

CITY COUNCIL REGULAR SESSION

Ordinance amending the 2017-2023 and 2017-2018 Utility Capital Investment Program (CIP) Plans to increase the appropriations from \$3,895,000 to \$4,371,000, and to modify the project budgets for the Replacement of NE 8th Street Culvert at Kelsey Creek project (CIP Plan No. D-105), and funding the increase by a budget transfer of \$476,000 from the Utility's Stormwater Renewal and Replacement Fund (CIP Plan No. D-96).

Nav Ota, Director, 452-2041
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Utilities Department

EXECUTIVE SUMMARY

This Ordinance will increase the total project budget for the Replacement of NE 8th Street Culvert at Kelsey Creek (CIP Plan No. D-105) project which is requested to address construction issues related to unforeseen conditions. The source of additional funding will be from the Utility's Stormwater Renewal and Replacement Fund (CIP Plan No. D-96).

RECOMMENDATION

Move to adopt Ordinance No. 6423.
If approved, effective date: September 27, 2018.

BACKGROUND/ANALYSIS

Carrying over 23,000 vehicles a day, NE 8th 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 8th 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.

The Kelsey Creek Culvert Replacement project was awarded to Interwest Construction Incorporated on February 5. Notice to proceed was issued on February 15.

On March 4 the City was informed by Century-Link that they would not be able to relocate their facilities that span the culvert due 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 costs 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 8th Street. The existence of this structure was previously unknown to utilities and transportation personnel and was not shown in City records. It appears that when the roadway was widened from two lanes to four lanes, a corrugated metal arch culvert was installed inside

of this concrete box culvert and the space between the inside of the box culvert and the exterior of the corrugated metal culvert was filled with concrete.

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, and material disposal, and increases the difficulty of shoring installation.

POLICY & FISCAL IMPACTS

Comprehensive Financial Management Policies XI.P:

- CIP Plan adjustments that total more than 10 percent for the project's adopted CIP Plan budget or \$100,000 must be approved by Council.

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 8th Street Culvert Replacement at Kelsey Creek.

Fiscal Impacts:

The total cost of this project is estimated at \$4,371,000 inclusive of the work as outlined in the aforementioned analysis. The authorized budget for this project is \$3,895,000, resulting in an estimated shortfall of \$476,000 in Fiscal Year 2018. To fill the project budget gap, Council authority enabling a budget transfer of \$476,000 is being requested from the Stormwater Renewal and Replacement Fund (CIP Plan No. D-96) to the Replace NE 8th Street Culvert at Kelsey Creek project (CIP Plan No. D-105) to increase the Fiscal Year 2018 Budget for CIP Plan No. D-105. This action will result in no net change to the total budget for the Stormwater Utility CIP. Approval of this budget transfer will amend the project budgets for the CIP Plans as follows:

	Total Project Budget	Total Projected Expenditures	Projected Balance	This Action
D-105 Replace NE 8th Street Culvert at Kelsey Creek	\$3,895,000	\$4,371,000	(\$476,000)	\$476,000
D-96 Stormwater Renewal and Replacement	\$56,395,512	N/A	\$56,395,512	(\$476,000)
Net budget change from this action				\$0

The additional costs for this project include an increase of \$379,426 to the approved construction contract with Interwest Construction Incorporated (18.4% above the original contract amount) as well as \$96,574 for other engineering related project costs. Reference Resolution No _____ for amendment of the contract with Interwest Construction Incorporated.

OPTIONS

1. Adopt the Ordinance amending the 2017-2023 and 2017-2018 Utility Capital Investment Program (CIP) Plans to increase the appropriations from \$3,895,000 to \$4,371,000, and to modify the project budgets for the Replacement of NE 8th Street Culvert at Kelsey Creek project (CIP Plan No. D-105), and funding the increase by a budget transfer of \$476,000 from the Utility's Stormwater Renewal and Replacement Fund (CIP Plan No. D-96).
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Vicinity Map
 - B. CIP Project Descriptions
- Proposed Ordinance No. 6423

AVAILABLE IN COUNCIL LIBRARY

N/A