

May 16, 2016

## CITY COUNCIL AGENDA MEMORANDUM

### **SUBJECT:**

Move to adopt Ordinance No. 6287 authorizing execution of an Agreement between Sound Transit and the City of Bellevue for reimbursement of design and construction costs associated with the demolition of the Teledesic building located at 1445 – 120th Avenue NE; 2) amending the 2015-2016 General Capital Investment Program (CIP) Fund to increase the appropriation by \$1,133,339; and 3) amending the 2015-2021 Capital Investment Plan (CIP) to a) include demolition of the Teledesic building located at 1445 – 120th Avenue NE as part of the NE Spring Boulevard (Zone 1) project (CIP Plan No. PW-R-172); and b) increase the project budget by \$1,133,339 funded by new Sound Transit funding.

Move to award Bid No. 16028 for demolition of the Teledesic building located at 1445 – 120th Avenue NE, as part of the NE Spring Boulevard (Zone 1) project (CIP Plan No. PW-R-172), to Dickson Company as the lowest responsible and responsive bidder, in the amount of \$898,115.59.

### **FISCAL IMPACT:**

This is one of two actions tonight pertaining to the NE Spring Boulevard (Zone 1) Project. The other action is Resolution No. 9096.

Awarding this bid will obligate the City to pay \$898,115.59 for demolition of the Teledesic Building located at 1445 – 120th Avenue NE to allow for the construction of the NE Spring Boulevard (Zone 1) improvements and the East Link project by Sound Transit. This amount is approximately 29% below the Engineer's Estimate.

Through execution of tonight's proposed agreement with Sound Transit (ST), the cost for this demolition contract and the associated design costs shall be reimbursed by ST totaling \$1,133,339. This action will also amend the 2015-2021 General CIP Plan to increase the project budget for NE Spring Boulevard Zone 1 (CIP Plan No. PW-R-172) and will increase the 2015-2016 General CIP Fund appropriation by this amount.

<b><i>Sound Transit Reimbursement</i></b>	
<b><i>Lump Sum Payment (Due 60 days of agreement)</i></b>	
Demolition Contract Cost (Tonight's Bid Award)	\$898,116
HDR Design Support	\$78,506
Construction Management (10% of demolition cost)	\$89,812
On-Call PE Services	\$15,000
Direct Cost	\$7,000
<b><i>Total Sound Transit Lump Sum Payment</i></b>	<b><i>\$1,088,434</i></b>
City-Managed Contingency (5% of Contract Cost - Billed & Reimbursed as needed)	\$44,905
<b><i>Total Sound Transit Reimbursement (Tonight's Budget Amendment)</i></b>	<b><i>\$1,133,339</i></b>

The following table provides the current project status for the full implementation of the NE Spring Boulevard project scope (PW-R-172) including tonight's proposed budget amendment:

Project Category: Roadways  
 CIP Plan No: PW-R-172  
 Project Name: NE Spring Boulevard (Zone 1)

	(\$000)				
	Proposed Amended Budget	LTD Expenditures	Total Projected Expenditures	Projected Balance	<i><b>This Action (Bid Award)</b></i>
Phase I (Design)	\$5,944	\$2,087	\$3,631	2,313	<i><b>\$0</b></i>
Phase II (Right-of-Way)	2,592	34	3,399	(807)	<i><b>0</b></i>
Phase III (Construction)	24,201	0	26,355	(2,154)	<i><b>898</b></i>
Total	\$32,738	\$2,121	\$33,385	(\$647)	<i><b>\$898</b></i>

The total projected project cost of \$33,385,000 (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. Staff will return to Council later in the year to award the bid for construction of the segment of the project from the Eastside Rail Corridor to 120<sup>th</sup> Avenue NE (Zone 1b). Pending the bid results, a subsequent budget amendment may be needed.

#### **STAFF CONTACT:**

David Berg, Director, 452-6468  
 Rick Logwood, Capital Projects Manager, 452-6858  
 Steve Costa, Senior Project Manager, 452-2845  
*Transportation Department*

#### **POLICY CONSIDERATION:**

##### **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.

##### **Land Use:**

- TR-1: Integrate land use and transportation decisions to ensure that the transportation system supports the Comprehensive Plan Land Use vision.

##### **Transportation:**

- S-BR-68: Working with Sound Transit to realize the City's preferred light rail route, alignment, and station locations.

##### **Implementation:**

- S-BR-78: Implementing the BelRed Plan through capital investments, and other public and private strategies.
- S-BR-81: Allowing development to advance in sync with and including the building of public infrastructure; consistent with the phasing approach of Policy S-BR-4.

##### **Inter-Jurisdictional Coordination:**

- S-BR-I77: Coordinating with Sound Transit in providing transportation projects and services needed.

## **BACKGROUND:**

The NE Spring Boulevard roadway improvements between 116th Avenue NE and 120th Avenue NE, and between 120th Avenue NE and 124th Avenue NE, are 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.

As part of the 2015-2021 Capital Investment Program (CIP) budget adopted by Council on December 1, 2014, NE Spring Boulevard between 116th Avenue NE and 120th Avenue NE (CIP Plan No. PW-R-172) was fully funded for the development of final PS&E, the acquisition of necessary Right-of-Way (ROW), and construction.

### **Prior Council Actions:**

On March 2, 2010, Council approved Ordinance No. 5942 authorizing:

- 1) Amendment of the 2009-2010 Capital Investment Program (CIP), creating a new CIP project entitled NE 15th Street Multi-Modal Corridor (Segment 1) 116th Avenue NE to 124th Avenue NE (CIP Plan No. PW-R-163) with an initial project budget of \$1,000,000;
- 2) Transferring a total of \$1,000,000 in Mobility & Infrastructure Initiative (M&II) funding from CIP Plan No. G-80 to fund the new CIP Plan No. PW-R-163; and,
- 3) Execution of a Professional Engineering Services Agreement with HDR in an amount not to exceed \$1,331,583.58 for advancing preliminary engineering of the NE 15th/16th Street Multi-Modal Corridor, which was funded by both CIP Plan No. PW-R 163 and CIP Plan No. PW-R-153.

On March 4, 2013, Council approved Resolution No. 8534 authorizing execution of a Professional Engineering Services Agreement with HDR Engineering, Inc. in the amount of \$2,108,799 to complete 60% Preliminary Engineering Plans, Specifications, and Estimates (PS&E) for the planned NE 15th Street roadway improvements from 116th Avenue NE to 124th Avenue NE (CIP Plan Nos. PW-R-172 and PW-R-173).

On April 20, 2015, Council approved Resolution No. 8903 amending and restating the Umbrella Memorandum of Understanding (MOU) between the City of Bellevue and Sound Transit. As provided within the MOU, the parties agreed to evaluate the inclusion and construction of NE Spring Boulevard from the Eastside Rail Corridor to 120th Avenue NE (Zone 1b) at the time of the East Link improvements.

On May 4, 2015, Council approved Resolution No. 8907 authorizing execution of a Professional Engineering Services Agreement with HDR Engineering, Inc. in the amount of \$2,232,326 to complete Final Engineering Design Plans, Specifications, and Estimates (PS&E) for the planned NE Spring Boulevard roadway improvements between 116th Avenue NE and 124th Avenue NE (CIP Plan Nos. PW-R-172 and PW-R-173).

### **Teledesic Demolition**

Staff completed the 60% phase of work which included a constructability report recommending concurrent construction by Sound Transit's General Contractor / Construction Manager (GCCM) of NE Spring Boulevard between the Eastside Rail Corridor and 120th Avenue NE (Zone 1b) with the East Link (E335) project. Sound Transit's GCCM prepared a Maximum Allowable Cost to Construct (MACC) estimate for NE Spring Boulevard (Zone 1b); however, the estimate was substantially higher than the engineer's estimate for a typical design-bid-build project. Staff concluded that the City would see greater savings if NE Spring Boulevard (Zone 1b) were to be

built separately and prior to the construction of East Link.

The alignments of East Link and NE Spring Boulevard (Zone 1b) coincide through the Teledesic building at 1445 – 120th Avenue NE. The MOU called for the City to acquire this property and convey it to Sound Transit. Sound Transit would then have to demolish the Teledesic building for the East Link (E335) construction in 2017. However, for NE Spring Boulevard (Zone 1b) to proceed prior to East Link, the Teledesic building would have to be demolished a year earlier. Sound Transit stated that they had planned to demolish the Teledesic building as part of the GCCM contract for the East Link (E335) construction and are unable to advance the demolition or create a separate contract for the work. Instead Sound Transit has agreed to reimburse the City for design and construction costs so that the City may demolish the Teledesic building.

The Teledesic demolition is being addressed with Sound Transit separate from the question of advancing NE Spring Boulevard (Zone 1b) ahead of East Link (E335). Staff is working with Sound Transit's to address their concerns over impacts and the commitments that were made in the MOU.

Also on Council's Consent Calendar tonight is an amendment to the consultant contract with HDR with an increase in engineering design services related to building demolition. Pursuant to agreement with Sound Transit we will be reimbursed for these costs.

**Bid Submittals:**

The following bid submittals were received for this project:

Dickson Company	\$898,115.59
Construction Group International LLC	944,530.00
Wyser Construction Co Inc	984,680.00
Rhine Demolition LLC	1,019,422.50
Performance Abatement Services	1,096,747.65
TITAN Earthwork LLC	1,114,875.00
Northstar CG LP	1,343,255.00

<b>Engineer's Estimate</b>	<b>\$1,277,062.00</b>
----------------------------	-----------------------

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 our 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.

**EFFECTIVE DATE:**

If approved, the Ordinance becomes effective on May 26, 2016.

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

**OPTIONS:**

1. (a) Adopt Ordinance.

1. Authorizing execution of an Agreement between Sound Transit and the City of Bellevue for reimbursement of design and construction costs associated with the demolition of the Teledesic building located at 1445 – 120th Avenue NE; and,

2. Amending the 2015-2016 General Capital Investment Program (CIP) Fund to increase the appropriation by \$1,133,339; and
3. Amending the 2015-2021 Capital Investment Plan (CIP) to a) include demolition of the Teledesic building located at 1445 – 120th Avenue NE as part of the NE Spring Boulevard (Zone 1) project (CIP Plan No. PW-R-172); and b) increase the project budget by \$1,133,339 funded by new Sound Transit funding; or

(b) Do not adopt Ordinance and provide alternate direction to staff.

2. (a) Award Bid No. 16028 for demolition of the Teledesic building located at 1445 – 120th Avenue NE, as part of the NE Spring Boulevard (Zone 1) project (CIP Plan No. PW-R-172), to Dickson Company as the lowest responsible and responsive bidder, in the amount of \$898,115.59.  
(b) Award Bid No. 16208 to another bidder; or  
(c) Reject all bids and provide alternative direction to staff

**RECOMMENDATION:**

Option 1(a) and 2(a).

**MOTION:**

Move to adopt Ordinance No. 6287 authorizing execution of an Agreement between Sound Transit and the City of Bellevue for reimbursement of design and construction costs associated with the demolition of the Teledesic building located at 1445 – 120th Avenue NE; 2) amending the 2015-2016 General Capital Investment Program (CIP) Fund to increase the appropriation by \$1,133,339; and 3) amending the 2015-2021 Capital Investment Plan (CIP) to a) include demolition of the Teledesic building located at 1445 – 120th Avenue NE as part of the NE Spring Boulevard (Zone 1) project (CIP Plan No. PW-R-172); and b) increase the project budget by \$1,133,339 funded by new Sound Transit funding.

Move to award Bid No. 16028 for demolition of the Teledesic building located at 1445 – 120th Avenue NE, as part of the NE Spring Boulevard (Zone 1) project (CIP Plan No. PW-R-172), to Dickson Company as the lowest responsible and responsive bidder, in the amount of \$898,115.59.

**ATTACHMENTS:**

Vicinity Map

CIP Project Description (PW-R-172)

**AVAILABLE IN COUNCIL DOCUMENT LIBRARY:**

Pine Forest – Teledesic Demolition Reimbursement Agreement