

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Authorize the City Manager to Execute a Construction Contract for the 2006 Sidewalk Priority Routes
DEPARTMENT:	Public Works
PRESENTED BY:	Paul Haines, Public Works Director Jesus Sanchez, Operations Manager Jon Jordan, Capital Projects Manager

BACKGROUND

The above referenced project was originally set to open construction bids on May 1 for Council review and action at the May 8th Council meeting; however, there were no bids received by the City. In the May 8 placeholder memorandum to Council, staff presented the feedback from the registered bidders and staff's recommendation to prepare the project for re-bid after making the following adjustments:

- The base bid of four projects was re-grouped into three base bids (originally staff had recommended regrouping into two base bids but this was changed to provide more flexibility for award).
- Delete the alternates and additives from the bid documents.
- Add clarification with respect to certain lump sum items.
- Adjust the schedule accordingly to account for the delay to re-bid: complete the sidewalk work on 3rd Ave NW and 10th Ave NE before the start of the new school year; provide additional time to complete the sidewalk work on 8th Ave NW and Dayton Ave N into September after the start of school as work on these routes will have minimal impact to neighboring schools. All work is projected to be complete by October 1.

The re-bid resulted in two bid proposals on May 26. The low bid exceeded the engineer's estimates by 24% to 72% on the three projects. The engineer's estimate was based on past bid information, current through the first quarter of 2006 plus our understanding of industry trends. Since that time, volatile price increases have occurred in the petroleum, steel, and concrete industry sectors of construction. These market increases have affected the price of asphalt, but just as importantly the price of fuel for the contractor. It is apparent that operations involving trucking have higher prices associated with them. Secondly, the bid was conducted during the busy construction season, and the increase in the lump sum bid items may also reflect that the contractor's apparently are willing to bid work at a higher profit margin and are less willing to accept normal risks.

PROBLEM/ISSUE STATEMENT:

Staff is requesting that Council authorize the City Manager to execute a construction contract with Kemper Construction in the amount of \$535,193.25 to perform the construction improvements identified in the 2006 Sidewalk Priority Routes Project 1 and Project 3.

Bid Results	Project 1: Schedule A (10th Ave NE)	Project 2: Schedule B (Dayton Ave N)	Project 3: Schedule C + D (3rd Ave NW & 8th Ave NW)
Kemper Construction	\$ 238,963.25	\$ 190,597.50	\$ 296,230.00
Road Construction NW	\$ 243,020.00	\$ 228,066.50	\$ 344,982.25
Engineers Estimate	\$ 139,224.23	\$ 153,506.38	\$ 216,414.97

The apparent low bidder on all of the projects is Kemper Construction. The available budget for construction is \$725,987. The possible combinations of award and estimated total construction cost based on the available budget are as follows:

Award Combination Options	Award Amount	Contingency & Construction Management*	Estimated Total Construction Cost
Project 1 (10th Ave NE) + Project 2 (Dayton Ave N)	\$ 429,560.75	\$ 108,147	\$537,707
Project 2 (Dayton Ave N) + Project 3 (3rd Ave NW & 8th Ave NW)	\$ 486,827.50	\$ 118,741	\$605,569
Project 1 (10th Ave NE) + Project 3 (3rd Ave NW & 8th Ave NW)	\$ 535,193.25	\$ 127,689	\$662,882
Project 1 (10th Ave NE) + Project 2 (Dayton Ave N) + Project 3 (3rd Ave NW & 8th Ave NW)	\$ 725,790.75	\$ 162,949	\$888,740

* includes 10% contingency, construction inspection and administration, construction engineering, staff time, and material testing

Options

1. Award one of the Project combinations that are within the budget.
2. Award all three Projects with the addition of \$162,753 to the existing budget.
3. Reject bids and re-bid early next winter for construction in summer of 2007 with the 2007 Projects.

Due to the importance of providing safe walking routes to school, staff recommends Project 1 (10th Ave NE) and Project 3 (3rd Ave NW and 8th Ave NW) be considered as higher priorities than Dayton Ave N at this time. With respect to a school walk route, 10th

and 3rd are heavily used primarily by elementary and middle school students and 8th is also a walking route and school bus pick-up/drop-off route. Adequate existing budget exists to award and construct this combination. Dayton Ave N could be carried forward for construction in 2007.

Staff has completed all applicable reference checks on Kemper Construction including State Agency fiscal compliance. References were satisfactory regarding quality of construction and their history of managing budget, materials, and personnel.

With these items reviewed and the intent to provide inspection by the City, we feel that the proper controls are in place and a reasonable level of predictability is present to award to Kemper Construction.

FINANCIAL IMPACT: The adjusted 2006 budget is \$900,000 from the Roads Capital Fund. The present amount available for construction is \$725,987.

SCHEDULE:

2006	2007
June	January
<ul style="list-style-type: none"> • Award recommendation to Council June 5 • Public outreach 	<ul style="list-style-type: none"> • Develop conceptual plans and bid documents • Public outreach for 2007 Projects
July / August	February
<ul style="list-style-type: none"> • Construction 	<ul style="list-style-type: none"> • Advertise for 2007 Projects
September	March
<ul style="list-style-type: none"> • Construction • Public outreach • Process to select 2007 Projects 	<ul style="list-style-type: none"> • Award Recommendation to Council
October	April / May
<ul style="list-style-type: none"> • Substantial completion of 2006 Projects • Public outreach for 2007 Projects • Survey for 2007 Projects 	<ul style="list-style-type: none"> • Begin construction
November / December	June / July / August
<ul style="list-style-type: none"> • Design for 2007 • Public outreach for 2007 Projects 	<ul style="list-style-type: none"> • Construction

RECOMMENDATION

Staff recommends the Council Authorize the City Manager to Execute a Construction Contract with Kemper Construction for Project 1 and Project 3 of the 2006 Sidewalk Priority Routes.

Approved By: City Manager  City Attorney _____