



**MEMO TO:** Members of the City Council

**FROM:** Mayor Angela Birney

**DATE:** March 27, 2020

**SUBJECT: Approval of Award of Bid to Granite Construction Co., in the Amount of \$8,440,115.20, for the Construction of SR 520 Trail Grade Separation at NE 40th Street Project**

**I. RECOMMENDED ACTION**

Award the bid for SR 520 Trail Grade Separation at NE 40th Street, Project number 20021606 to Granite Construction Co. of Washington, for the amount bid of \$ 8,440,115.20 and authorize the Mayor to sign the agreement.

**II. DEPARTMENT CONTACTS**

Carol Helland, Interim Director, Planning & Community Development	425-556-2107
Donald Cairns, P.E., Manager	425-556-2834
Peter Dane, Senior Planner	435-556-2816
David Juarez, Director of Public Works	425-556-2733
Paul Cho, City Traffic Engineer	425-556-2751
Bassam Al-Ali, Senior Project Manager	425-556-2743

**III. DESCRIPTION/BACKGROUND**

**SR 520 Trail Grade Separation Project at NE 40th Street**

This project will improve safety and operations for all users at the intersection of the SR 520 Trail and NE 40th Street by grade separating non-motorized users from vehicle traffic. A tunnel will be constructed underneath 40th Street for pedestrians and bicyclists and associated infrastructure improvements will connect the 520 Trail to the tunnel. Specific benefits of the project include:

- Improved safety for the high volume of pedestrians and bicyclists currently using the at-grade trail crossing, which conflicts with both through and turning traffic on NE 40th Street;
- Improved operations for vehicles and buses by reducing the number of pedestrians and bicycle crossing NE 40th Street; and
- Safe and efficient path for pedestrians and bicycles needing to cross NE 40th Street.

Please see Attachment A for a vicinity map.

**Bid Results**

The project was advertised in the Daily Journal of Commerce on January 15, 2020 and on January 22, 2020.

The City Clerk received bids until 2 PM on February 20, 2020.

There were (6) bidders and the bids are summarized below:

<b>Bidder</b>	<b>Location</b>	<b>Amount Bid</b>
Granite Construction Co.	Everett WA	\$ 8,440,115.20
Interwest Construction Inc.	Burlington WA	\$ 9,128,298.30
Johansen Construction Co Inc.	Buckley WA	\$ 9,463,334.65
Active Construction Co.	Puyallup WA	\$ 9,966,317.60
Goodfellow Bro. LLC	Maple Valley WA	\$10,397,197.80
Titan Earthwork LLC	Pacific WA	\$10,777,576.70

Engineer's Estimate \$9,811,289.40

All bidder's unit prices, extensions and additions have been checked for accuracy and unbalanced bid items.

The lowest bidder was Granite Construction Co.

Staff recommends award to Granite Construction Co. the actual low and responsive bidder. Contractor's references were checked and found to be acceptable.

**Additional Agreements**

Staff will bring forward for Council review and approval in April the following two items that are also necessary for construction of the project:

- Consultant supplemental agreement for construction support services in the amount of \$175,000, for which funding is included in the project budget
- Acquisition of property rights that will be donated by Microsoft to the City, which the City will transfer to the Washington State Department of Transportation upon completion of the project.

**Project Schedule and Coordination with Downtown Redmond Light Rail Extension**

Construction of the Grade Separation project tunnel is scheduled to be substantially complete before construction begins at NE 40th Street for the Sound Transit Light Rail Extension from Overlake to Downtown Redmond. Remaining portions of the Grade Separation project are scheduled to be substantially complete by January 2021.

Below is a table showing the construction schedules for these two projects:

<b>Project Tasks</b>	<b>Schedule</b>
Advertisement for Construction Bids	January 15, 2020
Award of Construction Bid (requires Council approval)	March 17, 2020
Grade Separation Project Closure of NE 40th Street	August 2020
Start Sound Transit Light Rail Construction at NE 40 <sup>th</sup> Street	Late Oct./Early Nov. 2020
Grade Separation Project Tunnel substantially complete	September 2020
Grade Separation Project substantially complete	January 2021

The tunnel construction for the Grade Separation project will occur on the west side of the SR 520 interchange at NE 40th Street, requiring a full closure of NE 40th Street at this location. The Downtown Redmond Light Rail Extension will require a partial closure on the east side of the SR 520 interchange at NE 40th Street. The City needs to avoid overlapping lane closures between the two projects, which is accomplished with the schedule above.

#### **IV. PREVIOUS DISCUSSIONS HELD**

Council Actions / Communication

7/19/2016	City Council, acceptance of \$10.7 million Connecting Washington State Transportation Package funding for 40 <sup>th</sup> Street Trail Grade Separation Project
2/11/2020	Planning and Public Works Committee of the Whole, update on 40 <sup>th</sup> Street closure for Grade Separation Project
3/3/2020	Community Facility District (CFD) 2016-1, approval of 40 <sup>th</sup> Street Grade Separation Project
3/10/2020	Planning and Public Works Committee of the Whole, update on 40 <sup>th</sup> Street Trail Grade Separation Project and requested Council approvals

#### **V. IMPACT**

##### **A. Service/Delivery:**

The recommended actions will enable construction of the Trail Grade Separation project on schedule.

The Governor issued a Proclamation on March 23 *Stay Home/Stay Healthy*, requiring residents to stay home except as needed to maintain continuity of operations of essential critical infrastructure sectors. Under this order, the City's 40<sup>th</sup> Street Trail Grade Separation Project and Sound Transit's Light Rail extension projects are considered critical infrastructure projects, and therefore work will continue on both projects.

**B. Fiscal Note:**

The low bid is approximately \$1.4 million below the Engineer's estimate. The project funding and costs have been revised to reflect the actual bid price, including revised staff costs and contingencies that result from revised costs. The total project cost is nearly \$2 million less than the estimate of \$16.2 million that was provided to the Planning and Public Works Committee-of-the-Whole on February 11, 2020, before the bids were received.

Prior estimates of Community Facilities District 2016-1 funding included a higher dollar amount due to the uncertainty of project costs. Funding from the CFD reflects the amount of money needed to complete the project.

Additional State funding of \$1.8 million from the Connecting Washington Transportation package is included in the adopted Supplemental Transportation Budget approved by the Legislature and included in the funding for this project.

Current funding and estimates costs for the project are below:

**Current Project Budget:**

Connecting WA Transportation package	\$10,589,302
Community Facilities District (CFD) 2016-1	\$ 1,494,352
Additional State Funding from Connecting WA	\$ 1,818,277
Transportation CIP	<u>\$ 360,000</u>
Total Funding	\$14,261,931

**Estimated Project Costs:**

Preliminary Design Phase	\$ 441,639
Design Phase	\$ 1,428,191
Right-of-Way	\$ 64,164
Construction Phase	<u>\$12,327,937</u>
Total Estimated Project Cost	\$14,261,931

**VI. ALTERNATIVES TO STAFF RECOMMENDATION**

If the project is not constructed, the City will need to repay the State approximately \$1.5 million that has been spent on design.

**VII. TIME CONSTRAINTS**

In order for Granite Construction to meet the construction schedule, the contractor must order steel pilings needed for construction of the tunnel portion of the project. These steel pilings need to be ordered immediately due to the lead time required to fabricate and deliver these to the jobsite. The contract with Granite Construction needs to be approved by Council so contractor can start the order process.

This project needs to begin construction in the Spring 2020, including ordering needed materials, so work on the Grade Separation tunnel can be substantially complete before construction begins at NE 40<sup>th</sup> Street for the Sound Transit Light Rail Extension from Overlake to Downtown Redmond. If the project does not meet this schedule, it will be at risk of delay up to two years due to the construction of the Sound Transit Downtown Redmond Light Rail Extension and cost increases due to the delay.

#### **VIII. LIST OF ATTACHMENTS**

Attachment A: Vicinity Map

*Carol Helland*

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**Carol Helland, Interim Director of Planning and Community Development**

*D. Juarez*

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**Dave Juarez, Public Works Director**

*Angela Birney*

Approved for Agenda \_\_\_\_\_  
**Angela Birney, Mayor**