

October 17, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Ordinance amending the project budget of CIP Plan No. S-52 to increase the budget by \$225,000 to a total of \$3,994,045 and funding the increase by an interfund transfer from the Sewer Utility Operating reserves.

SUMMARY

Council approval of Ordinance would increase the total project budget for the East Central Business District Sewer Trunkline Improvements project (CIP Plan No. S-52) by \$225,000 from \$3,769,045 to \$3,994,045. The proposed increase in project budget is requested to address construction issues related to unanticipated differing site conditions encountered during trench excavation. The unanticipated differing site conditions resulted in in greater trench excavation and backfill quantities and corresponding additional roadway restoration, an unknown buried utility conflict, and additional traffic control measures needed to facilitate the maintenance of traffic. The source of additional funding will be an Interfund transfer from the Sewer Utility's operating reserves.

FISCAL IMPACT

Total Project Cost and Proposed Budget Transfer:

The updated total project cost estimate for CIP Plan No. S-52 is \$3,994,045. The authorized 2015-2016 budget for this project is \$3,769,045. This results in an estimated shortfall of \$225,000. To fill the budget shortfall, Council action is being requested to increase the budget of CIP Plan No. S-52 by \$225,000. This is a 6.0% increase over the currently authorized budget. Approval of this Ordinance will increase the budget for CIP Plan No. S-52 by \$225,000 as shown in the table below:

CIP No. and Project Name	Total Project Budget	Revised Project Budget
S-52 East Central Business District Sewer Trunkline Improvements	\$3,769,045	\$3,994,045

Funding for this budget increase will come from an Interfund transfer from the Sewer Utility using operating reserves.

STAFF CONTACTS

Nav Otal, Director, 452-2041

Paul Bucich, Assistant Director of Engineering, 452-4596

Utilities Department

POLICY CONSIDERATION

Utility Department policies:

- The Utility shall invest resources as necessary to construct, maintain and renew sewer system infrastructure and equipment such that Utility customers are provided consistent, reliable service.

City Comprehensive Plan policies:

- Base the extension and sizing of system components on the land use plan of the area. System capacity will not determine land use.

Utility Department practice:

- The City's practice is to provide sufficient sewer capacity to allow planned development. The current sewer trunkline capacity would limit downtown redevelopment. CIP Plan Number S-52 has been designated to replace the current trunkline to provide sufficient capacity to meet the needs of planned growth in the eastern part of downtown Bellevue.

BACKGROUND

This project replaces approximately 1,800 lineal feet of existing 12-inch and 20-inch diameter sewer pipe with 30-inch to 42-inch pipe to convey sewage from the eastern portion of the central business district (CBD). The project is needed to provide sufficient sewer capacity to allow planned development in the eastern portion of the CBD. Sufficient capacity is needed to reduce the likelihood and occurrence of sewer overflows which pollute surface waters and create potential health and safety hazards. The Comprehensive Wastewater Plan projects that future development within the eastern portion of the CBD requires construction of this project.

The project incurred additional costs to address unanticipated issues during construction including: differing site conditions encountered during trench excavation that resulted in greater trench excavation and backfill quantities and corresponding additional roadway restoration; an unknown buried utility conflict; and additional traffic control measures needed to facilitate the maintenance of traffic. Poor soils in the project area have adversely affected this project as well as other utility projects in the immediate vicinity. Mercer Slough and the vicinity consists of varying soil and groundwater conditions that have presented projects with construction challenges that have been difficult to anticipate even with extensive pre-design investigations.

At the end of the project, the Contractor, Shoreline Construction, submitted a claim for differing site conditions in the amount of \$640,000. Staff have extensively reviewed the contractor's claim and have consulted with the city's design firm team on the validity of the claim. After extensive evaluation, staff have determined that the majority of the claim cannot be supported and that \$175,000 of the claim is warranted. The remainder of the budgetary increase request is to cover consultant and city staff time, additional traffic control measures, and an unknown utility duct bank the contractor had to work around to install the pipe. Should the contractor

decide to pursue litigation for the remaining claim, Council will be consulted on the City's options.

EFFECTIVE DATE

If approved, this Ordinance becomes effective on October 27, 2016.

OPTIONS

1. Adopt Ordinance amending the project budget of CIP Plan No. S-52 to increase the budget by \$225,000 to a total of \$3,994,045 and funding the increase by an interfund transfer from the Sewer Utility Operating reserves.
2. Do not adopt the Ordinance and provide alternative direction to staff.

RECOMMENDATION

Option 1.

MOTION

Move to adopt Ordinance No. 6314 amending the project budget of CIP Plan No. S-52 to increase the budget by \$225,000 to a total of \$3,994,045 and funding the increase by an interfund transfer from the Sewer Utility Operating reserves.

ATTACHMENTS

CIP Project Description
Proposed Ordinance No. 6314

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A