

Council Meeting Date: June 25, 2012

Agenda Item: 7(d)

**CITY COUNCIL AGENDA ITEM**

CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Motion to Authorize the City Manager to Increase the Johansen Excavating Contract Contingency for the Aurora Corridor Improvement Project - N 185th to 192nd Streets
<b>DEPARTMENT:</b>	Public Works
<b>PRESENTED BY:</b>	Mark Relph, Public Works Director Kirk McKinley, Transportation Services Manager John Vicente, Capital Projects Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion

**PROBLEM/ISSUE STATEMENT:**

The Aurora Corridor Improvement Project (N 185th Street – N 192nd Street) is currently being constructed by Johansen Excavating, Inc. The original contingency of \$821,755 (10% of the original contract amount) was increased to \$1,189,365 at the December 12, 2011 Council Meeting. The Contractor contingency is requested to be increased by an additional \$229,906 to allow for additional unanticipated changes to the project.

Construction change orders in the amount of \$1,037,471 have been executed to date. Staff anticipates additional change order work and overruns in bid quantities to be approximately \$381,800. Therefore, the total amount of project contingency would increase \$229,906, from \$1,189,365 to \$1,419,271. This would bring the total authorized contract with Johansen Excavating, Inc. to \$9,636,819.53. The Aurora Corridor budget has sufficient funds for this request.

**RECOMMENDATION**

Staff recommends that Council authorize the City Manager to increase the project contingency of the Johansen Excavating Contract for the Aurora Corridor Project - 185th to 192nd by \$229,906 for a total contract contingency of \$1,419,271 and a total contract amount of \$9,636,819.53.

Approved By:            City Manager **JU**    City Attorney **IS**

**BACKGROUND:**

On December 13, 2010, Council authorized the City Manager to execute a construction contract with Johansen Excavating, Inc. (JEI) for the Aurora Corridor Improvement Project (N 185th – N 192nd Streets). The authorized contract amount was \$8,217,548.53, plus an additional \$821,754 (10%) contingency. The engineer's estimate for the construction contract at bid opening was \$9,100,000. The JEI contract includes Aurora construction to be paid by Shoreline, Seattle City Light (SCL) for power system undergrounding, and Seattle Public Utilities (SPU) for water system work. Notice to proceed was given to JEI on January 24, 2011.

On December 12, 2011, Council approved an increase in the contract contingency to \$1,189,365 to construct additional improvements as part of the Aurora Improvement Project. A copy of this staff report may be found at:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/Council/Staffreports/2011/Staffreport121211-7c.pdf>

Construction of the project is nearly complete and the Contractor has been granted substantial completion.

**PROJECT ISSUES:**

Several issues have impacted the project and required use of additional project funds. The changes added to the contract do not represent a substantial or material departure from the original specifications; the work was either unforeseen at the time of the original bidding or was not sufficiently addressed during design. The issues are outlined below.

**Contract Suspension:** In February, the Contractor was granted a suspension to their contract. The suspension was granted because critical work that was weather sensitive could not be done. The work consisted of the final paving, striping, and construction of the crosswalks. The City had two options, suspend the contract or issue "non-working days" until weather improved to complete the critical items. The City decided to suspend the contract and allow non-critical work to be completed. It was anticipated that weather would improve in April and critical activities could begin. Unfortunately, there were not sufficient good weather days to complete the project in May as expected and work was delayed to June. The contractor was able to complete non-critical items during this period. An additional \$61,000 is needed for traffic control.

**SCL Transmission ROW:** The old James Allen Salon Building (originally located at the NE corner of 185th and Aurora) was demolished to construct sidewalks along Aurora as part of the Aurora 165th-185th project. This land is within the SCL transmission corridor and SCL planned to pave the area and leave it unused. The adjacent property owner had no interest in utilizing this space. The City decided to take advantage of the opportunity during the Aurora construction to add landscaping and wall improvements to this area as it lies within the City's Town Center Sub-Area. This work was added to the project in December 2011. It was anticipated that the project would have surplus landscape plants to complete the work. Unfortunately, there were not enough plants to complete the area. An additional \$5,000 is needed to complete the plantings as originally planned in the change order.

**New Sidewalks on 192<sup>nd</sup> St/Utility Construction:** Several unforeseen issues were encountered during the construction of the new sidewalks and storm drainage along N 192<sup>nd</sup> St. These issues were not accounted for in the original cost projected in the December 2011 staff report. The issues encountered involved the existing utilities not being where they were identified by the respective utility. Also, the project encountered additional impacts to the installation of irrigation and storm drainage along Aurora. These impacts included conflicts with existing water lines, gas lines, and storm lines that required adjustments and irrigation repairs on private property that were not anticipated during design. These issues have resulted in an estimated \$116,739 of additional cost.

**Design Issues:** The plaza was designed to infiltrate surrounding storm drainage within the planting beds within the plaza. Once complete, it was realized that the subsurface soils would not infiltrate the storm water fast enough and the beds would fill with water. This water would be harmful to the plants, so to correct the issue french drains were installed at each landscape area to contain the storm water long enough to allow infiltration. Another issue was encountered after the plaza concrete was placed. The plaza developed an undesirable white film that could not easily be removed. The plaza was sandblasted prior to receiving a seal coat to remedy the issue.

Upon completion of the intersection, it was determined that the signal push buttons did not meet with the Americans with Disabilities Act (ADA) guidelines. New push buttons needed to be installed and concrete landings put in place. Total cost for these issues was \$47,167.

#### **FINANCIAL IMPACT:**

The table below demonstrates the original project amount by schedule, the “cost to complete” projection (New Contract Amount), and the percentage the projection is over the current contract amount. Schedules B and C include the reimbursable cost from SCL and SPU for Schedule A work.

	Original Contract	Revised Contract Amount	Change Order Amount	New Contract Amount	Percent Over Total Original Contract
Schedule A – Aurora	\$ 7,170,071	\$ 8,292,272	\$ 229,906	\$ 8,522,178	18.9%
Schedule B – SCL	\$ 897,406	\$ 956,505	\$ 0.00	\$ 956,505	6.6%
Schedule C – SPU	\$ 115,039	\$ 123,104	\$ 0.00	\$ 123,104	7.0%
Schedule D – King County	\$ 35,032	\$ 35,032	\$ 0.00	\$ 35,032	0.0%
<b>Total</b>	<b>\$ 8,217,548</b>	<b>\$ 9,406,913</b>	<b>\$ 229,906</b>	<b>\$ 9,636,819</b>	<b>17.3%</b>

A portion of the Change Order Amount is work that was related to work that had been redirected from Aurora 165th – 185th and the Aurora 192nd – 205th segments. These costs have been accounted for in the latest budget for the total Aurora Corridor project. Below is a table demonstrating the costs from other segments of Aurora and those directly related to Aurora 185th – 192nd.

	A	B	C
	Aurora 165th – 185th Work	Aurora 185th – 192nd Work	Aurora 192nd – 205th Work
SCL Transmission ROW	\$5,000		
Utility Conflicts 192 <sup>nd</sup> St Sidewalks			\$66,100
Flagging and Traffic Control		\$45,600	15,400
Utility Conflicts Aurora		\$50,639	
Design Related Issues		\$47,167	
<b>Segment Total</b>	<b>\$ 5,000</b>	<b>\$ 143,406</b>	<b>\$ 81,500</b>
<b>Total Change Order Amount (Segment A + Segment B + Segment C): \$229,906</b>			

The Council approved contingency is \$1,189,365. Several of the changes approved for the project were related to changes in scope not directly related to the Aurora 185-192 segment (see the December 12, 2011 staff report). The total change orders from the December 12<sup>th</sup> staff report directly related to the Aurora 185th – 192nd work was \$802,365. This staff report adds an additional \$143,406 in changes directly related to the original Aurora 185-192 scope of work. Total changes directly related to the original scope of work for Aurora 185-192 is \$945,771, which is approximately 11.5% of the original contract amount.

### **RECOMMENDATION**

Staff recommends that Council authorize the City Manager to increase the project contingency of the Johansen Excavating Contract for the Aurora Corridor Project from 185th to 192nd by \$229,906 for a total contract contingency of \$1,419,271.