



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

**AB 6496
June 18, 2024
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6496: 2024 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 2024 Arterial and Residential Street Overlays construction contract to Lakeridge Paving Company, LLC.	

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations Patrick Yamashita, Deputy Public Works Director 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	\$ 1,187,247
AMOUNT BUDGETED	\$ 1,194,519
APPROPRIATION REQUIRED	\$ 0

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 the Residential Street Resurfacing (SP0100), Arterial Street Preservation (SP0101), and North Mercer Way Overlay (SP0104) projects together into one hot mix asphalt (HMA) paving contract.
- Three contractor bids were received. The lowest responsive and responsible bid totaled \$970,866.
- This project is included in the 2023-2024 Biennial Budget and Capital Improvement Program (CIP) and is funded by the Street Fund.
- Construction will occur this summer (July – October 2024).

BACKGROUND

The 2024 Arterial and Residential Street Overlays project combines three separate Transportation Improvement Program (TIP) projects into one large asphalt-related public works contract for construction this

summer. The separate projects are Residential Street Resurfacing (SP0100), Arterial Street Preservation (SP0101) and North Mercer Way Overlay (SP0104).

The City plans arterial street resurfacing on a 25-to-30-year cycle, and residential streets on a 35-to 40-year cycle. Every three years the City collects pavement condition data 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, 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).

Along with PCI data staff schedules resurfacing work to follow underground utility work. Completing any underground utility work ahead of the resurfacing helps prevent future disturbances to the new paving, helping increase the life of the new street.

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.

Design on this project began in January of 2024. Final plans, specifications, and cost estimates were completed in early May 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 into three schedules of work, as described below. Refer to Exhibit 1 for locations.

Schedule A resurfaces 0.5 miles of the North Mercer Way arterial roadway with a HMA overlay from Roanoke Way to 7500 North Mercer Way. This roadway was last repaved in 1994 and its 2022 PCI ratings are in the Fair and low Satisfactory ranges. This section of North Mercer Way was recently impacted by construction of water system improvements.

The scope of work includes pavement repairs, repaving the roadway and adjacent eastbound pedestrian shoulder with HMA, and installing crushed rock along the shoulders. After repaving, new pavement markings will be applied, and utility castings will be adjusted to the grade of the new pavement. The engineer's estimated construction cost for Schedule A was \$427,857.

Schedule B repairs and resurfaces approximately 0.3 miles of residential streets in the Island Point neighborhood at the south end of the Island, consisting of SE 82nd Street, SE 83rd Street, and 84th Avenue SE. These roadways were originally built in the 1960s and the 2022 PCI ratings for these streets are in the Very Poor range.

The scope of work for Island Point includes removing most of the existing pavement, regrading the gravel base, and repaving with HMA. After repaving, new pavement markings will be applied, utility castings will be adjusted to the grade of the new pavement, and disturbed shoulder and landscaped areas will be restored. The engineer's estimated construction cost for Schedule B was \$482,681.

Schedule C is arterial preservation work within the Town Center and along West Mercer Way. This work involves “grind and overlay” pavement repair areas and adjustment and patching of existing utilities. The engineer’s estimated construction cost for this work was \$70,115.

At the completion of design, the engineer’s estimate for construction of the three schedules of work was estimated to be \$980,653.

BID RESULTS

Three construction bids were received on May 30, 2024. The lowest bid was from Lakeridge Paving Company, LLC for \$970,866, which is approximately 1% below the engineer’s estimate. The following table shows the bid results.

2024 ARTERIAL AND RESIDENTIAL STREET OVERLAYS CONSTRUCTION BID RESULTS				
COMPANY NAME	SCHEDULE A NORTH MERCER WAY OVERLAY	SCHEDULE B ISLAND POINT OVERLAY	SCHEDULE C ARTERIAL PRESERVATION	TOTAL BID AMOUNT
Lakeridge Paving	\$407,569	\$481,896	\$81,401	\$970,866
Lakeside Industries	\$491,413	\$510,641	\$95,930	\$1,097,984
Icon Materials	\$469,703	\$518,708	\$135,701	\$1,124,112
Engineer's Estimate:	\$427,857	\$482,681	\$70,115	\$980,653

The apparent low bidder, Lakeridge Paving Company, LLC from Covington, has successfully completed numerous paving projects for the nearby cities of Bellevue, Redmond, and Issaquah in recent years. Lakeridge Paving also successfully completed arterial and residential street paving projects for the City of Mercer Island in 2016 and 2017.

A review of the Labor and Industries (L&I) website confirms Lakeridge Paving Company is a contractor in good standing with no license violations, outstanding lawsuits, or L&I tax debt. Based on review of Lakeridge Paving Company’s bid submittal and reference checks, staff has determined that Lakeridge Paving Company is the lowest responsive bidder for this project and staff recommends awarding the 2024 Arterial and Residential Street Overlays project to Lakeridge Paving Company, LLC.

PROJECT BUDGET

Adding amounts for construction contingency, design, construction inspection, and project management brings the total estimated project cost to \$1,187,247. The available budget for this project totals \$1,194,519, and it is the combination of the Residential Street Resurfacing (SP0100), Arterial Preservation Program (SP0101), and North Mercer Way Overlay (SP0104) budgets. Project costs and budget are summarized in the table on the following page. At the completion of the project, any remaining budget will stay in the Street Fund.

2024 ARTERIAL AND RESIDENTIAL STREET OVERLAYS				
PROJECT BUDGET				
Description	Schedule A North Mercer Way Overlay	Schedule B Island Point Overlay	Schedule C Arterial Preservation	TOTAL
Construction Contract				
Schedule A – North Mercer Way Overlay	\$407,569			\$407,569
Schedule B – Island Point Overlay		\$481,896		\$481,896
Schedule C – Arterial Preservation			\$81,401	\$81,401
Construction Contract Subtotal	\$407,569	\$481,896	\$81,401	\$970,866
Construction Contingency @ 7%	\$28,530	\$33,734	\$5,698	\$67,962
Project Design - Consultant	\$25,355	\$20,855	\$4,500	\$50,710
Construction Inspection	\$15,000	\$20,000	\$4,000	\$39,000
Contract Admin/Project Management	\$20,000	\$25,000	\$4,000	\$49,000
1% for the Arts	\$4,076	\$4,819	\$814	\$9,709
Total Project Cost	\$500,530	\$586,304	\$100,413	\$1,187,247
2023 - 2024 Budget Resources				
North Mercer Way Overlay	\$616,000			\$616,000
Residential Street Resurfacing		\$1,820,000		\$1,820,000
Budget spent on 2023 Residential Street Overlays		-\$1,346,557		-\$1,346,557
Arterial Preservation			\$152,000	\$152,000
Budget spent on 2023 Arterial Preservation			-\$46,924	-\$46,924
Total Budget Available for Project	\$616,000	\$473,443	\$105,076	\$1,194,519
Budget Remaining	\$115,470	-\$112,861	\$4,663	\$7,272

NEXT STEPS

Minor water and storm drainage repairs and improvements within Schedules A and B are being performed under a separate small public works contract and funded through the Water and Storm Water Utilities. That work is scheduled to occur in June and July, prior to the street paving work.

Construction activities on the 2024 Arterial and Residential Street Overlays contract are tentatively scheduled to begin in mid-July with most road construction taking place through August. The entire construction contract is required to be complete by the beginning of October.

RECOMMENDED ACTION

Award Schedules A, B, and C of the 2024 Arterial and Residential Street Overlays project to Lakeridge Paving Company, LLC, a Washington-based company, and authorize the City Manager to execute a contract with Lakeridge Paving Company, LLC in an amount not to exceed \$970,866 and set the total project budget at \$1,187,247.