



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6071
May 3, 2022
Consent Agenda

AGENDA BILL INFORMATION

TITLE:	AB 6071: 2022 Arterial and Residential Street Overlays Project 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 2022 Arterial and Residential Street Overlays construction contract to Watson Asphalt Paving Co., 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. Project Location Map
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ 1,707,990
AMOUNT BUDGETED	\$ 1,612,257
APPROPRIATION REQUIRED	\$ 95,733

EXECUTIVE SUMMARY

The purpose of this agenda bill is to award a public works construction contract for the repaving of aging arterial and residential streets.

- This project combines asphalt overlays on 0.6 mile of arterial and 1.0 mile of residential streets with arterial preservation work to create one large asphalt paving contract.
- Three bids were received, and the low construction bid is \$1,449,990.80.
- This work is included in the 2021-2022 Capital Budget and is funded from the Street Fund.
- Estimated project expenditures are higher than the \$1,612,257 available budget, so an appropriation of \$93,733 is requested from the Street Fund balance.
- Construction will occur in summer of 2022.

BACKGROUND

The 2022 Arterial and Residential Street Overlays is the combination of three separate Transportation Improvement Program (TIP) projects together into one large asphalt-related public works contract for construction in summer of 2022. The separate projects are Arterial Overlay of SE 68th Street and SE 70th Place (SP0103), Residential Street Resurfacing (SP0100), and Arterial Street Preservation (SP0101).

The Arterial Street Preservation Program extends the life of arterial streets proactively, by repairing isolated pavement failure areas through crack sealing, square cut patching, and grinding and repaving of full-lane width segments. Work also includes replacing failing patches around utility castings within the roadway. Roadways are selected for resurfacing based primarily upon pavement condition. The City collects pavement condition data every three years, which is used to create a Pavement Condition Index (PCI) score for each of the over 700 segments of pavement within the City's 83.5-mile public road network. This rating process results in a numerical score between 100 and 0, and these scores are bracketed into six condition ranges: Good (PCI 100-86), Satisfactory (85-71), Fair (70-56), Poor (55-41), Very Poor (40-26), and Failed (25-0). The City plans arterial street resurfacing on a 25-to-30-year cycle, and residential streets on a 35-to 40-year cycle.

Design on this project began in January of 2022. Final plans, specifications, and cost estimates were completed in late March and the project was then advertised for bids. Three contractor bids were received, and the construction contract is ready to award.

ISSUE/DISCUSSION

PROJECT DESCRIPTION

This project has been divided in to four schedules of work, as described below. Refer to Exhibit 1 for locations.

Schedule A repairs and resurfaces of SE 68th Street and SE 70th Place from Island Crest Way to East Mercer Way. This stretch of arterial was last repaved with a Hot Mix Asphalt (HMA) overlay in 2001. It was crack sealed in 2016. The 2019 PCI ratings for these streets ranged from "Satisfactory" to "Fair". The pavement exhibits significant areas of raveling (loss of aggregate), fatigue cracking, and age cracking. The scope of work for this area includes planing of the existing pavement, pavement repairs, preleveling of selected sections of lanes, and overlaying with 2" of HMA. An existing median curb island where SE 68th turns into SE 70th will be removed. After repaving, new pavement markings will be applied, crushed rock placed along the shoulders, and utility castings adjusted to the grade of the new pavement. The engineer's estimated construction cost for Schedule A was \$422,515. This project was originally planned for construction in 2020, but it was postponed in April 2020, due to the work slowdowns brought on by the COVID-19 Pandemic at that time.

Schedule B resurfaces residential streets in the immediate vicinity of Schedule A, namely SE 68th Street and 93rd Avenue SE. These roadways date to the 1960's, and they both received chip seals in the late 1980's. Patching has been performed on 93rd Avenue several times over the last 10 years. The 2019 PCI ratings for these streets range from "Fair" to "Very Poor". The scope of work for 93rd Avenue includes removing large amounts of the existing pavement, minor roadway widening, regrading the gravel base, repaving with HMA, and installing crushed rock along the shoulders. For SE 68th Street, the work includes pavement repairs followed by an HMA overlay. After repaving, new pavement markings will be applied and utility castings adjusted to the grade of the new pavement. The engineer's estimated construction cost for Schedule B was \$275,290.

Schedule C reconstructs the residential streets within the plat of Parkwest, which includes portions of 82nd Avenue, 83rd Place, SE 65th Street, SE 66th Street and SE 67th Street. This neighborhood was built in the 1960's, and the only major road work these streets have seen since then is a chip seal in the 1980's. The PCI ratings for the streets in this plat range from "Fair" to "Very Poor". The existing pavements are thin, have extensive alligator cracking, areas of settlement, and areas of poor drainage. The scope of work for Parkwest includes removal of most of the existing asphalt to full width and depth, regrading of the existing gravel base with

additional crushed rock and repaving the streets with 4" of HMA. After paving, utility castings will be adjusted to the grade of the new pavement. The engineer's estimated construction cost for Schedule C was \$743,891.

Schedule D involves arterial preservation work, primarily along West Mercer Way, but also includes repairs at Merrimount Drive, East Mercer Way, and SE 72nd Street. Construction work involves several full-lane width "mill-and-fill" patches, along with replacing manhole utility castings, and adjusting other existing manholes and water valve boxes. The engineer's estimated construction cost for this work was \$91,730.

At the completion of design, the total construction cost for all four schedules of work was estimated to be \$1,533,426.

BID RESULTS

Three construction bids were received on April 18, 2022. The lowest bid was from Watson Asphalt Paving Co., Inc. for \$1,449,990.80, which is approximately 5% below the engineer's construction cost estimate. The following table shows the bid results.

2022 ARTERIAL AND RESIDENTIAL STREET OVERLAYS CONSTRUCTION BID RESULTS				
	Engineer's Estimate	Watson Asphalt Paving Co.	Lakeside Industries	Lakeridge Paving Co.
Schedule A - SE 68 / SE 70 Arterial Overlay	\$422,515.00	\$387,170.00	\$468,435.00	\$453,005.50
Schedule B - South Island Residential Overlays	\$275,290.00	\$266,059.00	\$294,996.00	\$309,463.00
Schedule C - Parkwest Residential Overlays	\$743,891.00	\$669,655.80	\$697,979.50	\$735,920.20
Schedule D - Pavement Repairs	\$91,730.00	\$127,106.00	\$87,253.00	\$148,641.00
Total Bid Amount	\$1,533,426.00	\$1,449,990.80	\$1,548,663.50	\$1,647,029.70

The apparent low bidder, Watson Asphalt Paving Co, Inc from Redmond, has successfully completed numerous paving projects for the nearby cities of Bellevue, Clyde Hill, Kirkland, Redmond, and Sammamish in recent years. Watson Asphalt also successfully completed the 2018 and 2021 Arterial and Residential Street Overlay projects for the City of Mercer Island.

A review of the Labor and Industries (L&I) website confirms Watson Asphalt is a contractor in good standing with no license violations, outstanding lawsuits, or L&I tax debt. Based on review of Watson Asphalt's bid submittal and reference checks, staff has determined that Watson Asphalt is the lowest responsive bidder for this project and staff recommends awarding the 2022 Arterial and Residential Street Overlays project to Watson Asphalt Paving Co, Inc.

PROJECT BUDGET

Adding amounts for construction contingency, design, construction inspection, and project management brings the total estimated project cost to \$1,707,990. Historically, staff has applied a 10% contingency to City road construction projects; but staff has also seen that paving projects typically do not use the 10% amount, so in recent years the contingency has been reduced to 7%. Project costs are summarized in the following table.

The available budget for this project totals \$1,612,257, and it is the combination of the SE 68th/SE 70th Place Arterial Overlay, Residential Street Resurfacing, and Arterial Preservation Program budgets. To construct this

project as currently designed and bid, an additional \$95,733 in funding is needed. Staff recommends that this additional cost be covered by an appropriation from within the Street Fund balance. As of December 2021, the Street Fund capital balance was \$6.2 M.

2022 ARTERIAL AND RESIDENTIAL STREET OVERLAYS PROJECT BUDGET			
Description	Arterial Overlay	Residential Overlays	TOTAL
Construction Contract			Award to Watson Asphalt
Schedule A - SE 68 / SE 70 Arterial Overlay	\$387,170		\$387,170
Schedule B - South Island Residential Overlays		\$266,059	\$266,059
Schedule C - Parkwest Residential Overlays		\$669,656	\$669,656
Schedule D - Pavement Repairs	\$127,106		\$127,106
Total Construction Contract	\$514,276	\$935,715	\$1,449,991
Construction Contingency @ 7%	\$35,999	\$65,500	\$101,499
Project Design - Consultant	\$30,000	\$20,000	\$50,000
Inspection Services - In-House	\$24,000	\$20,000	\$44,000
Contract Administration / Project Management	\$26,000	\$22,000	\$48,000
1% for the Arts	\$5,143	\$9,357	\$14,500
Total Project Cost	\$635,418	\$1,072,572	\$1,707,990
2021-2022 Budget - SE 68 / SE 70 Overlay	\$525,000		\$525,000
2021-2022 Budget - Residential Street Resurfacing		\$1,340,000	\$1,340,000
2021-2022 Budget - Spent on 2021 Residential Streets		-\$382,743	-\$382,743
2021-2022 Budget - Arterial Preservation	\$130,000		\$130,000
Total Budget Available for Project	\$655,000	\$957,257	\$1,612,257
Budget Remaining	\$19,582	-\$115,315	-\$95,733
Budget Appropriation Needed - Streets			\$95,733

NEXT STEPS

Staff recommends authorizing the City Manager to execute a contract with Watson Asphalt Paving Co., Inc. for the construction of the 2022 Arterial and Residential Street Overlays project, appropriating \$95,733 from the Street fund balance, and setting the total project budget at \$1,707,990.

Minor water system improvements and storm drainage repairs on Schedules A, B, and C are being completed under a separate public works contract, awarded by Council in March ([AB 6025](#)). That work is scheduled to be completed prior to the paving work.

Construction activities on the 2022 Arterial and Residential Street Overlays contract are tentatively scheduled to begin in early June. Road work on SE 68th Street and SE 70th Place will occur primarily during July and August. The entire construction contract is required to be completed by the beginning of October.

RECOMMENDED ACTION

Award all four schedules of the 2022 Arterial and Residential Street Overlays project to Watson Asphalt Paving Co., Inc., authorize the City Manager to execute a contract with Watson Asphalt Paving Co, Inc in an amount not to exceed \$1,449,990.80, and appropriate \$95,733 from the Street Fund balance to fully fund the 2022 Arterial and Residential Street Overlays project.