



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6025
March 1, 2022
Consent Agenda

AGENDA BILL INFORMATION

TITLE:	AB 6025: 2022 Street Related Utility Improvements	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Award the 2022 Street Related Utility Improvement construction contract to Blue Mountain Construction Group, LLC.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

DEPARTMENT:	Public Works
STAFF:	Jason Kintner, Chief of Operations Clint Morris, Capital Division Manager George Fletcher, CIP Project Manager
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Project Location Map 2. Construction Bid Summary
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ 729,399
AMOUNT BUDGETED	\$ 500,156
APPROPRIATION REQUIRED	\$ 229,243

SUMMARY

The purpose of this agenda bill is to award a public works construction contract to build minor water and storm drainage system improvements in spring of 2022.

This agenda bill provides an overview of the project development, design considerations, and key elements of construction. It describes bid results, successful bidder's qualifications, estimated project budget, and staff's recommendation for awarding the project.

BACKGROUND

The 2022 Street Related Utility Improvements Project is a combination of water and storm drainage improvements to be completed in two different Island neighborhoods ahead of scheduled paving work later this year (2022 Arterial and Residential Street Overlays). This project's goal is to upgrade and repair known water and storm drainage deficiencies before repaving the residential and arterial streets to minimize the potential for future utility cuts into new pavements (see Exhibit 1).

Funding for the 2022 Street Related Utility Improvements was approved as part of the 2021-2022 CIP budget and is funded from the water and storm water funds. Design work began in fall of 2021 and final plans,

specifications, and cost estimates were completed in mid-January. The project was then advertised for public bids. Eight bids were received, and staff is ready to award a construction contract.

PROJECT DESCRIPTION

The 2022 Street Related Utility Improvements project is divided into four schedules of work, as described below.

- Schedule 'A' is the repair of storm drainage along the arterial roadways of SE 68th Street and SE 70th Place, between Island Crest Way and East Mercer Way. Work includes several spot repairs to damaged pipes and the replacement of two existing roadway pipe crossings. This schedule's estimated construction cost was \$80,435.
- Schedule 'B' is minor water system improvements along the same roadways as Schedule A. Work includes replacing several aging galvanized water service lines from the water main to the water meter. Galvanized iron pipe is a material known for developing leaks, and the City strives to replace these water service lines before investing in street resurfacing. The estimated construction cost for this schedule was \$34,802.
- Schedule 'C' repairs residential storm drainage in the plat of Parkwest (lying west of 84th Avenue in the 6400 to 6800 blocks) and two other residential streets near SE 70th Place. Work consists of spot repairs to damaged pipes, installation of several new catch basins to improve roadway drainage, and connection of multiple private yard drains into the nearby City storm drain system to eliminate their outfall onto the street surface. The estimated construction cost of this schedule was \$78,630.
- Schedule 'D' is minor water system improvements along the same residential roadways as Schedule 'C'. Work will involve the replacement of approximately 30 aging galvanized water service lines from the water main to the water meter because of their known potential for leaks. In addition, two undersized fire hydrants will be upgraded to current City standards and two new fire hydrants will be added to the Parkwest area to improve fire protection. The estimated construction cost for this schedule was \$332,502.

At completion of design, the total construction costs for schedules 'A', 'B', 'C' and 'D' were estimated to be \$526,369.

BID RESULTS AND AWARD RECOMMENDATION

Eight construction bids for the project were received and opened on February 10, 2020 (Exhibit 2). One bid received was below the engineer's estimate, while two other bids were less than 10% over the engineer's estimate. The lowest bid was received from Blue Mountain Construction Group, LLC for \$522,216.08, approximately 1% below the engineer's construction cost estimate.

Blue Mountain Construction Group, LLC was the contractor on the City's 2021 Street Related Utility Improvements project last year which included similar work, and they completed the project on time and within budget. They are currently performing storm drainage repair work for the City of Shoreline and are also under contract with the City of Kirkland for storm drainage work. Staff's review of the Labor and Industries (L&I) website confirms Blue Mountain Construction Group is a contractor in good standing, with no license violations, outstanding lawsuits, or L&I tax debt. Staff recommends awarding all schedules of the 2022 Street Related Utility Improvements contract to Blue Mountain Construction Group.

Adding amounts for construction contingency, design, construction inspection, and project management, brings the total estimated cost of the project to \$729,399. Historically, staff applies a 20% contingency to utility construction due to the unknowns associated with underground work. During design of the project, existing storm drainage pipes were inspected and needed cleaning to remove extensive buildup of soils and roots. The cost to clean and video inspect these lines totaled \$22,740.

To construct this project as currently designed, additional funding is needed. The magnitude of residential water service replacement work in Schedule D of the construction project (Parkwest) was larger than anticipated.

Staff recommends that the additional cost of \$229,243 be covered by an appropriation from within the Water and Storm Water Fund balances. As of December 2021, the Water Funds estimated working capital balance was \$19.8 M and the Storm Water Funds estimated working capital balance was \$5.0 M. In April 2022, staff will provide the City Council with updated utility fund balances as part of the FY 2021 year-end financial status update.

The table below summarizes the overall project costs, available budget amounts, and appropriations needed for the 2022 Street Related Utility Improvements project.

2022 STREET RELATED UTILITY IMPROVEMENTS PROJECT BUDGET					
Description	Schedule A Arterial Storm	Schedule B Arterial Water	Schedule C Resid. Storm	Schedule D Resid. Water	TOTAL
Construction Contract					Award to Blue Mountain Const
Schedule A - Arterial Storm	\$90,484				\$90,484
Schedule B - Arterial Water + 10.1 %WSST		\$40,098			\$40,098
Schedule C - Residential Storm			\$108,506		\$108,506
Schedule D - Residential Water + 10.1% WSST				\$283,128	\$283,128
Total Construction Contract	\$90,484	\$40,098	\$108,506	\$283,128	\$522,216
Construction Contingency @ 20%	\$18,097	\$8,020	\$21,701	\$56,626	\$104,443
Project Design - consultant	\$10,000	\$6,000	\$12,000	\$10,000	\$38,000
Construction Inspection	\$5,000	\$2,000	\$5,000	\$12,000	\$24,000
Other Design Costs - Storm Drain Inspections	\$11,544		\$11,196		\$22,740
Contract Admin/Project Management	\$3,000	\$2,000	\$3,000	\$10,000	\$18,000
Total Project Cost	\$138,125	\$58,118	\$161,403	\$371,753	\$729,399
2021-2022 Budget - Water Fund		\$50,000		\$210,000	\$260,000
2021-2022 Budget - Storm Water Fund	\$100,000		\$220,000		\$320,000
2021-2022 Budget - Spent on 2021 work	\$0	\$0	-\$37,211	-\$42,633	-\$79,844
Total Budget Available for Project	\$100,000	\$50,000	\$182,789	\$167,367	\$500,156
Budget Appropriation Needed - Water		\$8,118		\$204,386	\$212,504
Budget Appropriation Needed - Storm Water	\$38,125		-\$21,386		\$16,739

Construction activities on the project will likely begin in late March and are scheduled to be finished by July, before the 2022 Arterial and Residential Street Overlay project starts.

RECOMMENDATION

Staff recommends authorizing the City Manager to execute a contract with Blue Mountain Construction Group, LLC for the construction of the 2022 Street Related Utility Improvements project and appropriating \$212,504 from the Water Fund and \$16,739 from the Storm Water Fund.

RECOMMENDED ACTION

1. Award Schedules 'A', 'B', 'C' and 'D' of the 2022 Street Related Utility Improvements project to Blue Mountain Construction Group, LLC.
2. Authorize the City Manager to execute a contract with Blue Mountain Construction Group, LLC in an amount not to exceed \$522,216.08.
3. Appropriate \$212,504 from the Water Fund and \$16,739 from the Storm Water Fund to fully fund the 2022 Street Related Utility Improvements project.