, Council approved Resolution No. 8385 authorizing:

- 1) Amendment to the Interlocal Agreement between the Washington State Department of Transportation and the City of Bellevue for 60% design of pedestrian and bicycle improvements along Northup Way (GCA 6668, SR 520 Interim Regional Pedestrian and Bicycle Path); and,
- 2) Execution of a supplement to the consultant agreement with Jacobs Engineering Group, Inc., to advance the design from 30% to 60% design for the Northup Way Corridor Improvements (CIP Plan No. PW-R-146).

On February 19, 2013, Council approved Resolution No. 8517 authorizing:

- 1) Amendment to the Interlocal Agreement between the Washington State Department of Transportation and the City of Bellevue for final design of pedestrian and bicycle improvements along Northup Way (GCA 6668, SR 520 Interim Regional Pedestrian and Bicycle Path); and
- 2) Execution of a supplement to the consultant agreement with Jacobs Engineering Group, Inc., to advance the design from 60% to final design for the Northup Way Corridor Improvements (CIP Plan No. PW-R-146).

On September 16, 2013, Council approved Resolution No. 8629 authorizing execution of Amendment #4 to the Interlocal Agreement between the Washington State Department of Transportation (WSDOT) and the City for the acquisition of rights of way for pedestrian and bicycle improvements along Northup Way (GCA 6668, SR 520 Interim Regional Pedestrian and Bicycle Path).

On February 14, 2014, Council approved Ordinance No. 6150 authorizing:

- 1) Execution of a grant agreement (and supplements if necessary) with the Washington State Department of Transportation to accept \$2,215,820 in federal Transportation Alternatives Program grant funding to construct pedestrian and bicycle facilities along Northup Way connecting to the SR 520 regional trail;

- 2) Amendment of the 2013-2014 General Capital Investment Program (CIP) Fund to increase the appropriation by \$2,215,820 in grant funds; and
- 3) Amendment of the 2013-2019 CIP Plan to increase the budget for the Northup Way Corridor Improvements (CIP Plan No. PW-R-146) by \$2,215,820.

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

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|----------------------------------|-----------------|
| Olson Bros. Excavating, Inc. | \$ 7,915,545.75 |
| Johansen Excavating Inc. | 7,930,974.65 |
| Titan Earthwork, LLC | 8,227,503.91 |
| Road Construction Northwest Inc. | 8,371,578.00 |
| C.A. Carey Corporation | 8,478,043.50 |
| Goodfellow Bros., Inc. | 8,585,739.00 |
| Ceccanti | 9,878,104.50 |
| 3 Kings Environmental, Inc. | Non Responsive |

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|----------------------------|-----------------------|
| Engineer's Estimate | \$6,985,722.00 |
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Due to fact that all bids considerably exceed the Engineer's Estimate, staff recommends rejecting all bids, revising the Engineer's Estimate and repackaging the construction contract for bid at a later date.

Staff believes that the considerably high bids are due to the rapid changes in the local construction market, reacting to the improving economy. Recent bid results for projects within the City and by other local government agencies have also resulted in very high bids, which is indicative of a sharp increase in the cost of construction in the local market. Volatile bidding climates typically happen in upward and downward movements of the economic cycles.

Staff will revisit the Engineer's Estimate to ensure that the estimate accurately reflects the latest trends in unit bid pricing for projects similar in size and complexity.

EFFECTIVE DATE:

If approved, this motion becomes effective immediately upon Council adoption.

OPTIONS:

1. Reject all bids. Staff will revise the Engineer's Estimate and rebid the construction contract at a later date
2. Award the bid to the low bidder
3. Reject all bids and do not rebid the construction contract. This will have adverse implications on the funding Interlocal Agreement developed with WSDOT, and a federal grant secured for this project.

RECOMMENDATION:

Option 1.

MOTION:

Move to reject all bids for Bid No. 15000, Northup Way Connection to the SR520 Trail (CIP Plans PW-R-146). Staff will revise the Engineer's Estimate and rebid the construction contract at a later date.

ATTACHMENTS:

Vicinity Map

CIP Project Descriptions (PW-R-146, PW-W/B-56, PW-R-46)