

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the City Manager to Execute Two Professional Services Contracts with H.W. Lochner, Inc., Each in the Amount of \$688,687, Totaling \$1,337,373, for Senior Project Manager Services for the N/NE 145 th Corridor Project and the 145 th – Interstate 5 Interchange Project
DEPARTMENT:	Public Works
PRESENTED BY:	Tricia Juhnke, City Engineer
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City is currently completing design and right-of-way (ROW) acquisition for the N 145th (SR-523) Corridor project, Phase 1 (Corridor), and the N/NE 145th (SR-523) – Interstate-5 Interchange project (Interchange). Both projects are scheduled for completion of construction in mid-2024.

In June 2021, the staff project manager of the Corridor project notified the City of their intent to resign in October 2021 and staff overseeing the Interchange project needed to return to managing the City’s Engineering Division on a full-time basis. This created a gap in project management which needs to be filled to keep delivery of both projects on schedule.

Given the urgent need for a senior project manager to oversee these two projects for the coming three years, staff pursued two alternatives to fill this need: 1) recruiting a senior-level engineering staff member who is qualified to oversee the projects, and 2) advertising for a senior-level consultant project manager. As staff were unsuccessful in finding a sufficiently qualified staff candidate for this work, through the Request for Qualifications (RFQ) process, two consultant firms proposed senior-level project managers. The City’s evaluation team selected the candidate provided by H.W. Lochner and negotiated a contract to provide project management services for both projects.

Tonight, staff is seeking Council authorization for the City Manager to enter into two separate contracts with H.W. Lochner for senior project manager services for these projects. The Scope of Work for each contract is the same; a copy of the Scope of Work is included as Attachment A.

RESOURCE/FINANCIAL IMPACT:

The proposed contracts with H.W. Lochner to provide Senior-Level Project Manager services total \$1,337,373. The cost of a staff engineering position (Engineer 3) for the same period of time would be roughly \$530,000. Both costs include full-time salary and benefits beginning in 2022 and continuing through 2024 to allow time for project close-out. Salary escalation is estimated at 6% annually. The consultant fees are approximately 2.5 times that of the staff project manager’s total cost.

Both projects are funded by a combination of the City’s Roads Capital Fund, federal and state-sourced grants, a Sound Transit contribution, and a Connecting Washington appropriation. These funding sources provide for both staff and consulting expenditures during all phases of the projects. Additionally, salary/benefit savings from not filling the City’s existing senior Engineer 3 position are available for this contract. Each contract represents 50 percent of the \$1,337,373 total cost for these services. However, the additional cost of a consultant project manager, compared to a staff project manager’s salary and benefits, will inevitably impact the total cost of both projects. Staff will continue to seek to reduce projects costs and pursue additional grant funding to absorb this additional cost.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to execute two separate professional services contracts with H.W. Lochner, Inc., each in the amount of \$688,687, totaling \$1,337,373, for Senior-Level Project Manager Services for the N 145th (SR-523) Corridor Project and the N/NE 145th St (SR-523) – Interstate 5 Interchange Project.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

The City is currently completing design and right of way acquisition for the N 145th (SR-523) Corridor project, Phase 1 (Corridor), and the N/NE 145th (SR-523) – Interstate 5 Interchange project (Interchange). Both projects are scheduled for completion of construction in mid-2024.

Until recently, both projects were managed by senior-level City staff project managers, an Engineer 3 staff position who oversaw the Corridor project, and the Engineering Manager, who oversaw the Interchange project in addition to managing the City's Engineering Division in delivery of the City's Capital Improvement Program. In June 2021, the staff project manager of the Corridor project notified the City of their intent to resign in October 2021 and the Engineering Manager overseeing the Interchange project needed to return to managing the Engineering Division on a full-time basis. This created a gap in project management which needs to be filled to keep delivery of both projects on schedule.

DISCUSSION

Given the urgent need for a senior project manager to oversee these two projects for the coming three years, staff pursued two alternatives to fill this need: 1) recruiting a senior-level engineering staff member (Engineer 3) who is qualified to oversee the projects, and 2) advertising for a senior-level consultant project manager. The City began recruiting for the Engineer 3 staff position with the intention of filling it with a qualified candidate by December 2021. Between July and late September, several candidates were interviewed but none proved to be sufficiently experienced and qualified for the responsibilities of the position. Consequently, staff published a Request for Qualifications (RFQ) for Senior-Level Consulting Project Manager Services.

Two firms responded to the RFQ: H.W. Lochner, Inc. and KBA, Inc. Both firms provided qualified candidates for interviews, after which the City's evaluation team selected the candidate provided by H.W. Lochner and negotiated a contract. The Consultant's Scope of Work for these contracts is included with this staff report as Attachment A.

ALTERNATIVES ANALYSIS

The City can choose one of two alternatives:

1. Not approve these contracts and continue to recruit for the Engineer 3, Capital Projects position. This is not recommended because the recruitment performed was not successful and the need for a qualified, senior-level project manager to oversee these projects is urgent. Both projects are at crucial stages of design progression and ongoing coordination with an unusually large set of stakeholders, such as the Washington State Department of Transportation, Sound Transit, Seattle City Light, Seattle Public Utilities, etc. The benefit of this alternative is that it is much more cost effective to provide project management services using in-house staff rather than a consultant if a qualified candidate can be found. However, as noted above, staff have not been able to achieve this.

2. Approve these Contracts. This will provide a qualified senior-level project manager starting immediately, allow both projects to continue on schedule, and allow the City's Engineering Manager to attend to the Capital Project engineering team and the other CIP projects currently underway. While this option is more costly, staff recommends that Council move forward with this option given the criticality of these projects and their current timeline constraints.

COUNCIL GOAL(S) ADDRESSED

This project addresses Council Goal #2: Continue to deliver highly valued public services through management of the City's infrastructure and stewardship of the natural environment.

RESOURCE/FINANCIAL IMPACT

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ATTACHMENTS

Attachment A: H.W. Lochner Scope of Work – Senior Level Project Manager

Scope of Services

Senior Level Project Management Services
for NE 145th Corridor and NE 145th/Interstate 5
Interchange Projects

City of Shoreline

Prepared for:

City of Shoreline, Washington



November 2021

Prepared by:

LOCHNER

915 118th Avenue SE, Suite 130
Bellevue, WA 98005

Attachment A – Scope of Services

SCOPE OF SERVICES**Senior Level Project Management Services****NE 145th Corridor and NE 145th/Interstate 5 Interchange***SCOPE OVERVIEW*

The City of Shoreline (CITY) Public Works Department needs assistance with management of the NE 145th Corridor and NE 145th/interstate 5 Interchange Projects. The CITY has design consultants and additional in-house support staff, however, the CITY needs staff augmentation to manage the overall project delivery of the 145th Corridor and 145th/Interstate 5 Interchange Projects.

ASSUMPTIONS:

1. The CITY will provide access to the Project files located on the CITY network.
2. The CITY will provide an email account for the CONSULTANT to use.
3. The CONSULTANT will be housed in CONSULTANT provided office space outside of CITY offices.

TASK 1: Project Management

The CONSULTANT will provide senior level project management to assist the CITY with project delivery of the 145th Corridor and 145th/Interstate 5 Interchange.

1. Provide project management and oversight for the NE 145th Street Interchange and NE 145th Street Corridor projects, including administering of federal and or state grant funds, property acquisition, stakeholder agreements, budget tracking and forecasting.
2. Provide estimates and financial forecasting for the NE 145th Street Interchange and NE 145th Street Corridor projects, including high level cash flow analysis. Monitor and track project expenditures, revenues, and requirements. Develop and work with the design consultants to meet project schedules.
3. Manage and administer state and federal grants for compliance with regulations or requirements of the applicable grant, oversee preparation of and/or prepare reimbursement requests, support development of grant applications, and assist with post-completion audits. The following grants or types of grants may be included: Surface Transportation Program (STP), Connecting Washington, Transportation Improvement Board, Regional Mobility Grant.
4. Manage and oversee consultant contracts, including project plans, specifications, schedules, and estimates: working with design consultants to achieve contract compliance, including review of invoices, and contract supplements.
5. Prepare for and support management of construction, including bid openings, contract awards, construction progress, inspections and project close-out for both NE 145th Street Interchange and NE 145th Street Corridor projects, including identification of issues, as well as recommendation and implementation of solutions throughout the projects.

Attachment A – Scope of Services

6. Coordinate with a variety of jurisdictions, agencies, utilities, and stakeholders on project issues, including serving as a representative for the CITY in negotiations and development of agreements, prior to approval by CITY management.
7. Manage, track and communicate projects risks that could jeopardize the Projects schedules and budgets.
8. Prepare, coordinate and deliver presentations and briefings via TEAMS or Zoom to a variety of stakeholders, including the public, other agencies or jurisdictions, and the Shoreline City Council.
9. Manage outreach and public involvement for the NE 145th Street Interchange and NE 145th Street Corridor projects including defining outreach objectives, development of scope, oversight of consultants, participation and serving as CITY point of contact with community members or groups and meet schedule and budgeting objectives.
10. Other services as the CITY deems necessary to assign.

Deliverables:

- As required the CONSULTANT Will prepare reports, presentations, project financial data, meeting agendas and notes, project documentation.