



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

**AB 6175  
November 1, 2022  
Consent Agenda**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6175: Sunset Hwy and 77th Ave SE Improvements Bid Award	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Award the Sunset Hwy and 77th Ave SE Improvements construction contract to Active Construction Inc.	

<b>DEPARTMENT:</b>	Public Works
<b>STAFF:</b>	Jason Kintner, Chief of Operations Clint Morris, Capital Division Manager Lia Klein, Transportation Engineer
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Project Location Map 2. Intersection Design Concept
<b>CITY COUNCIL PRIORITY:</b>	n/a

<b>AMOUNT OF EXPENDITURE</b>	\$ 1,594,568
<b>AMOUNT BUDGETED</b>	\$ 600,000
<b>APPROPRIATION REQUIRED</b>	\$ 994,568

**EXECUTIVE SUMMARY**

The purpose of this agenda bill is to award a public works contract for the construction of the Sunset Hwy and 77<sup>th</sup> Ave SE Intersection Improvements.

- This project will construct a raised intersection with flashing crosswalk beacons (“RRFBs”) at the north and south crosswalks, pedestrian medians, and ADA curb ramps.
- Nine bids were received, and the low construction bid is \$1,181,181.00.
- This work is included in the 2021-2022 Capital Budget and is funded from the East Link Mitigation funds.
- Estimated project expenditures are higher than the \$600,000 allocated budget, so an appropriation of \$994,568 is requested from the East Link Mitigation funds.
- Construction will occur from January to June of 2023.

**BACKGROUND**

The Sunset Hwy and 77<sup>th</sup> Ave SE Intersection Improvements project was included in the Transportation Improvement Program (“TIP”) since 2020 as one of several East Link Traffic Safety/Mitigation projects. The project is located at the intersection of Sunset Hwy and 77<sup>th</sup> Ave SE, immediately adjacent to the future East

Link light rail station (Exhibit 1). The I-90 trail crosses 77<sup>th</sup> Ave SE on the north leg of the intersection. The project was identified to enhance pedestrian safety at the major crossings connecting walking and bicycle routes between the East Link station, I-90 Trail, and the Mercer Island Town Center.

Project design began in October 2021. Final plans, specifications, cost estimates, and WSDOT approvals were completed in May 2022 and the project was first advertised for bids in June 2022. Only two contractor bids were received, with a low bid of \$1,213,270. City engineering staff made the decision to reject all bids with the goal of re-advertising later in 2022 to attract more bidders, provide a wider construction window, avoid current material delays facing the regional construction industry (concrete strike, supply chain issues, etc.), and allow time for substantial completion of the adjacent Sound Transit roundabout construction on North Mercer Way before beginning construction of the project.

The design was modified in August 2022 to include a longer lasting concrete pavement intersection and a short water main extension to avoid future excavation in the intersection. The project was advertised for a second time in late September 2022. Nine bids were received, and the construction contract is ready to award.

## **ISSUE/DISCUSSION**

### **PROJECT DESCRIPTION**

The project scope includes construction of a raised concrete intersection with ADA ramps, sidewalks, curb and gutter, new pedestrian refuge medians, and new rapid rectangular flashing beacons (RRFBs) at the north and south crosswalks. The raised intersection will provide traffic calming and RRFBs will improve pedestrian crossings in anticipation of increases in traffic and pedestrian activity in the area once the light rail station opens.

Other work includes signing, striping, illumination upgrades, stormwater modifications, and a watermain extension. At the completion of design, the total construction cost was estimated to be \$1,246,439.70. As the project limits fall almost entirely in WSDOT right-of-way, the design and traffic control plan were reviewed and approved by WSDOT NW Region staff. The intersection design concept is shown in Exhibit 2.

### **BID RESULTS**

Nine construction bids were received on October 13, 2022. The lowest bid was from Active Construction, Inc. for \$1,181,181.00, which is approximately \$65,000 below the engineer's estimate. The following table shows the bid results.

<b>SUNSET HWY and 77<sup>TH</sup> AVE SE INTERSECTION IMPROVEMENTS BID SUMMARY</b>	
Engineers Estimate	\$1,246,439.70
<b>COMPANY NAME</b>	<b>BID AMOUNT</b>
<b>Active Construction, Inc.</b>	<b>\$1,181,181.00</b>
RW Scott Construction	\$1,209,041.40
Kamins Construction, Inc.	\$1,371,793.85
Fury Site Works, Inc.	\$1,374,655.38
Gary Merlino Construction Co., Inc.	\$1,451,474.00
NPM Construction Co.	\$1,532,546.50
Laser Underground and Earthworks, Inc.	\$1,569,350.00
Road Construction Northwest, Inc.	\$1,796,400.00
Ceccanti, Inc.	\$1,800,090.00

The apparent low bidder, Active Construction, Inc. from Tacoma, has successfully completed numerous pedestrian and roadway improvement projects for the cities of Issaquah, Bellevue, Bremerton, Federal Way, Gig Harbor, and Kent in recent years.

A review of the Labor and Industries (L&I) website confirms Active Construction, Inc is a contractor in good standing with no license violations, outstanding lawsuits, or L&I tax debt. Based on review of Active Construction, Inc's bid submittal and reference checks, staff has determined that Active Construction is the lowest responsive bidder for this project and staff recommends awarding the Sunset Hwy and 77<sup>th</sup> Ave SE Intersection Improvements construction contract to Active Construction, Inc.

#### **PROJECT BUDGET**

Adding amounts for construction contingency, design, construction inspection, and project management brings the total estimated project cost to \$1,594,568. Historically, a 10% contingency has been used for City road construction projects. Project costs are summarized in the following table.

<b>22-32 SUNSET HWY and 77<sup>TH</sup> AVE SE INTERSECTION IMPROVEMENTS PROJECT BUDGET</b>	
Construction Contract	\$1,181,181
Construction Contingency @ 10%	\$118,118
Construction Services (Management/Inspection)	\$248,457
Contract Administration / Project Management	\$30,000
WSDOT Coordination	\$5,000
1% for the Arts	\$11,812
<b>Total Project Cost</b>	<b>\$1,594,568.00</b>
East Link Mitigation Funding	\$600,000.00
<b>Total Budget Allocated for Project</b>	<b>\$600,000.00</b>
<b>Budget Remaining</b>	<b>-\$994,568.00</b>
<b>Budget Appropriation Needed</b>	<b>\$994,568.00</b>

The budget for this project was allocated in the 2020-2025 TIP process and totaled \$600,000. This was budgeted from the East Link Traffic Safety Enhancement Mitigation funds. Since creation of the original cost estimation for this project in 2020, the project was enhanced as the design progressed with a focus on safety, traffic calming, longevity of pavement, and reduction of the need to dig up the intersection in the future for utility improvements.

Additionally, the construction industry has experienced significant changes. Contractors around the Puget Sound region are seeing escalation in material costs in the magnitude of 15% since August 2021, and sometimes even greater, depending on the specific material. Inflation, oil prices, labor shortages, and volatility in material pricing has created a dramatically different construction environment than when the project was initially created.

Construction services will be provided by the design consultant, providing them with extensive background knowledge and familiarity with the design. These services include on-site inspection, documentation, and coordination throughout the duration of the project. Design of the project was completed by KPG Psomas Inc.

## **NEXT STEPS**

Staff recommends authorizing the City Manager to execute a contract with Active Construction., Inc. a Washington-based company, for the construction of the Sunset Hwy and 77<sup>th</sup> Ave SE Intersection Improvements project, appropriating \$994,568 from the East Link Mitigation fund balance, and setting the total project budget at \$1,594,568.

Construction activities on the Sunset Hwy and 77<sup>th</sup> Ave SE Intersection Improvements project are tentatively scheduled to begin in January 2023. Road work at the intersection will occur primarily between January and June. The construction contract is required to be substantially completed by July 2023, prior to Summer Celebration.

## **RECOMMENDED ACTION**

Staff recommends the City Council:

1. Award Bid #22-32 to Active Construction, Inc., for the construction of the Sunset Hwy and 77<sup>th</sup> Ave SE Intersection Improvement project.
2. Authorize the City Manager to execute a contract with Active Construction, Inc. in an amount not to exceed \$1,181,181
3. Appropriate \$994,568.00 from the East Link Mitigation funds for the Sunset Hwy and 77<sup>th</sup> Ave SE Intersection Improvements project.