

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	4d
Date of Meeting	August 19, 2014

DATE: August 12, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Mike Burke, Director, Seaport Leasing and Asset Management
Tim Leonard, Capital Project Manager
SUBJECT: East Marginal Way Phase II Improvements/Argo Yard Truck Roadway
(MC-0317892)

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute a major public works construction contract with the low, responsible bidder to perform the East Marginal Way Phase II Improvements and Argo Yard Truck Roadway project.

SYNOPSIS

On June 24, 2014, the major construction contract for the East Marginal Way Phase II Improvements and Argo Yard Truck Roadway project was advertised. Subsequent to conducting a pre-bid meeting with industry and the issuance of Addenda 1-3, bids were opened on July 29, 2014. Two bids were received and found to be irregular as both exceeded the engineer's estimate by more than ten percent. The low bid is in the amount of \$3,076,021, approximately eighteen percent (\$471,296) over the engineer's estimate of \$2,604,725. Staff recommends accepting the bid and authorizing execution of the major works contract with the low, responsible bidder. This work is considered essential to realizing the full benefits of the traffic improvements that eliminate at-grade conflicts between vehicular and rail traffic between South Spokane Street and Duwamish Avenue, providing a direct access route for freight traffic to the Union Pacific Railroad Argo Yard, and improving traffic safety and efficiency on East Marginal Way South.

BACKGROUND

The East Marginal Way Phase II project will complete surface street improvements at the south end of the East Marginal Way Grade Separation structure and eliminate the last remaining conflict between rail traffic and northbound traffic accessing the structure. Additionally, proposed construction project improvements beneath the new, adjacent SR-99 structure will enable southbound freight traffic from the East Marginal Way Grade Separation structure to cross East Marginal Way South and access the proposed Argo Yard Truck Roadway.

The Argo Yard Truck Roadway will reduce round-trip dray times for harbor truckers while improving safety for general-purpose traffic. The project will accomplish these goals by creating a direct drayage route shortcut to the Argo Yard that bypasses congested portions of East Marginal Way South. Additionally, Union Pacific Railroad will construct an Argo Yard gate and site upgrades, to speed truck processing.

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The proposed East Marginal Way Phase II and Argo Yard Truck Roadway project improvements were bid and would be constructed under a single major construction contract in order to maximize construction efficiency and minimize total project costs.

Staff has determined that the funds previously authorized by the Commission for the various East Marginal Way Grade Separation, East Marginal Way Phase II, and Argo Yard Truck Roadway projects are sufficient for the completion of this project. No additional fund authorization is being requested at this time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Reject all bids and re-bid later in the year under the assumption that lower bids will be received. This alternative assumes that advertising outside of the prime construction season will result in lower bids. However, given the current construction market, this is not a certain outcome, and the delay in the project is not in the best interests of the Port, the other project stakeholders, or the public. This is not the recommended alternative.

Alternative 2) – Accept the bid and authorize the execution of the major public works contract with the low, responsible bidder. This alternative will ensure earliest completion of these vital freight mobility projects. **This is the recommended alternative.**

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- On April 22, 2014 Commission authorized the Chief Executive Officer to:
(1) execute the East Marginal Way Grade Separation project's (WP #102007) Memorandum of Agreement Between The City of Seattle and the Port of Seattle Regarding the East Marginal Way Grade Separation (MOA) and expend \$800,000 for final close-out construction elements and the conveyance of required properties/easements to the City of Seattle for a total project cost of \$56,256,171;
(2) advertise, award, and execute a major works construction contract for the East Marginal Way Phase II project (WP#104866), and increase the project authorization in the amount of \$2,400,000 for a total project authorization of \$3,375,000;
(3) execute the Argo Yard Truck Roadway Supplemental Agreement to Memorandum of Understanding to authorize acquisition of real property interests and term permit necessary for the Argo Yard Truck Roadway project (WP#'s 104739/104751/104754);
and
(4) advertise, award, and execute a major works construction contract for the Argo Yard Truck Roadway project (WP#'s 104739/104751/10754), and increase the project authorization in the amount of \$1,200,000 for a total project authorization of \$7,750,000.
- On April 23, 2013 Commission Authorized (1) Ratification of \$232,159 for costs already incurred in excess of current authorization for the East Marginal Way Grade Separation project; (2) additional funds of \$1,637,841 to complete outstanding work on the project for a total project authorization of \$55,456,171.
- On September 11, 2012 Commission Authorized for the Chief Executive Officer to: (1) obligate the Port to pay Washington State Department of Transportation a not-to-exceed amount of \$500,000 for work associated with SR-99 Trestle Replacement to allow East

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Marginal Way Grade Separation (EMWGS) Phase II and Argo Yard Access Road projects to proceed; and (2) direct staff to develop design and prepare bidding documents for EMWGS Phase II in the amount of \$350,000 (CIP #C001725).

- On September 11, 2012 Commission authorized to increase previous Project Authorization by the amount of the American Recovery and Reinvestment Act (ARRA) grant in the amount of \$2,875,171 received after Commission authorization on March 24, 2009, resulting in the total project authorization of \$53,575,171.
- On December 13, 2011 Commission authorized Argo Yard Roadway Memorandum of Understanding (MOU).
- On May 18, 2010 Commission authorized a change order for a not-to-exceed amount of \$430,000.
- On May 11, 2010 Commission authorized a Purchase and Sale agreement between Port of Seattle and Ash Grove Cement Company for a portion of Ash Grove's real property.
- On November 30, 2009 Commission approved agreement for early termination of Clear Channel Outdoor, Inc.'s leaseholds and settlement of any claims related to the removal of certain signs on Port-owned property acquired for EMWGS project.
- On March 24, 2009 Commission authorized to (1) increase previous Project Authorization by the amount of \$17,200,000 resulting in a total Project Authorization of \$50,700,000, and (2) advertise for bids for a total of \$50,700,000.
- On January 13, 2009 provided project update to the Commission.
- On April 11, 2006 Commission authorized project wide elements for a total of \$34,500,000.
- On December 9, 2003 Commission authorized design refinement.
- On April 9, 2002 Commission authorized the East Marginal Way Grade Separation conceptual design development.
- On July 14, 1998 Commission approved Resolution No. 3283, to authorize participation in the FAST Corridor.