



CITY OF LAKE FOREST PARK

CITY COUNCIL

AGENDA COVER SHEET

Meeting Date	September 11, 2025
Originating Department	Public Works
Contact Person	Katie Phillips, Project Manager
Title	Resolution 25-2028/ Authorizing the Mayor to sign a Public Works Contract Agreement with Johansen Construction Company for the SR 104 and 40th Place NE Roundabout Project

Legislative History

- First Presentation – September 11, 2025, Regular Meeting
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Attachments:

1. Resolution 25-2028
 2. Agreement with Johansen Construction Company
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Executive Summary

The Department of Public Works (DPW) recommends awarding a public works contract agreement to Johansen Construction Company (JCC) for the construction of the SR 104 and 40th Place NE Roundabout project (Project). The DPW respectfully requests waiving the “three touch rule” in order to capture the lowest responsive and responsible bidder’s price.

Background

Engineering design for the Project began in 2019 and was completed earlier this year. Right-of-way acquisition for the Project has been secured. Grants, loans, and local funding in support of the Project have been secured. The City now desires to move the Project from the design phase to the construction phase.

As such, the City publicly advertised a formal solicitation of bids for the Project on June 11, 2025. The City received and publicly opened six (6) bids from construction contractors for the Project on July 16, 2025. According to the contract timeline in the invitation to bid, the opened bids will expire on September 14, 2025.

If the City chooses to award a construction contract for the Project, the City must award it to the lowest responsive and responsible bidder. DPW and its engineering consultants evaluated the bids and determined that JCC submitted the lowest responsive, responsible bid at \$5,412,357.75. This bid will expire on Sunday, September 14, 2025. As such, the Council is required to make an award decision at present.

JCC's bid amount represents an approximate \$1.1 million increase in Project costs over the Project budget that was tabulated with our engineering consultant's construction cost estimate. The engineer's construction cost estimate for the Project was approximately \$4.3 million, and the City's budget for the Project was tabulated accordingly. This change in the Project budget is addressed further in the Fiscal & Policy Implications section of this cover sheet.

Fiscal & Policy Implications

Before receiving bids for the construction of the Project, the total estimated Project cost was \$7.5 million with a required local contribution of \$1.2 million to support the Project fully. With the award of the lowest responsive and responsible bid at \$5,412,357.75, the total Project cost increases to \$ 8.6 million. This increases the required local contribution to \$2.3 million.

The DPW has filed an administrative increase request with the Washington State Department of Commerce Public Works Board (PWB) to increase our PWB loan from \$2 million to \$2.5 million. If approved by Council and the PWB, this administrative increase would decrease the required local contribution for the Project to \$1.8 million. The DPW has worked with the City's Finance Department to determine what local funds will support \$1.8 million in construction costs for the Project. The \$1.8 million local fund breakout is as follows:

- \$810,000 from the Traffic Safety Fund (002)
- \$300,000 from the Transportation Benefit District Fund (104)
- \$690,000 from the Transportation Capitol Fund (302)

The Transportation Benefit District Fund (104) will also support the debt servicing for the Project's PWB loan. It should also be noted that the Traffic Safety Fund (002) will be entirely earmarked in support of this Project.

The total Project cost of \$8.6 million is supported by the local funding package listed above, the sum of local funds already expended, the PWB loan, and a grant package. This \$8.6 million total Project cost breakout is as follows:

- \$1.8M (local funding package listed above)
- \$1M (local funds already expended)
- \$2.5M (new PWB loan balance)
- \$3.3M (grant package balance)

The grant package balance is made up of the remaining balance of a Washington State Department of Transportation (WSDOT) Local Programs State Funding grant agreement, the remaining balance of a grant agreement with the State of Washington Transportation Improvement Board (TIB), a forthcoming grant agreement with the TIB, and the Lake Forest Park Water District (LFPWD) cost share for the Project. While the LFPWD Project cost share is not a grant, it is an outside contribution, and it is listed as part of the grant package for simplicity's sake. The \$3.3 million grant package balance breakout is as follows:

- \$556,772 (WSDOT grant balance)
- \$2,182,388 (TIB grant balance)
- \$384,180 (forthcoming TIB grant)

- \$172,491 (LFPWD Project cost share)

Alternatives

<i>Options</i>	<i>Results</i>
<ul style="list-style-type: none"> • Adopt Resolution 	Award a public works contract agreement to JCC for the Project.
<ul style="list-style-type: none"> • No Action 	Do not award a public works contract agreement for the Project.

Staff Recommendation

Move to adopt Resolution 25-2028, authorizing the Mayor to sign a public works contract agreement with JCC for the construction of the Project.