



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6710
June 17, 2025
Consent Agenda

AGENDA BILL INFORMATION

TITLE:	AB 6710: 2025 Residential Street Overlays Bid Award	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Award the 2025 Residential Street Overlays construction contract to Lakeridge Paving Company, 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 Patrick Yamashita, City Engineer Clint Morris, Capital Division Manager Ian Powell, Street Engineer
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Project Locations Map
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ 1,152,386
AMOUNT BUDGETED	\$ 2,078,554
APPROPRIATION REQUIRED	\$ 0

EXECUTIVE SUMMARY

The purpose of this agenda bill is to award a public works construction contract to repave aging residential streets.

- This hot mix asphalt (HMA) paving contract combines the Residential Street Resurfacing (90.20.0001) and Arterial Street Preservation (90.20.0002) capital projects.
- Five contractor bids were received. The lowest responsive and responsible bid was Lakeridge Paving Company, a Washington-based limited liability company for a total amount of \$894,517.
- Funds for this construction contract are included in the 2025-2026 Biennial Budget and Capital Improvement Program (CIP) via the Street Fund.
- Construction is scheduled to occur this summer with completion by October 2025.

BACKGROUND

The 2025 Residential Street Overlays project combines two separate Transportation Improvement Program (TIP) projects into one asphalt-related public works contract for construction this summer. The separate projects are Residential Street Resurfacing (90.20.0001) and Arterial Street Preservation (90.20.0002).

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 prevents future disturbances to new paving, helping increase the useful 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. Roadways are selected for resurfacing based primarily upon pavement condition.

Design on this project began in January of 2025. Final plans, specifications, and cost estimates were completed in early May 2025, and the project was then advertised for bids. Five contractor bids were received, and the construction contract is ready to be awarded.

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 0.4 miles of residential streets with an HMA overlay on 66th Avenue SE (from SE 24th Street to SE 25th Street) and 71st Avenue SE (from SE 24th Street to 70th Avenue SE). 66th Avenue SE received a chip seal in 1986 and 71st Avenue SE was last overlayed in 1994, and their 2022 PCI ratings are in the Fair to Poor ranges.

The scope of work includes pavement repairs, grinding the existing asphalt, repaving the roadway and installing crushed rock and topsoil 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 \$305,726.

Schedule B repairs and resurfaces approximately 0.9 miles of residential streets in a central Island neighborhood consisting of SE 46th Street, SE 47th Street, SE 47th Place, 84th Avenue SE, and 86th Avenue SE. This work is planned to occur following the completion of the 2024 Water System Improvements Project, currently under construction on the same streets. These roadways were originally built in the 1960s and the 2022 PCI ratings for these streets are in the Fair to Very Poor range.

The scope of work includes pavement repairs, removing full sections of the existing pavement, regrading 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 \$641,562.

Schedule C includes arterial preservation work within the Town Center, on SE 24th Street and along North 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 \$42,595.

At the completion of design, the engineer’s estimate for construction of the three schedules of work was estimated to be \$989,883.

BID RESULTS

Five construction bids were received on May 29, 2025. The lowest bid was from Lakeridge Paving Company, LLC, for \$894,517, which is approximately 10% below the engineer’s estimate. The following table shows the bid results.

2025 RESIDENTIAL STREET OVERLAYS CONSTRUCTION BID RESULTS				
COMPANY NAME	SCHEDULE A NORTH RESIDENTIAL STREET OVERLAY	SCHEDULE B SOUTH RESIDENTIAL STREET OVERLAY	SCHEDULE C ARTERIAL PRESERVATION	TOTAL BID AMOUNT
Lakeridge Paving	\$283,198	\$550,501	\$60,818	\$894,517
Becker Blacktop	\$298,365	\$561,660	\$42,620	\$902,645
Icon Materials	\$293,564	\$622,252	\$47,273	\$963,089
Puget Paving & Const.	\$351,804	\$626,124	\$61,777	\$1,039,705
Lakeside Industries	\$343,985	\$719,540	\$85,210	\$1,148,735
Engineer's Estimate:	\$305,726	\$641,562	\$42,595	\$989,883

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, 2017, and 2024.

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 2025 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 \$1,152,386. The available 2025-2026 budget for this project totals \$2,078,554, and it is the combination of the Residential Street Resurfacing (90.20.0001) and Arterial Preservation Program (90.20.0002) budgets. Project costs and budget are summarized in the table on the following page. At the completion of the project, any remaining budget will remain in the Street Fund and will be used for similar work in 2026.

2025 ARTERIAL AND RESIDENTIAL STREET OVERLAYS PROJECT BUDGET			
Description	Schedule A & B North & South Residential Street Overlay (90.20.0001)	Schedule C Arterial Preservation (90.20.0002)	TOTAL
Construction Contract			
Schedule A – North Residential Street Overlay	\$283,198	-	\$283,198
Schedule B – South Residential Street Overlay	\$550,501	-	\$550,501
Schedule C – Arterial Preservation		\$60,818	\$60,818
Construction Contract Subtotal	\$833,699	\$60,818	\$894,517
Construction Contingency @ 10%	\$83,370	\$6,082	\$89,452
Project Design - Consultant	\$64,322	\$7,150	\$71,472
Construction Inspection	\$35,000	\$4,000	\$39,000
Contract Admin/Project Management	\$45,000	\$4,000	\$49,000
1% for the Arts	\$8,337	\$608	\$8,945
Total Project Cost	\$1,069,728	\$82,658	\$1,152,386
2025 – 2026 Budget Resources			
Residential Street Resurfacing (90.20.0001)	\$1,914,677	-	\$1,914,677
Arterial Preservation (90.20.0002)	-	\$158,877	\$158,877
Total Budget Available for Project	\$1,914,677	\$158,877	\$2,078,554
Budget Remaining	\$844,949	\$76,219	\$921,168

NEXT STEPS

Minor water and storm drainage repairs and improvements within Schedules A 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 2025 Residential Street Overlays contract are tentatively scheduled to begin in mid-July. The entire construction contract is required to be complete by the end of October.

RECOMMENDED ACTION

Award Schedules A, B, and C of the 2025 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 \$894,517 and set the total project budget at \$1,152,386.