



City Council

Approval of Final Construction Costs for 18th Avenue Improvements Project

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Agenda Item:

Approval of Final Construction Costs for 18th Avenue Improvements Project

Issue:

Staff is requesting that Council approve final construction costs which include additional costs due to soil issues and traffic control.

Committee Recommendation:

Not referred to a committee.

City Manager's Recommendation:

Move to authorize the City Manager to approve final contract documentation and final payment to the contractor of up to \$3,020,000.

Staff Contact:

Jim Rioux, Project Manager, Public Works Technical Services, 360.753.8484

Presenter(s):

NA

Background and Analysis:

On March 12, 2012, Council authorized the City Manager to execute a contract with Active Construction, Inc. (ACI) for the 18th Avenue Improvements project. ACI submitted the low bid of \$2,520,396. This was 18% below the Engineer's estimate of \$3,061,144.

On June 12, 2012, Council authorized an increase in project contingency from 10% to 15%. The City planned to use soil excavated from the storm ponds as foundation material under the sidewalks. This material was not suitable for that purpose and required a large change order to import new gravel and remove the soil from the ponds.

In addition to unsuitable soils, two other subsequent field conditions caused increased project costs. The contractor encountered native soils impacted with gasoline and needed more flaggers to control traffic. Following are the summaries of these major cost increases:

- Unsuitable Soil - Material from the storm ponds could not be used under the sidewalks.
Additional costs - \$193,000.

- Impacted Soil - During excavation of the storm pond near Boulevard Road, the contractor encountered soil that was impacted with gasoline. There were additional costs associated with testing and properly disposing of the affected soil.
Additional costs - \$25,000.

- Flaggers - Under this contract, flaggers were paid on an hourly basis. Staff did not anticipate the effort needed to manage traffic and protect the safety of our contractor and the traveling public. The use of multiple work crews to finish construction this year, the number of dead end streets within the project limits, and the number of flaggers needed to control traffic at the Boulevard Road and 18th Avenue intersection were the primary factors resulting in higher than anticipated flagging hours.
Additional costs - \$165,000.

When these additional costs were encountered, staff made every effort to minimize the cost increases and still complete the project.

The project is now complete and final costs are being calculated to close out the project. To issue final payment to the contractor, staff requests that Council approve the final payment to the contractor of up to \$3,020,000 which is \$121,545 above the amount previously authorized. This total amount is still \$41,144 below the original engineer's estimate of \$3,061,144.

Neighborhood/Community Interests (if known):

None known.

Options:

Authorize the City Manager to approve final contract documentation and final payment to the contractor up to \$3,020,000. Increasing the spending authority allows staff to issue final payment to the contractor.

Only viable option.

Financial Impact:

Because of the favorable bid, the final contract amount is still below the Engineer's original cost estimate of \$3,061,144. There are sufficient funds available to cover this increase without affecting any planned Transportation projects.