

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of an amendment to increase the construction contract amount with Interwest Construction, Inc. (Bid No. 19042) by \$700,000, plus all applicable taxes, for a total contract amount of \$12,241,006.90, plus all applicable taxes, for the NE Spring Boulevard Multimodal Corridor Zone 2 Project (CIP Plan No. PW-R-173).

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Transportation Department

EXECUTIVE SUMMARY

This Resolution authorizes an increase in the construction contract amount with Interwest Construction, Inc. for the NE Spring Boulevard Multimodal Corridor Zone 2 Project.

RECOMMENDATION

Move to adopt Resolution No. 9760

BACKGROUND/ANALYSIS

The NE Spring Boulevard Multi-Modal Corridor Zone 2 Project, which spans from 120th Avenue NE to 124th Avenue NE, is 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.

NE Spring Boulevard Zone 2 is the latest segment of NE Spring Boulevard to start construction. The corridor is being implemented in phases, with construction of Zone 1B having been completed in January 2018 and Zone 1A is anticipated to be completed in Summer 2020.

The Spring District Master Development Plan (MDP) was approved in May 2012. The MDP identified specific terms for development including the dedication of property for construction of NE 15th Street (subsequently renamed NE Spring Boulevard) between 120th Avenue NE and 124th Avenue NE. A Dedication Agreement with the Spring District developer (Wright Runstad) was executed in May 2019.

On September 3, 2019, Council approved a Motion to reject the bid by Pivetta Brothers Construction and award Bid No. 19042, NE Spring Boulevard Multi-Modal Corridor Zone 2 (CIP Plan No. PW-R-173) to Interwest Construction, Inc. as the lowest responsible and responsive bidder, in the amount of \$11,541,006.90.

Additional Construction Cost

Prior to execution of the Dedication Agreement in 2019, the jobsite was occupied by Wright Runstad and Sound Transit for the demolition of buildings and construction of the Spring District development and East Link projects. Due to erosion concerns, the building foundation slabs were left in place by the

time NE Spring Boulevard (Zone 2) was advertised for bids. Staff worked with Wright Runstad and Sound Transit to remove the foundation slabs prior to the start of NE Spring Boulevard (Zone 2) construction, however the amount of material that remained under the slabs was greater than anticipated. Additional earthwork by the City's contractor was therefore required. Some of the existing pavement that was to be removed by the City's contractor was also found to be reinforced which required additional work to remove.

Construction began in Fall 2019 to meet the REI headquarters occupancy dates in the Dedication Agreement. In order for work to continue through the winter months and meet the REI occupancy dates, the site was over-excavated for potentially unsuitable soils and capped with crushed rock to create an all-weather base for the contractor to work on. Those efforts were rewarded by the contractor being able to continue work through record rain events in February that impacted many other projects.

Other cost increases include items related to Intelligent Transportation System (ITS), traffic signal, illumination and Joint-Utility-Trench (JUT) designs (JUT costs are eligible for reimbursement by franchise utilities). While work has progressed on schedule, the impacts of COVID-19 are not yet known and may also result in additional claims.

In total, the project is anticipated to encounter approximately \$1.4 million in additional costs. However, recognizing that potential risk has lessened with the project being about half completed, staff is proposing to increase the construction contract amount by only \$700,000. Any additional work or potential risk will be covered by the new contract amount and the 10 percent construction contingency.

POLICY & FISCAL IMPACTS

Policy Impact

City policy requires a professional services contract amendment that increases the total value of a Council-approved contract beyond the 10 percent contingency be approved by Council.

Fiscal Impact

This action obligates the City to an increase to the contract with Interwest Construction, Inc. in the amount of \$700,000, plus all applicable taxes, for the construction of the NE Spring Boulevard Multimodal Corridor Zone 2 project (CIP Plan No. PW-R-173). Sufficient funding exists in PW-R-173 to fund the increase to the contract.

CIP Plan No.	Description	Original Contract (Bid No. 19042)	Amendment (Tonight's Action)	Amended Contract
PW-R-173	NE Spring Boulevard Zone 2	\$10,470,717.90	\$700,000.00	\$11,170,717.90
W-105	Water Facilities for NE Spring Blvd Corridor	1,070,289.00	-	1,070,289.00
Total Funding		\$11,541,006.90	\$700,000.00	\$12,241,006.90

The following table provides the financial status for PW-R-173:

	(\$000)					
	Current Budget	Life-to-Date Expenditures	Total Projected Expenditures	Projected Balance	<i>This Action</i>	Actual / Projected Completion Date
Phase I (Design)	\$3,440	\$2,673	\$2,677	\$763	<i>\$0</i>	Q3-2019
Phase II (Right-of-Way)	2,660	1,785	2,309	351	<i>0</i>	Q4-2019
Phase III (Construction)	14,246	5,601	15,360	(1,113)	<i>700</i>	Q4-2020
Total	\$20,346	\$10,059	\$20,346	\$0	<i>\$700</i>	

The total projected project cost of \$20,346,000 (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.

OPTIONS

1. Adopt the Resolution authorizing execution of an amendment to increase the construction contract amount with Interwest Construction, Inc. (Bid No. 19042) by \$700,000, plus all applicable taxes, for a total contract amount of \$12,241,006.90, plus all applicable taxes, for the NE Spring Boulevard Multimodal Corridor Zone 2 Project (CIP Plan No. PW-R-173).
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Vicinity Map
 - B. CIP Project Description (PW-R-173)
- Proposed Resolution No. 9760

AVAILABLE IN COUNCIL LIBRARY

Contracts