

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Authorize the City Manager to Execute a Change Order with CA Carey Construction Resulting in a Total Contract of \$2,073,759.08 for the Final Completion of the Richmond Beach Overcrossing Project
DEPARTMENT: Public Works
PRESENTED BY: Mark Relph, Public Works Director
ACTION: ☐ Ordinance ☐ Resolution ☒ Motion ☐ Discussion

PROBLEM/ISSUE STATEMENT:

The Richmond Beach Overcrossing Bridge Replacement Project has been constructed by C.A. Carey Corporation. The construction contingency for the contract with C.A. Carey Corporation will exceed the original 10% approved by the City Council. This is a request to modify the contract amount to allow for final payment and closeout of the project.

Project cost increases, including this contract modification, exceed the currently authorized budget amount and the projection presented in the 2012-2017 CIP. Tonight's Council agenda included a budget amendment for the Roads Capital Fund, Ordinance No. 610. This ordinance included additional budget authorization for the Richmond Beach Overcrossing project, even though the additional costs are fully grant funded.

RESOURCE/FINANCIAL IMPACT:

The construction costs, including this contract modification, are eligible for 100% reimbursement through the Federal Highway Bridge Program (HBP) grant. These increased costs are within the approved budget of the grant. No additional grant funding will be needed. No additional money from the Roads Capital Fund will be necessary for the contract modification of the budget amendment.

RECOMMENDATION

Authorize the City Manager to modify the contract with C.A. Carey Corporation to \$2,073,759.08 to complete and close out the contract for the construction of the Richmond Beach Overcrossing.

Approved By:

City Manager



City Attorney



INTRODUCTION

Construction of the Richmond Beach Overcrossing is nearly complete, with only punch list items remaining. Changes were encountered during construction that resulted in several change orders. City staff has negotiated final costs with the Contractor to complete and close out the project.

BACKGROUND

On January 25, 2010, Council authorized the City Manager to execute a construction contract with C. A. Carey Corporation in the amount of \$1,838,336 plus a 10% contingency (\$183,833) for construction of the Richmond Beach Overcrossing Bridge Replacement Project. The original contract time was 210 working days. Change order work has extended the contract time by 43 working days. Substantial completion on the project was given on July 13th. Council previously authorized an increase in the contract amount with KBA for construction management and inspection services largely resulting from delays in project completion.

CONTRACT ISSUES

Several unforeseen issues have impacted the contract and have required change orders. A summary of significant changes are outlined below:

Weather: 2010 and 2011 to date have been very wet, impacting construction efficiency. While the contractor is not paid for lost weather days directly, the City pays for the extended use of the certain items, including the temporary traffic signal and field office building for the duration of the project. The wet weather also increased the amount of temporary erosion and sediment control and necessary inspections.

Roadway Approaches: During construction, it became apparent that modifications of the approaches from the roadway to the bridge were necessary to address grade transitions and drainage. The work on 27th Avenue NW included re-grading and repaving the roadway transition to the bridge approach, widening the road and adding catch basins and an asphalt gutter to control drainage. The work on Richmond Beach Drive included repaving the roadway transition to the bridge approach and adding an asphalt gutter. These changes required significant property restoration, primarily for driveways immediately adjacent to the bridge, and extensive involvement with the residents. The steep slopes and grades of both the bridge and 27th Ave NW made it difficult and essential that we maintain adequate access and drainage to these properties.

Bridge Approach Slab: Unfortunately, the bridge approach slabs were not installed in accordance with the Plans and Specifications. After reviewing several alternatives and options, staff determined the best option on the west side of the bridge required removal and replacement of the approach slab. A remedy developed for the east side allowed the slab to remain in place. This complex situation impacted costs and project schedule. City staff has completed negotiations regarding responsibility and costs with the Contractor for the additional work and re-work.

Contract Time: A combination of the above items impacted project completion, and additional time is warranted by the Contractor. This additional time leads to increased

costs to the Contractor and the City. Negotiations for additional time and associated costs have been included in the change orders and the modified contract amount.

Final Quantities:

It is common for final quantities to vary from the original estimated contract quantities. This project incurred notable overruns on gravel borrow, structural concrete, structural earth wall, crushed surfacing base course and hot mix asphalt. There were also items that came in under the estimated quantities. The modified contract amount incorporates the changes associated with quantity over and under runs.

Other minor issues:

While not significant, other issues that impact the need for increased authorization include: sidewalk modifications, conflicts with a Puget Sound Energy (PSE) gas line, electrical modifications, slope stabilization and landscaping.

The City, the Contractor (CA Carey), and the construction management consultant (KBA) have worked collaboratively, diligently and responsibly to resolve these issues and reach a final contract price that is fair to all parties. City staff has consulted and coordinated with Washington State Department of Transportation (WSDOT) to ensure all costs meet the requirements of the grant and therefore will be eligible for full reimbursement.

OTHER PROJECT ISSUES

Coupled with an increase in the construction contract are other increased costs associated with the project, which will exceed the currently authorized 2011 budget and the projected budget presented and approved with the 2012-2017 Capital Improvement Plan. A separate budget amendment has been prepared for Council approval for this same meeting. A summary of some of these other issues are as follows:

Railroad Costs: A portion of the additional change order work and contract time has resulted in additional cost for railroad flagging and inspection services. BNSF's average cost for one month of flagging and inspection services is \$28,000. These additional costs have been added to the cost to complete the project.

City Costs: There has been an increase in other project administration costs including staff time and consultant costs for construction management and design. Council has previously approved an increase in the contract amount for KBA for construction management and inspection.

ALTERNATIVES ANALYZED

Approving both the budget amendment and modified contract amount will enable staff to expeditiously finalize and close out this project, including requesting reimbursement from the grant and BNSF.

If Council chooses not to approve this request for a contract modification, the City will be unable to pay for work completed by the Contractor and agreed to through negotiations in excess of the original contract amount. This would leave the Contractor with the option to file a claim through litigation. This would impact the completion and close-out of the project, which would also delay and/or jeopardize staff's ability to complete grant reimbursements and receive contributions from BNSF.

RESOURCE/FINANCIAL IMPACT

The construction of this project is fully funded by the Highway Bridge Program (HBP). Additionally, the City's agreement with BNSF includes a 10% contribution at the completion of the project from BNSF to the City. With a combination of these two funding sources, no funding is needed from the Roads Capital Fund. Neither the changes to the contract amount nor the budget amendment will negatively impact the Roads Capital Fund. City staff has carefully managed this project to make sure all construction costs remain eligible for the grant.

The table below provides a summary of the project budget for both the 2011 authorization and the total project costs.

	2011 Budget		Total Project	
	Est. Subtotal	Est. Total	Est. Subtotal	Est. Total
Project Costs				
Project Administration		\$ 181,791		\$ 1,680,734
Other Contracted Services ¹	\$ 141,657		\$ 1,418,697	
City Costs	\$ 40,134		\$ 262,037	
Real Estate Acquisition		\$ -		\$ 1,235.00
Construction		\$ 1,068,931		\$ 2,502,167
Construction General	\$ 1,881		\$ 15,000	
Action Modified C.A. Carey Contract²	\$ 653,642		\$ 2,073,759	
Railroad Work ³	\$ 413,408		\$ 413,408	
1% for Arts (est.)		\$ -		\$ 18,383
King County Maintenance & Inspection		\$ -		\$ 78,037
Total Costs		\$ 1,250,722		\$ 4,280,556
Project Revenue				
Roads Capital Fund	\$(262,368)		\$ (160,457)	
HBP ⁴	\$ 912,765		\$3,953,472	
STP-U	\$ -		\$ 12,417	
BNSF Funding ⁵	\$ 385,000		\$ 422,826	
Total Revenue		\$ 1,035,397		\$ 4,228,258
Project Balance (revenue- costs)⁶		\$ (215,325)		\$ (52,298)

¹ Includes consultant costs for design (ABKJ) and construction management (KBA)

² The modified amount equals the original contract amount of \$1,838,336 plus change orders in the amount of \$235,423.08

³ BNSF costs for flagging and inspection

⁴ HBP revenues increase with project cost, up to an approved \$5,053,000; therefore, no additional City funding will be needed for project cost increases

⁵ BNSF contributions are based on 10% of final project cost

⁶ A separate Council action is before the Council to amend the authorized budget including adjustments to expenses and revenues

Two distinct and separate actions are being requested of the Council.

1. Authorize the final contract amount with CA Carey (\$2,073,759) for the construction of the Richmond Beach Overcrossing
2. Authorize a budget amendment to increase the authorized revenues and expenditures to include all costs needed to complete this project (Separate agenda item)

As stated previously, all costs associated with these changes are covered by the HBP grant and are within the grant authorization. There are no negative impacts to the Roads Capital Fund as a result of these actions.

RECOMMENDATION

Authorize the City Manager to modify the contract with C.A. Carey Corporation to \$2,073,759.08 to complete and close out the contract for the construction of the Richmond Beach Overcrossing.

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