

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize an Increase in the Construction Contract Authority for Gary Merlino Construction Company, thereby allowing the City Manager to execute a change order and final payment for the Aurora Avenue Multimodal Corridor Project (N 145 th Street – N 165 th Street) and the Interurban Trail Pedestrian and Bicycle Crossing Project
DEPARTMENT:	Public Works
PRESENTED BY:	Mark Relph, Public Works Director Kirk McKinley, Aurora Corridor Project Manager

PROBLEM/ISSUE STATEMENT:

Staff is recommending Council authorize an increase in the Construction Contract Authority for Gary Merlino Construction Company, thereby allowing the City Manager to execute a final change order and final payment for the Aurora Avenue Multimodal Corridor Project (N 145th Street – N 165th Street) and the Interurban Trail Pedestrian and Bicycle Crossing Project. The project is complete and final payment is pending approval of this change order. This change order is for the final resolution of quantities for the project.

BACKGROUND:

On June 6, 2005, Council awarded a construction contract with Gary Merlino Construction Company (Contractor) in the amount of \$23,606,287.75 with a total contingency amount of \$1,386,533. On May 8, 2006, Council authorized a \$410,000 increase in contract spending authority to cover design and construction expenses for a new water line for Seattle Public Utilities (these expenses were later reimbursed by SPU). On October 23, 2006, Council authorized an additional increase in contract spending authority of \$1,025,973 plus \$50,000 (per the current purchasing policies) to cover additional unforeseen issues during construction. The contract spending authority is currently \$26,478,793.75.

The change order includes resolution of issues related to payment for drilled shafts for the retaining wall in the vicinity of N 152nd Street and Aurora Avenue N, project delays due to utilities not being relocated in time, relocation of the signal base at N 145th Street and added handholes for pulling wire for the bridge lighting. This change order will also increase quantities for materials that overran projections and credits for the deletion of the plant establishment.

The October 23, 2006 staff report indicated that the total requested increase in contract authority did not include resolution of claims.

FINANCIAL IMPACT:

Staff has negotiated several additional work items with the Contractor and has reached a mutual resolution. In addition, the negotiated amount exceeds the approved contract authority. Below is a summary of the project costs and revenues.

Project Costs:	Subtotal	Total
Engineering:		
Contracted Services	\$8,816,416	
Direct City Costs	<u>\$1,569,157</u>	
		\$10,385,573
Real Estate Acquisition:		\$2,290,811
Construction (Gary Merlino Construction Co):		
Original Construction Contract	\$23,606,288	
Change Orders 1 - 59	\$2,851,053	
This Change Order	<u>\$62,761</u>	
Total Contract		\$26,520,102
1% for the Arts		\$163,855
Total Costs:		\$39,360,341
Project Revenues:		
Aurora Ave N Corridor – N 145 th St. to N 165 th St. Project ¹		\$28,061,283
Interurban Trail Pedestrian and Bicycle Crossing Project ¹		\$6,112,629
Aurora Corridor Project (145-165) Utilities ²		\$5,451,612
Total Revenues		\$39,625,524
Project Balance (Revenue – Costs)		<u>\$265,183</u>

To close out the contract with the Contractor and finalize negotiations for this change order, staff is requesting an increase in total construction contract spending authority for the Aurora Project by an amount of \$62,761 for a total contract amount of \$26,520,102. There are sufficient funds available in the current project budget to cover this increase.

¹ Total revenues are based upon the proposed 2009-2014 CIP

² Total revenue is based upon the approved 2008-2013 CIP; this project is not included in the 2009-2014 CIP.

The Contractor has submitted a final payment request which totals \$26,520,102. This change order will be the final change order issued for this project and will close out the contract with the Contractor.

RECOMMENDATION

Staff is recommending that Council increase the Construction Contract Authorization for Gary Merlino Construction Company in the amount of \$62,761 for the Aurora Avenue Multimodal Corridor Project (N 145th Street – N 165th Street) and the Interurban Trail Pedestrian and Bicycle Crossing Project, thus enabling the City Manager to execute a change order necessary for final payment of the project.

Approved By: City Manager  City Attorney _____

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