



## BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 5702**  
**June 16, 2020**  
**Consent Calendar**

### AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 5702: 2020 Arterial and Residential Street Overlays Bid Award	<input type="checkbox"/> Discussion Only
<b>RECOMMENDED ACTION:</b>	Award the project.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

<b>DEPARTMENT:</b>	Public Works
<b>STAFF:</b>	Clint Morris, Street Engineer
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Project Location Map 2. Construction Bid Summary
<b>CITY COUNCIL PRIORITY:</b>	n/a

<b>AMOUNT OF EXPENDITURE</b>	\$ 678,022
<b>AMOUNT BUDGETED</b>	\$ 781,000
<b>APPROPRIATION REQUIRED</b>	\$ 0

### SUMMARY

#### BACKGROUND

The 2020 Arterial and Residential Street Overlays is the combination of arterial and residential street paving locations into one contract for hot mix asphalt (HMA) paving in summer of 2020. The project includes asphalt paving of a two-block section of SE 40<sup>th</sup> Street, residential street repaving in two different neighborhoods, and a lane repair on North Mercer Way (see Exhibit 1). Public Works staff typically combine the asphalt paving locations for a given year into one contract to create a larger project that is more attractive to bidders and reduces the City's costs to administer and manage the work.

Project design began in January of this year, with an original scope that also included repaving the SE 68<sup>th</sup> Street/SE 70<sup>th</sup> Place arterial from Island Crest Way to East Mercer Way and residential streets abutting SE 70<sup>th</sup> Place. The work slowdown brought about by the COVID-19 Pandemic, combined with the unknown date by which "normal" work would resume in Washington State, led staff to a decision in late March to reduce and simplify the scope of this project. Paving work along SE 68<sup>th</sup> Street/SE 70<sup>th</sup> Place and the abutting residential streets was postponed into the 2021-2022 biennium, as presented in the draft Transportation Improvement Program ([AB5691](#)). The result was a smaller and simpler paving project for 2020 that staff felt could be completed within a potentially limited construction season.

Final plans, specifications, and cost estimates were completed in late April and the project was advertised for bids in May. Seven contractor bids were received and opened on May 27, 2020. As currently designed, this project will resurface 0.5 miles of the City's 83.5 miles of publicly maintained roadways.

## **PROJECT DESCRIPTION**

The project has been divided into four schedules, as described below. Locations are shown on Exhibit 1.

Schedule A is the repair and resurfacing of SE 40<sup>th</sup> Street between 76<sup>th</sup> and 78<sup>th</sup> Avenues. This stretch of arterial roadway was last paved in 1979 and had previously been scheduled for repaving in 2015; however, the project was postponed until several home reconstruction projects (that began in 2015) on the street could be completed. Pavement Condition Index (PCI) ratings for this portion of SE 40<sup>th</sup> Street have fallen from "Poor" in 2013 to "Very Poor" in 2016 and 2019.

This piece of SE 40<sup>th</sup> Street has the lowest pavement condition index (PCI) rating (PCI = 33) in the City's 26-mile arterial street network. The PCI rating of a pavement ranges from 100 to 0, with a new pavement having a maximum theoretical score of 100. The rating is then reduced based on calculated deductions for various visual distress characteristics. The numbered ranges have descriptive names: Good, Satisfactory, Fair, Poor, Very Poor, and Failed.

The scope of work for SE 40<sup>th</sup> Street includes removal of most of the existing pavement due to fatigue cracking and insufficient aggregate base, reconstruction of the base, repaving with a 6" total thickness of new HMA, removal and replacement of settled and damaged curbs and concrete sidewalk sections, ADA curb ramp installation, and adjustment of utility castings to the grade of the new pavement. The engineer's estimated construction cost for this work was \$239,355.

Schedule B is the resurfacing of SE 41<sup>st</sup> Street between 97<sup>th</sup> Ave and SE 40<sup>th</sup> Street, and SE 40<sup>th</sup> Street from SE 41<sup>st</sup> to East Mercer Way. These two residential roadways were last repaved in 1990 and were impacted by new watermain construction completed in 2016. PCI scores from 2019 are in the "Fair" range. Existing pavements on these streets have significant areas of alligator cracking, utility patching, and settlement. The scope of work for both streets involves patching, full width milling to remove 2" of pavement, placement of a 2" HMA overlay, and adjustment of utility castings to grade. The engineer's estimated construction cost was \$172,180.

Schedule C is the repaving of a portion of SE 78<sup>th</sup> Street from 84<sup>th</sup> to 85<sup>th</sup> Avenues. This short section of roadway has significant deterioration and is a main bus route for Lakeridge Elementary school, as well as an entrance to the Mercer Island Estates neighborhood. This road was originally built in the late 1960's, was chip sealed in 1985, received a sidewalk improvement in 2009, and has been patched several times over the last ten years. Its 2019 PCI is in the "Poor" range. The scope of work for this road involves pavement removal, repaving with a 6" total thickness of new HMA, upgrade of ADA curb ramps to meet current standards, utility adjustments, and pavement markings. The engineer's estimated construction cost was \$169,830.

Schedule D is patching work as part of the City's Arterial Preservation program. This program was established over 10 years ago to preserve pavement conditions on arterial streets (that do not yet need full repaving) through crack sealing and patching of localized pavement failure areas. Arterial Preservation for 2020 involves a 300-foot long lane repair on North Mercer Way in the 7500 block with a "grind and overlay" process, where the pavement is removed to a uniform depth with a milling machine and then repaved with HMA to match the surrounding pavement. This work was estimated to cost \$17,125.

At completion of design work, the total estimated construction cost for all four work schedules was \$598,490.

## BID RESULTS AND AWARD RECOMMENDATION

Seven construction bids were received for the project. The lowest bid was received from Lakeside Industries in Issaquah, in the amount of \$488,308, for Schedules A, B, C, and D. This bid price was \$110,000 (22%) lower than the engineer's estimate. The second and third bidder amounts were \$503,282 and \$509,217. The lower than expected contractor bids may be attributed to the global drop in crude oil prices (which in turn reduces asphalt prices) coupled with a reduced amount of road construction projects currently bidding in King County, all brought about by the COVID-19 pandemic.

Lakeside Industries has successfully completed numerous paving projects for the nearby cities of Bellevue, Kirkland, Issaquah, and Sammamish in recent years. In addition, Lakeside Industries has constructed several street projects for the City of Mercer Island, namely the 2019 Arterial and Residential Street Overlays (which included East Mercer Way repaving), the 2015 SE 40<sup>th</sup> Street Improvements project, and the 2013 Arterial and Residential Street Overlays. A review of the Labor and Industries website confirms that Lakeside Industries is a contractor in good standing with no license violations, outstanding lawsuits, or L&I tax debt. Staff recommends awarding all four schedules of the 2020 Arterial and Residential Street Overlays project to Lakeside Industries. The bid results for the project are shown in Exhibit 2.

Adding amounts to each schedule for 10% construction contingency, project design, inspection services, contract administration, and 1% for the Arts brings the project's total estimated cost to \$678,022. There is sufficient funding available for this project within the 2019-2020 Budget. The following table summarizes project costs and available budget amounts.

2020 ARTERIAL AND RESIDENTIAL STREET OVERLAYS PROJECT BUDGET			
Description	Arterial Overlay	Residential Overlays	TOTAL  Award to Lakeside Industries
<b>Construction Contract</b>			
Schedule A - SE 40th Street	\$ 194,044		\$ 194,044
Schedule B - SE 40th / SE 41st Streets		\$ 128,851	\$ 128,851
Schedule C - SE 78th Street		\$ 147,242	\$ 147,242
Schedule D - NMW Patching	\$ 18,171		\$ 18,171
Total Construction Contract	\$ 212,215	\$ 276,093	\$ 488,308
Construction Contingency @ 10%	\$ 21,222	\$ 27,609	\$ 48,831
Project Design	\$ 35,000	\$ 33,000	\$ 68,000
Inspection Services	\$ 16,000	\$ 16,000	\$ 32,000
Contract Administration / Project Management	\$ 18,000	\$ 18,000	\$ 36,000
1% for the Arts	\$ 2,122	\$ 2,761	\$ 4,883
<b>Total Project Cost</b>	<b>\$ 304,559</b>	<b>\$ 373,463</b>	<b>\$ 678,022</b>
2019-2020 Budget - SE 40th Street	\$ 328,000		\$ 328,000
2019-2020 Budget - Residential Streets		\$ 386,000	\$ 386,000
2019-2020 Budget - Arterial Preservation (Schedule D)	\$ 67,000		\$ 67,000
<b>Total Budget Available for Project</b>	<b>\$ 395,000</b>	<b>\$ 386,000</b>	<b>\$ 781,000</b>
<b>Budget Remaining</b>	<b>\$ 90,441</b>	<b>\$ 12,537</b>	<b>\$ 102,978</b>

Construction activities on the project are tentatively scheduled to begin in July. Work on the SE 40<sup>th</sup> Street arterial overlay and on SE 78<sup>th</sup> Street is planned to be completed by Labor Day, to not affect school bus routes and walking zones in those areas. The entire project is required to be completed by early October.

## **RECOMMENDATION**

Award Schedules A, B, C, and D of the 2020 Arterial and Residential Street Overlays project to Lakeside Industries in the amount of \$488,308.00. Set the total project budget to \$678,022 and direct the City Manager to execute the construction contract.