CONVENE: 8:00 a.m.

PRESENT: Chair Eileen Swarthout and Councilmembers Michael Althauser and Angela Jefferson.

Staff: City Attorney Karen Kirkpatrick, Finance Director Troy Niemeyer, Water Resources and Sustainability Director Dan Smith, Transportation and Engineering Director Brandon Hicks, Assistant Transportation and Engineering Director Mary Heather Ames, Engineering Services Manager Bill Lindauer, Water Resources & Sustainability Program Manager Patrick Soderberg, Construction Engineer Colby Fletcher, and Administrative Assistant Bonnie Hale.

CONSTRUCTION CONTRACT WITH ACTIVE CONSTRUCTION, INC. FOR THE INTERSTATE 5/TROSPER ROAD/CAPITOL BOULEVARD RECONFIGURATION PROJECT, REQUEST FOR ADDITIONAL CONSTRUCTION FUNDS:

Manager Lindauer reported the proposal is a request for additional funds for the I-5/Trosper Road/Capitol Boulevard Reconfiguration project specific to a change order authority increasing from 10 percent to 20 percent.

The project consists of three roundabouts on Trosper Road and 6th Avenue, Trosper and Capitol Boulevard, and Trosper Road and the I-Ramps, Linda Street improvements, construction of a new roadway (6th Avenue) from Trosper Road to Lee Street, construction of the I-5 northbound on and off ramps, and a complete rebuild of the storm, sewer, and water system within project limits. The project included full utility undergrounding of all dry utilities, street lighting, crosswalk beacon systems at roundabouts, and landscaping and irrigation.

The construction project was awarded to Active Construction Company for $12,150,150.00. The standard 10 percent change order authority provided by Tumwater Municipal Code 2.14.060 is ten percent for a total construction budget of $13,365,165.00. The project is approximately one month from substantial completion. Staff anticipates completion by the end of July enabling an accurate projection of the total cost of the project. It is likely the budget will exceed the change order percentage by an additional four percent bringing the project total to approximately $13,851,171.00. Staff requests the committee authorize change order authority to 20 percent to ensure any remaining project issues could be accommodated. At a 20 percent change order authority, the project total would be $14,580,180.00. The difference between the original bid was approximately $2,300,000.00 based on a 20 percent change order. However, the projection of a 14 percent change order would equate to an increase of approximately $1,500,000.00.

The project was extremely complex with many components with cost increases attributed to project quantity increases. Because the project is based on unit bid pricing, each unit the contractor bids and installs needs to be compensated. In some instances, an increase in quantities occurred because of an estimating shortfall or installation of the product was not identified in the national bid item, which required rectification. As a rule,

the majority of quantity increases were attributed to rock and asphalt as a function of more material needs to build the project than originally forecasted. Some of the reasons were due to construction phasing and how the contractor performed the work, such as temporary pavement. In those particular instances, the means and methods were required to ensure proper completion of the project. Staff addressed some quantity issues on the project.

Another unanticipated increase pertained to the unknowns of undergrounding utilities, which were challenging in an area of an old roadway with many existing undergrounded utilities. The project encountered a large number of unknown existing utilities and utility conflicts during the project.

The project team pursued due diligence to explore existing utilities locations and potholes for further investigation. However, following investigation, many utilities were installed in the ground either unknown or at another location. Upon trenching and further investigation, redesign was necessary as well as adjustments in a number of locations to avoid existing underground utilities, which also was impacted by phasing of the project with sewer, water, and storm drain installed first followed by Puget Sound Energy (PSE) trenches. The phasing aspect of the project added complexity to the work. Additionally, the project encountered unknown obstructions and obstacles discovered during digging of the trenches. During trenching, a void was discovered under Linda Street of a sizable size likely caused by an ongoing water leak. The void required over-excavation and remediation to avoid future issues. Other remnants were discovered of old foundations and structures (storm structures) requiring removal to include an old retaining wall. Many obstructions and obstacles were discovered during excavation activities for the project.

The fiber optic installation was an added cost because the fiber optic system was installed many years ago often reusing old conduit at that time. The system was not installed correctly requiring rerouting of the fiber to reposition it away from other utilities installed as part to the project. Although a cost was incurred, the fiber optic system in the project area is now installed correctly and should have a lifespan of many years without service interruptions. Additionally, staff was able to identify the location of the fiber optic system in the project area because the location was undetermined prior to the project.

Schedule 74 commercial and private conversions throughout the project site begins with the typical installation of all main utilities followed by installation of dry utilities, such as power and other utility purveyors. The project encountered conflicts when construction activities based on PSE plans encountered challenges in setting the required vaults and identifying locations for the equipment, as well as rerouting of the mainline trench to

avoid contact with other utilities. The issue resulted in a cascading affect as any design change for sewer or water can affect other components constructed later in the process. Connections into existing buildings both commercial and residential encountered some difficulties, as well as the final connection to a former restaurant recently acquired by the City. Existing antiquated and non-conforming connection points at the restaurant required additional work to bring the connection point to current standards to complete the final connection.

City storm pond modifications were required because infiltration rates were lower than required. Additional investigation identified poor soil strata in parts of the pond. Staff developed a remediation plan to address the issue by excavating the pond an additional 18 inches to increase the storage of the pond and the required infiltration rate. Additionally several smaller infiltration areas will be added inside the pond.

The original plan did not call for repaving Lee and Linda Streets. However, because of design changes on Lee Street and the poor condition of an asbestos watermain, the contractor was concerned about damaging the line during construction. Staff completed some redesigns, which increased the utility cuts within the roadway necessitating a repaving rather than patching the roadway. Repaving extends the life of the road and avoids infiltration of water through pavement cuts. Extra work on Linda Street included extending the roadway improvements to the end of Linda Street.

During the work on the sewer main along Capitol Boulevard at the southern terminus of the project site, an existing manhole in poor condition, the discovery of a utility trench filled with concrete, and the presence of a gas line impacted the ability to connect the sewer at that location necessitating the extension of the sewer line by approximately 180 feet south to connect to a manhole in better condition. The extension of the sewer main resulted in the removal of the concrete panels under Capitol Boulevard. The City benefitted from the additional work as the Capitol Boulevard Corridor Plan includes plans to upgrade the sewer main along the corridor with a portion of the sewer main replaced as part of the project, as well as removal of the concrete panels. Although the work resulted in an increase in the cost, it was a net benefit to the City.

Manager Lindauer explained that the examples represented the major changes in addition to other smaller issues that contributed to the increase in the cost of the project.

Councilmember Althauser questioned the electrical upgrade of the restaurant building if the City owns the building. Manager Lindauer advised that PSE is unable to serve a property that has an outdated electrical connection point.

Director Hicks explained that within the purchase and sale agreement the City negotiated with the future purchasers of the property, the City is required to connect the property to all utilities. He believes the new owners plan to retain the building and repurpose its use. It is possible that the work completed as part of the project will be changed in order to serve the new use. However, the City is responsible for reconnecting utility services to the property.

Councilmember Jefferson asked about the major reasons for the cost increase. Manager Lindauer commented on the difficulty of identifying any one item attributing to the cost overrun. Any time a project change occurs, it tends to incur a cost implication, which could be minimal or major. All changes add up. For undergrounding utility work on an old roadway, the outcome was acceptable as costs will be incurred when trenching and replacing utilities because of the uncertainty of what might exist in the ground. Most unanticipated costs for roadway projects are associated with underground work.

Manager Lindauer reported the additional costs will be paid through the Capital Facilities Plan (CFP) for Transportation, Water, Sewer, and Storm. The majority of the cost will be allocated to the Transportation and Storm CFPs with some costs allocated to Water and Sewer CFPs as applicable. Staff will quantify the costs and allocate the costs to each CFP.

Councilmember Althauser requested information on the specific amounts of the overruns between the different CFPs. Manager Lindauer explained that the costs have not been allocated between the different CFPs; however, the majority of the cost would be allocated to the Transportation CFP followed by the Storm CFP for the pond costs with the majority of the costs for sewer attributed to the sewer extension. Costs to the Water CFP would be minimal. When staff calculates pay applications for the contractor, all units are segregated into different categories identifying the amount for allocation to each CFP.

Councilmember Althauser commented that the initial project approval also include a contingency, which likely would cover some of the overrun. Director Hicks affirmed that when the budgeting was completed for the Transportation CFP, staff included additional funding because the bidding environment continues to be extremely unpredictable in terms of inflation, cost of materials, and labor. The Transportation CFP is fully funded with sufficient budget to cover additional costs. Additionally, the project was the City's most complex project ever undertaken. Staff was prepared for the potential of overruns.

Councilmember Althauser asked about the potential of affecting sewer projects with the increased costs incurred by the project. Director Hicks affirmed the possibility as utility capital funds are somewhat constrained in

capacity to absorb additional costs because of large projects. Director Smith is working with Director Niemeyer to consider financing for completing some large utility projects.

Chair Swarthout asked about the anticipated timeline for completion of the project. Manager Lindauer advised that substantial completion is expected in July with all components completed enabling full operation of the project site. The project will be essentially completed in September with final project completion with the contractor scheduled for the end of the year.

Councilmember Jefferson inquired about the official opening date to document the project historically. Director Hicks said he plans to follow up on previous discussions with City Administrator Parks with follow up to the committee at a future meeting.

Construction Engineer Fletcher reported on the final paving operation during the first week in June during the night along with all utility valve adjustments, site cleanup, and landscaping. Once pavement markings are completed, all lanes of the roundabouts will be open to traffic.

Discussion ensued on the increased safety associated with roundabouts because of lower vehicle speeds.

Director Hicks responded to questions about the timing of a comprehensive briefing to the Council on the project and suggested including an update during a Council meeting at the time of the project's official opening date announcement.

Chair Swarthout inquired about the status of repaving Israel Road. Manager Lindauer explained some of the complications of repaving Israel Road because of federal funding and the requirement for WSDOT approval. The project will be released for bid soon, but roadwork would not be initiated prior to the 4th of July holiday.

Chair Swarthout reviewed the request to the committee.

MOTION: **Councilmember Jefferson moved, seconded by Councilmember Althauser, to 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. A voice vote approved the motion unanimously.**

INTERLOCAL AGREEMENT WITH

Assistant Director Ames briefed the committee on the proposed interlocal agreement with the City of Olympia for the Mottman Road Pedestrian and

CITY OF OLYMPIA FOR THE MOTTMAN ROAD PEDESTRIAN AND STREET IMPROVEMENTS PROJECT:

Street Improvements project setting the framework for completion of the project.

The project, developed several years ago, is a joint project between the City of Tumwater and City of Olympia bordering the South Puget Sound Community College campus on the north side following Mottman Road from R.W. Johnson Boulevard to the east for approximately 3,700 feet. One-fourth of the distance is located within the limits of the City of Tumwater with the remaining project site located in the City of Olympia. The project improves Mottman Road to a standard serving all modes of transportation. The road experiences all types of transportation modes ranging from bicyclists, pedestrians, cars, and trucks. The project adds sidewalk, bike lanes, channelization, and striping.

Conceptual design for the project has been completed and next steps include final design, specifications, and a construction cost estimate followed by permitting and construction. Each component of the project is covered by the interlocal agreement. The City of Olympia is the lead on the project with support by Tumwater staff as needed. Construction is scheduled to begin in 2027 with completion in 2028. Preliminary design of Olympia's project site indicates that the existing culvert at Percival Creek will not require replacement; however, if determined the culvert requires replacement and that the project could be extended. If right-of-way is required for storm facilities and the City of Olympia encounters difficulties obtaining right-of-way, it could extend the project by another year as well.

The project is funded by Connecting Washington Program, a legislative funding source. The project total is $7.6 million with Tumwater's total of $1.748 million or 25% of the total. No matching funds are required for the project. The City of Olympia's cost is $5.68 million or 75% of the project cost.

Staff recommends the committee place the interlocal agreement with the City of Olympia for Mottman Road Improvements Project on the June 4, 2024 City Council consent calendar with a recommendation to approve and authorize the Mayor to sign the agreement.

Councilmember Althauser asked whether the project would include two project management teams by both cities. Assistant Director Ames advised that City of Olympia staff would serve as the project manager for the project. Staff is working with the City of Olympia to streamline the process to enable the City of Olympia to receive grant funding directly with any Tumwater staff time submitted to the City of Olympia for reimbursement from the grant. The overall plan is for a cohesive process.

MOTION:

Councilmember Althauser moved, seconded by Councilmember Jefferson, to place the interlocal agreement with the City of Olympia

for Mottman Road Improvements Project on the June 4, 2024 City Council consent calendar with a recommendation to approve and authorize the Mayor to sign the agreement. A voice vote approved the motion unanimously.

OTHER BUSINESS: Committee and staff discussed the Public Works picnic scheduled at Tumwater Historical Park later in the day at 11:30 a.m. and the status of the move by the Water Resources and Sustainability Department's to office space at South Puget Sound Community College.

ADJOURNMENT: **With there being no further business, Chair Swarthout adjourned the meeting at 8:54 a.m.**

Prepared by Valerie L. Gow, Recording Secretary/President
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