



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6379
November 21, 2023
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6379: 2022 Water System Improvements (Madrona Crest East) Project Closeout	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Accept the completed project and authorize staff to close out the contract.	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Public Works Director Clint Morris, Capital Division Manager George Fletcher, Senior CIP Project Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Project Location Map
CITY COUNCIL PRIORITY:	3. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.

AMOUNT OF EXPENDITURE	\$ 2,154,422
AMOUNT BUDGETED	\$ 2,798,000
APPROPRIATION REQUIRED	\$ 0

EXECUTIVE SUMMARY

The purpose of this agenda bill is to accept the completed 2022 Water System Improvements (Madrona Crest East) Project (WU0106) and authorize staff to close out the construction contract.

- This project replaced over 4,300 linear feet of watermain, along with water services, fire hydrants, and other components.
- Project design and construction was included in the 2021-2022 Capital Budget and was funded via the Water Fund.
- Design work occurred between November 2021 and March 2022. Construction occurred from August 2022 through May 2023.
- The total project cost was \$2,154,422 and came in \$643,578 under budget. Unspent funds remain in the Water Fund.

BACKGROUND

The Madrona Crest neighborhood is one of the oldest on the Island. It is bounded by SE 36th and SE 40th Streets and by 84th and 90th Avenues. This area was platted in 1946 and many of the original homes were built in the 1950s. The water system was old, undersized, and had experienced numerous pipe breaks over

the years. It also contained segments of asbestos cement (AC) pipe, which is a material known for developing leaks and breaks as it nears the latter part of its expected life.

The 2022 Water System Improvements project replaced the water system in the east half of the Madrona Crest plat with new 8-inch ductile iron pipe. See Exhibit 1 for the project location. In March 2022, the project was advertised, and three construction bid proposals were received. At the April 19, 2022 regular City Council meeting, a construction contract was awarded to Fury Site Works for \$1,864,262 and the total project budget was set at \$2,767,115 ([AB 6062](#)).

ISSUE/DISCUSSION

Construction activities began in August 2022 and the project was completed in May 2023. Over 4,300 linear feet of 4-inch and 6-inch cast iron water mains in the east half of the Madrona Crest plat were replaced with new 8-inch ductile iron pipe, and over 1,500 linear feet of redundant cast iron and AC water mains in SE 40th Street between 86th Avenue and Greenbrier Lane were decommissioned and abandoned.

In addition, 112 water services and ten fire hydrants were replaced, and three new air/vacuum valve assemblies were installed. Upon substantial completion, a final inspection was performed by City staff and a list of corrective items delivered to Fury Site Works. These minor repair items were completed by the end of May 2023.

The total project cost was \$2,154,422, which was \$643,578 (23%) less than the total amount budgeted. The project was built for slightly less than the bid amount and no contingency funds were needed during construction. Significant savings were seen in contract administration and project management costs.

Actual expenses for the project compared to the total contract award are shown in the following table. The unspent budget from this project will remain in the Water Utility Fund.

2022 WATER SYSTEM IMPROVEMENTS (MADRONA CREST E) PROJECT BUDGET AND ACTUAL EXPENDITURES		
Description	Approved Project Budget	Actual Expenditures
Construction Contract		
Schedule A - Bid Amount (w/out tax)	\$1,693,245	\$1,645,122
Schedule B - 10.1% sales tax of bid amount	\$171,018	\$166,157
Total Construction Contract	\$1,864,263	\$1,811,279
Construction Contingency - 20%	\$372,852	\$0
Project Design (2021-2022)	\$160,000	\$171,057
Inspection Services / Construction Support	\$60,000	\$3,590
Contract Administration / Project Mgmt	\$240,000	\$104,941
Construction Inspection	\$70,000	\$63,555
Total Awarded Project Cost	\$2,767,115	\$2,154,422
Adopted 2021-2022 Project Budget	\$2,798,000	
Budget Remaining		\$643,578

RECOMMENDED ACTION

Accept the completed 2022 Water System Improvements (Madrona Crest East) Project and authorize staff to close out the contract.