TO: City Council

FROM: Colby Fletcher, Construction Manager

DATE: November 17, 2026

SUBJECT: Schedule 74 Underground Conversion Project Construction Agreement with Puget Sound Energy for Israel Road SW & Linderson Way SW Project Amendment No. 1

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1) Recommended Action:

Authorize the Mayor to sign the Schedule 74 Underground Conversion Project Construction Agreement with Puget Sound Energy for Israel Road SW & Linderson Way SW Project Amendment No. 1.

The agreement was recommended for approval on the consent calendar at the November 5, 2026 Public Works Committee.

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2) Background:

The Transportation Benefit District and federally funded Israel Road and Linderson Way Pedestrian and Bicycle Improvements project included both construction of a water main along Israel Road from Capitol Boulevard to the I-5 crossing and underground conversion of overhead utilities (power, telecommunications, etc.) within the project limits.

This request is specific to the First Amendment with PSE for additional construction costs that were incurred during the Schedule 74, underground conversion work. The Schedule 74 Project Plan and Construction Agreement identify the scope of work and associated construction costs to complete the underground conversion. These documents were completed by Puget Sound Energy (PSE) prior to work being completed on the project and included an estimated City share of the construction cost of $378,874.93. Upon completion of the Schedule 74 work, the total construction cost was $425,247.81. This First Amendment requests the additional $46,372.88 required for the City's share of the Schedule 74 work.

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3) Policy Support:

2026-2032 Strategic Priorities & Goals
Create and Maintain a Transportation System Safe for All Modes of Travel - Continue improving the maintenance of the transportation system.

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4) Alternatives:

Do not sign the amendment and direct staff to pursue additional action(s).

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5) Fiscal Notes:

Funding for the Schedule 74 Project Construction Agreement is provided through the Transportation Capital Facilities Plan (CFP). The City is responsible for 40% of the project costs, with Puget Sound Energy (PSE) covering the remaining 60%.

The original engineer's estimate for the City's portion of the work was $378,874.93. The revised final construction cost, as reflected in the amendment, is $425,247.81.

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6) Attachments:

A. First Amendment to Schedule 74 Underground Conversion Project Construction Agreement
B. Original Construction Agreement
C. Original Design Agreement