



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

**AB 6394
January 16, 2024
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6394: West Mercer Way Roadside Shoulders, Phase 4 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
RECOMMENDED ACTION:	Award the West Mercer Way Roadside Shoulders, Phase 4 construction contract to New X, Inc.	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations Clint Morris, Capital Division Manager Ian Powell, Street Engineer
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Current Pedestrian and Bicycle Facilities (PBF) on the Mercer Ways 2. Project Location Map 3. Construction Bid Summary
CITY COUNCIL PRIORITY:	3. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.

AMOUNT OF EXPENDITURE	\$ 677,751.00
AMOUNT BUDGETED	\$ 693,820.00
APPROPRIATION REQUIRED	\$ 0

EXECUTIVE SUMMARY

The purpose of this agenda bill is to award a public works construction contract to New X, Inc. – a Washington-based company – to construct the West Mercer Way Roadside Shoulders Phase 4 project.

- This project will build approximately 2,700 feet of new shoulder along West Mercer Way and East Mercer Way from 8100 West Mercer Way to 8400 East Mercer Way.
- Fifteen bids were received, and the lowest construction bid is \$437,416.87.
- This project (SP0114) is included in the 2023-2024 Biennial Budget and Capital Improvement Program (CIP) with a total budget of \$693,820, funded via the Street, Sewer, Water, and Storm Water Funds.
- Construction will occur in the spring of 2024.

BACKGROUND

The Roadside Shoulder Development Program was established in 2002 to create paved shoulders suitable for pedestrian and bicycle uses on the Mercer Ways. Since then, the City of Mercer Island has constructed numerous shoulder improvement projects along North, East, and West Mercer Ways. Recently completed projects include West Mercer Way Phase 2 (SE 70th St. to 7400 block) in spring of 2020 and West Mercer Way

Phase 3 (SE 65th St to SE 70th St) in spring of 2022. Currently, paved shoulders exist along 88% of East Mercer Way's 4.8-mile length and 83% of West Mercer Way's 6.0-mile length (see Exhibit 1). Since 2003, the City has constructed at least one new shoulder project per biennium, for a total investment of over \$4 million.

The West Mercer Way Phase 4 project was approved as part of the 2023-2024 Biennial Budget and CIP. Design work began in summer 2023. Final plans, specifications, and cost estimates were completed in early December when the project was advertised for public bids.

ISSUE/DISCUSSION

PROJECT DESCRIPTION

The West Mercer Way Roadside Shoulder Phase 4 project will construct a new asphalt paved shoulder from the 8100 block of West Mercer Way (near Seashore Drive) to the 8400 block of East Mercer Way (near Avalon Drive). Work includes construction of over 2,700 feet of new continuous 5-foot-wide asphalt paved shoulder, installation of over 650 feet of new storm drainage pipe, and relocation of several water meters and fire hydrants to be outside of the new shoulder.

A significant portion of the paved shoulder will be built over existing gravel shoulder areas and existing drainage pipes. The project will connect to the 2017 West Mercer Way Phase 1 improvements near Seashore Drive and to an existing paved shoulder near Avalon Drive (see Exhibit 2).

The project is divided into three schedules of work: Schedule A will construct the paved shoulder, Schedule B will construct the storm drainage improvements, and Schedule C will construct the water system improvements. At completion of design work, the estimated construction costs for the combined shoulder, drainage, and water improvements totaled \$537,735.50.

BID RESULTS AND AWARD RECOMMENDATION

Fifteen construction bids for the project were received and opened on December 19 at 2:00 PM (see Exhibit 3). Two bids were below the engineer's construction cost estimate. Staff believes low bid prices and numerous bidders reflect the slower winter construction period when more contractors are seeking work and fewer projects are available. The lowest bid was received from New X, Inc for \$437,416.87, which is \$100,318.63 (19%) below the engineer's construction cost estimate.

New X, Inc. has built comparable roadway and utility projects for other agencies in recent years, including City of Carnation, City of Covington, and the City of Black Diamond. Staff's review of the Labor and Industries (L&I) website confirms New X, Inc. is a contractor in good standing, with no license violations, outstanding lawsuits, or L&I tax debt. Based on review of New X's bid submittal and reference checks, staff has determined that New X is the lowest responsive bidder for this project and staff recommends awarding all schedules of the West Mercer Way Roadside Shoulders Phase 4 contract to New X, Inc.

Adding amounts for construction contingency, design, inspection services, project management, and 1% for the Arts, brings the total estimated cost of the West Mercer Way Phase 4 project to \$677,751. Historically, staff applies a 10% contingency to street/surface construction and a 20% contingency to underground utility construction work. The project's original budget included \$5,000 from the Sewer Fund for possible minor sewer-related improvements. Since no sewer-related improvements are needed for this project, the allocated funding will not be utilized and will remain in the Sewer Fund.

The following table summarizes the overall project costs and available budget amounts for the West Mercer Way Roadside Shoulder Phase 4 project.

WEST MERCER WAY ROADSIDE SHOULDERS, PHASE 4				
PROJECT BUDGET				
Description	Schedule A New Shoulders	Schedule B Storm Drainage	Schedule C Water	TOTAL
Construction Contract				Award to New X, Inc
Schedule A - New Shoulder	\$269,265			\$269,265
Schedule B - Storm Drainage		\$103,336		\$103,336
Schedule C - Water (w/ 10.1% WSST)			\$64,816	\$64,816
Total Construction Contract	\$269,265	\$103,336	\$64,816	\$437,417
Construction Contingency @ 10% for shoulders	\$26,927			\$26,927
Construction Contingency @ 20% for storm drainage		\$20,667		\$20,667
Construction Contingency @ 20% for water			\$12,963	\$12,963
Project Design - consultant	\$66,423			\$66,423
Storm Drain Cleaning and Inspection		\$9,661		\$9,661
Construction Inspection	\$30,000	\$15,000	\$3,000	\$48,000
Contract Admin/Project Management	\$35,000	\$15,000	\$3,000	\$53,000
1% for the Arts	\$2,693			\$2,693
Total Project Cost	\$430,308	\$163,664	\$83,779	\$677,751
2023-2024 Budget - Street Fund	\$438,820			\$438,820
2023-2024 Budget - Water Fund			\$85,000	\$85,000
2023-2024 Budget - Sewer Fund (will not be used on this project)				\$5,000
2023-2024 Budget - Storm Water Fund		\$165,000		\$165,000
Total Budget Available for Project				\$693,820

NEXT STEPS

Staff recommends awarding the bid to New X, Inc, authorizing the City Manager to execute a contract with New X for the construction of the West Mercer Way Roadside Shoulders Phase 4 project, and setting the total project budget at \$677,751.

Construction activities on the West Mercer Way Roadside Shoulders Phase 4 contract are tentatively scheduled to begin in late February and should be finished by Q2 2024. The completion of the Phase 4 improvements will bring the total distance of paved shoulders along West Mercer Way to 5.5 miles. The final phase of East Mercer Way shoulder improvements is planned for 2026.

RECOMMENDED ACTION

Award the West Mercer Way Roadside Shoulders, Phase 4 contract to New X, Inc. – a Washington-based company – and authorize the City Manager to execute a contract with New X in an amount not to exceed \$437,416.87 for the construction of the West Mercer Way Roadside Shoulders, Phase 4 project and set the total project budget at \$677,751.