

TO: City Council
FROM: Bill Lindauer, Engineering Services Manager
DATE: December 5, 2023
SUBJECT: Construction Contract with Reed Trucking & Excavating, Inc. for the Israel Road and Linderson Way Water Main Project, Request for Additional Construction Funds

1) Recommended Action:

Staff recommends the City Council increase the change order authority provided to the Transportation and Engineering Director under Tumwater Municipal Code 2.14.060 from 10 percent to 20 percent for the Israel Road and Linderson Way Water Main project.

2) Background:

This project replaces existing 8-inch water main on Israel Road from Interstate 5 to Capitol Boulevard, along with a segment on Linderson Way south of Israel Road. Utility underground conversion is also included within the project limits. The project was prioritized to complete needed improvements that are shown in the City's Water System Plan and Water CFP ahead of the roadway improvements slated for construction in 2024. The Israel Road Water Main project is currently under construction and is expected to be completed by the end of December 2023.

City Council awarded the project to Reed Trucking & Excavation at their bid of \$3,365,536.16. 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 16 percent, which exceeds authority provided to staff under TMC 2.14.060. Staff is proactively requesting and increase in change order authority based on projected total cost to avoid claims for delayed payment.

Significant factors that led to cost overruns for this project include, but are not limited to:

- Two additional in-line water valves were installed at Tumwater High School to facilitate the water service connection,
 - Pedestrian crossing push buttons and displays required replacement at the intersection of Linderson Way and Israel Road due to discovery of previously unlocated underground utilities,
 - The project encountered a large number of unknown utilities which significantly slowed work resulting in standby time, additional labor and equipment expenses, and a significant increase in traffic control costs,
 - Costs have increased for temporary patching of the existing pavement, largely due to inefficiencies caused by unforeseen additional work,
 - Poor soils were encountered, which resulted in a significant increase in gravel that had to be purchased and incorporated into the project.
 - Additional concrete curbing and sidewalk repair was required for the project.
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3) Policy Support:

Council Strategic Goals and Priorities 2023-2024:

C. Create and Maintain a Transportation System Safe for All Modes of Travel –
Complete roadway maintenance to enhance vehicle, bicycle, and pedestrian safety.

4) Alternatives:

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

5) Fiscal Notes:

The cost overruns for this project will be funded by the Water and Transportation CFP as applicable.

6) Attachments:

A. Project Overview