

TO: Public Works Committee
FROM: Bill Lindauer, Engineering Services Manager
DATE: May 23, 2024
SUBJECT: Construction Contract with Active Construction, Inc. for the Interstate 5 / Trosper Road / Capitol Boulevard Reconfiguration Project, Request for Additional Construction Funds

1) Recommended Action:

Place the request to increase the change authority provided to the Transportation and Engineering Director under Tumwater Municipal Code 2.14.060 from 10 percent to 20 percent for the Interstate 5 / Trosper Road / Capitol Boulevard Reconfiguration Project on the June 4, 2024, City Council Consent calendar with a recommendation to authorize and approve.

2) Background:

The Interstate 5 / Trosper Road / Capitol Boulevard Reconfiguration Project addresses traffic congestion, bicyclist safety, and pedestrian accessibility deficiencies in the vicinity of the Trosper Road and Capitol Boulevard intersection per the Capitol Boulevard Corridor Plan. The project includes construction of three roundabouts, bike lanes, new sidewalks and curb ramps, street lighting, landscaping, business access improvements, an extension of Trosper Road, construction of a new segment of roadway connecting Lee Street directly with Interstate 5 and Trosper Road and upgrading City utilities in accordance with associated planning documents.

This project is currently under construction and expected to be completed by summer 2024.

The City Council awarded the project to Active Construction Inc. at their official bid of \$12,150,150. Per Tumwater Municipal Code (TMC) 2.14.060, Public works – Change order authority, *“The director of public works or the department director of the project department is authorized to approve any contract change order, provided the total construction costs with the change order do not exceed the contract bid amount by more than ten percent.”* Current estimates indicate construction costs may exceed the contract bid amount by approximately 14 percent, which exceeds authority provided to staff under TMC 2.14.060. Staff is proactively requesting an increase in change order authority based on projected total cost to avoid claims for delayed payment.

There are many factors that have contributed to cost increases for this project including, but not limited to; unknown utility conflicts, existing infrastructures not meeting standards, discovery on unknown obstructions and obstacles, unanticipated work for underground conversion of commercial buildings as a result of outdated equipment, increased utility work due to deteriorating infrastructure at original project limits, increased pavement and storm drainage work due to poor pavement condition and stormwater issues, and inconsistent infiltration rates resulting in significant design and construction issues.

3) Policy Support:

Create and Maintain a Transportation System Safe for All Modes of Travel

- Implement Capitol Boulevard Plan
- Bike and pedestrian system improvements.

4) Alternatives:

- ☐ Reject the request for additional funds and do not complete project construction.

5) Fiscal Notes:

The funds are available in the Transportation CFP, Water CFP, Sewer CFP, and Storm CFP. A portion of the project is funded by a Transportation Improvement Board (TIB) grant.

The cost overruns for this project will be funded under the city CFP funds as applicable.

6) Attachments:

A. Project Overview