

**CITY COUNCIL REGULAR SESSION**

Replace NE 8<sup>th</sup> Street Culvert at Kelsey Creek Project – Increase to the construction contract with Interwest Construction Incorporated.

Nav Ota, Director, 452-2041

Linda De Boldt, Assistant Director, 452-4625

*Utilities Department*

**EXECUTIVE SUMMARY**

Council approval will increase the construction contract with Interwest Construction Incorporated for the Replace NE 8<sup>th</sup> Street Culvert at Kelsey Creek project (CIP Plan No. D-105) from \$2,065,289 to \$2,444,715, plus all applicable taxes. The proposed increase in the contract amount is requested to address construction issues related to unforeseen conditions.

**RECOMMENDATION**

Approve an increase to the construction contract with Interwest Construction Incorporated, (Bid No. 17120) by \$379,426, plus all applicable taxes, to a revised total contract amount of \$2,444,715, plus all applicable taxes, for the Kelsey Creek Culvert Replacement Project.

If approved, effective date: 09/17/2018

**BACKGROUND/ANALYSIS**

Carrying over 23,000 vehicles a day, NE 8<sup>th</sup> Street is an important route for Bellevue and regional commuters. Due to severe corrosion, the 10-foot wide by 7-foot high corrugated metal arch-pipe culvert that carries Kelsey Creek under NE 8<sup>th</sup> Street has reached the end of its useful life and needs to be replaced. In addition, the existing culvert does not meet state requirements for fish passage.

On February 5 Council approved a motion to award Bid No. 17120 for construction of Kelsey Creek Culvert Replacement, to Interwest Construction Incorporated as the lowest responsible and responsive bidder in the total amount of \$2,065,289, plus all applicable taxes (CIP Plan No. D-105).

On March 4 the City was informed by Century-Link that they would not be able to relocate their facilities that span the culvert do to the number and critical nature of the lines (NORCOM-911, Microsoft, Boeing FAA). This change has resulted in extra cost to the contractor for redesign of shoring, extra time for installation and removal of the shoring, removal of the existing culvert and installation of the new culvert. A majority of these cost will be recovered from Century-Link. However, the spending authority is required to pay the contractor for the extra work.

On July 31 the City was notified by Interwest Construction that an existing box culvert was discovered. Additional exploratory work determined that the existing box culvert was 17-feet wide by 45-feet long and roughly centered in NE 8<sup>th</sup> Street. The existence of this structure was previously unknown to utilities and transportation personnel and was not shown in City records.

The presence of the existing box culvert represents a significant change in conditions from that described in the contract documents. Removal of the box culvert will require additional time and increased cost for labor, equipment, material disposal and increases the difficulty of shoring installation.

The additional costs as outlined in the previous section will result in payment under the approved contract with Interwest Construction Incorporated to increase by approximately \$379,426, which represents an amount 18.4 percent above the original contract cost estimates. Since the amount exceeds 10 percent, Council action is required to authorize this amendment to the construction contract.

## **POLICY & FISCAL IMPACTS**

### Utilities Department Policies:

- The Utility shall own and maintain all elements of the storm drainage system in the right-of-way and in easements or tracts dedicated to, and accepted by, the Utility.
- The Utility shall identify drainage capital projects that prevent or reduce flooding or property damage, protect or improve water quality, and maintain or improve the reliability and integrity of the drainage system.

### Bellevue Comprehensive Plan Policies:

- Manage aquatic habitats, including shoreline and riparian (streamside) habitats, to preserve and enhance their natural functions or providing fish and wildlife habitat and protecting water quality.
- Prohibit creating new fish passage barriers and remove existing artificial fish passage barriers in accordance with applicable state law regarding water crossing structures.

### Utilities Department practice:

- The Utilities Department Policies provide for the identification and implementation of capital projects via the CIP to rehabilitate or replace deteriorated elements of the storm water system, to ensure that utility customers are provided with consistent and reliable service. Utilities CIP No. D-105 has been designated to implement these policies for the NE 8<sup>th</sup> Street Culvert Replacement at Kelsey Creek.

### Fiscal Impacts:

This action will authorize a proposed increase to the construction contract with Interwest Construction Incorporated, in the amount of \$379,426, plus all applicable taxes, for a total contract amount of \$2,444,715, plus all applicable taxes.

This increase is required to cover unforeseen conditions encountered during the construction of Kelsey Creek Culvert Replacement work and is approximately 18.4 percent over the original total contract amount. The original contract work is funded from Replace NE 8<sup>th</sup> Street Culvert at Kelsey Creek (CIP Plan No. D-105). The request for additional funds to supplement the D-105 budget has been submitted under Ordinance No 6423.

Original Construction Contract Amount (CIP Plan No. D-105)	\$2,065,289
Requested Increase (CIP Plan No. D-105)	<u>\$379,426</u>
<b>Total Requested Revised Contract Amount</b>	<b>\$2,444,715</b>

#### **OPTIONS**

1. Approve an increase to the construction contract with Interwest Construction Incorporated, (Bid No. 17120) by \$379,426, plus all applicable taxes, to a revised total contract amount of \$2,444,715, plus all applicable taxes, for the Kelsey Creek Culvert Replacement Project.
2. Do not approve the increase to the construction contract and provide alternative direction to staff.

#### **ATTACHMENTS & AVAILABLE DOCUMENTS**

- A. Vicinity Map
- B. CIP Project Description

#### **AVAILABLE IN COUNCIL LIBRARY**

N/A