

**CITY COUNCIL REGULAR SESSION**

Motion to award Bid No. 18030, NE Spring Boulevard Multi-Modal Corridor Zone 1 Project (CIP Plan Nos. PW-R-172 and W-105) to KLB Construction as the lowest responsible and responsive bidder, in the amount of \$5,880,918.50, plus all applicable taxes.

David Berg, Department Director, 452-6468

Ron Kessack, Deputy Director, 452-4631

Mike Mattar, Design Division Manager, 452-4318

Steve Costa, Senior Project Manager, 452-7905

*Transportation Department*

**EXECUTIVE SUMMARY**

This contract will construct the final phase of the NE Spring Boulevard Multi-Modal Corridor Zone 1 project, between 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE. The first phase of NE Spring Boulevard Multi-Modal Corridor Zone 1 was completed in January 2018.

**RECOMMENDATION**

Move to award Bid No. 18030, NE Spring Boulevard Multi-Modal Corridor Zone 1 Project, between 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE, to KLB Construction.

If approved, effective date: 11/19/2018

**BACKGROUND/ANALYSIS**

The NE Spring Boulevard roadway improvements between 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE (Zone 1), and between 120<sup>th</sup> Avenue NE and 124<sup>th</sup> Avenue NE (Zone 2), 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 2017-2023 Capital Investment Program (CIP) budget, adopted by Council on December 5, 2016, NE Spring Boulevard, Zone 1, between 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE (CIP Plan No. PW-R-172) was funded for full implementation.

NE Spring Boulevard (Zone 1) crosses over the existing Eastside Rail Corridor and the future East Link light rail alignment. The construction of the project is being implemented in phases. The segment from the Eastside Rail Corridor to 120<sup>th</sup> Avenue NE, which included the bridges over the Eastside Rail Corridor and the future East Link light rail alignment, was completed in January 2018. Demolition of the Delta Building, which was located within the project limits, was completed earlier this year, in preparation for construction of the final phase of NE Spring Boulevard (Zone 1) between the Eastside Rail Corridor and 116<sup>th</sup> Avenue NE.

In collaboration with the Utilities Department, approximately 800 linear feet of water main will be installed, as part of this project. The water main work will be funded by the Water Facilities for NE 15<sup>th</sup> Multi-Modal Corridor project (CIP Plan No. W-105).

The following bid submittals were received for this project:

KLB Construction	\$ 5,880,918.50
Interwest Construction Inc.	\$ 5,980,000.00
Granite Construction Co.	\$ 6,356,578.30
Johansen Construction Co.	\$ 6,574,419.75
Goodfellow Bros., LLC	\$ 7,106,763.00
A-1 Landscaping & Const.	\$10,669,024.80
<b>Engineer's Estimate</b>	<b>\$ 5,514,642.50</b>

To the best of our knowledge and professional judgment, all factors that normally contribute to construction expenses have been accounted for in the PS&E. Based on staff's 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.

A Resolution authorizing execution of a Professional Engineering Services Agreement for engineering support services during construction is also scheduled for the November 19 Council meeting.

#### **Prior Council Actions**

On July 5, 2016, Council approved a Motion to reject the bid protest of Scarsella Bros Inc. and award Bid No. 16040 for the NE Spring Boulevard (Zone 1B) project, from the Eastside Rail Corridor (ERC) to 120<sup>th</sup> Avenue NE (CIP Plan No. PW-R-172), to Johansen Excavating Inc. as the lowest responsible and responsive bidder, in the amount of \$12,547,141.45.

On March 5, 2018, Council approved a Motion to award Bid No. 18003 for demolition of the Delta building located at 11730 NE 12<sup>th</sup> Street, as part of the NE Spring Boulevard (Zone 1), 116<sup>th</sup> to 120<sup>th</sup> Avenues NE, project (CIP Plan No. PW-R-172), to Dickson Company as the lowest responsible and responsive bidder, in the amount of \$193,207.31.

### **POLICY & FISCAL IMPACTS**

#### **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.

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

*Implementation:* S-BR-78: Implementing the BelRed Plan through capital investments, and other public and private strategies.

#### **Fiscal Impact**

Awarding this bid will obligate the City to \$5,880,918.50, plus all applicable taxes, to construct the final phase of the NE Spring Boulevard Multi-Modal Corridor Zone 1 project, between 116<sup>th</sup> Avenue NE and 120<sup>th</sup> Avenue NE. This amount is approximately 6.6 percent over the Engineer's Estimate. This overage

is due to the very busy construction market conditions in the area. Sufficient funding exists in the 2017-2023 CIP (CIP Plan Nos. PW-R-172 and W-105) to fully fund this contract as follows:

<b>CIP Plan No.</b>	<b>Description</b>	<b>Amount</b>
PW-R-172	NE Spring Boulevard Multi-Modal Corridor Zone 1	\$5,625,316.30
W-105	Water Facilities for NE 15th Multi-Modal Corridor	255,602.20
<b>Total Funding</b>		<b>\$5,880,918.50</b>

The following table provides the project financial status for PW-R-172:

(\$000)						
	Current Budget	LTD Expenditures	Total Projected Expenditures	Projected Balance	<i><b>This Action</b></i>	Actual / Projected Completion Date
Phase I (Design)	\$3,579	\$3,294	\$3,802	(\$223)	\$0	Q2-2018
Phase II (Right-of-Way)	\$4,452	\$3,178	\$3,579	\$872	\$0	Q1-2018
Phase III (Construction)	\$25,400	\$13,833	\$26,051	(\$651)	\$5,625	Q4-2019
Total	\$33,432	\$20,305	\$33,432	\$0	\$5,625	

The total projected cost includes the previously completed Zone 1 improvements from the ERC to 120<sup>th</sup> Avenue NE and the Delta demolition. Projected costs assume full implementation of the remaining project scope and full expenditure of contingencies. Reporting the contingencies in this manner illustrates the City's potential ultimate financial exposure on this project.

## OPTIONS

1. Award Bid No. 18030, NE Spring Boulevard Multi-Modal Corridor Zone 1A Project (CIP Plan Nos. PW-R-172 and W-105) to KLB Construction, as the lowest responsible and responsive bidder, in the amount of \$5,880,918.50, plus all applicable taxes.
2. Award the bid to the next lowest bidder if the low bidder is not responsive.
3. Reject all bids and provide alternative direction to staff.

## ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Vicinity Map
- B. CIP Project Description (PW-R-172)
- C. CIP Project Description (W-105)

## AVAILABLE IN COUNCIL LIBRARY

Final Design Plans