

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6c

Date of Meeting January 24, 2012

DATE: January 13, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ralph Graves, Managing Director, Capital Development Division

SUBJECT: Change Order No. 054 for the East Marginal Way Grade Separation Project,
Contract MC-0316219, CIP C800237

Amount of This Request: \$371,000 **Total Project Cost:** \$21,151,057.54

Source of Funds: Project Construction Contingency

Est. State and Local Taxes: \$1,835,023 of Total Project Cost **Jobs Created:** None

ACTION REQUESTED:

Request authorization for the Chief Executive Officer to issue Change Order Number 054 for Contract MC-0316219, East Marginal Way Grade Separation project in an amount not to exceed \$371,000 to replace approximately 200 lineal feet of existing 20-inch diameter water main that runs adjacent to the project site. The total project cost is \$21,151,058. No additional project funds are being requested for this change order; funds are available from the contract construction contingency.

SYNOPSIS:

This project is for the construction of a new vehicular overpass structure to separate vehicular traffic from rail traffic at the intersection of lower Spokane Street and East Marginal Way. The project includes:

- Pavement improvements at the existing street connections
- Realignment of a portion of Spokane Street surface street to pass under the new overpass
- Installation of an earthquake drain system under the retained fill
- Utility relocation and construction of a water quality vault

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This change order provides the replacement of approximately 200 feet of 20-inch diameter water main adjacent to the project site. The installation activities related to the earthquake drain system at the northern project boundary caused slight settlement of the existing water main. Seattle Public Utilities is requiring the replacement of the affected water main. Replacement of the existing water main needs to be completed during a period of low water usage as this main feeds a large portion of the West Seattle neighborhood.

The change order will be issued for a not-to-exceed amount of \$371,000 and costs will be reconciled in a future change order after the Port has completed evaluation and negotiation with the contractor.

The source of funds for this change order would come from the contract construction contingency, requiring no additional funds. The contract currently has an executed change order rate of 3.81%, this change order represents an increase of 1.92%.

BACKGROUND:

The East Marginal Way Grade Separation project is a roadway improvement project near the East Marginal Way/South Spokane Street intersection. The grade separation is a complex geometry bridge structure that moves surface traffic above both Burlington Northern/Santa Fe and Union Pacific Railroad tracks. The completed project will service north, south and eastbound traffic, improving freight mobility for Terminals 5, 18, and 30 as well as providing safer transit for all traffic with the elimination of railroad crossings in this vicinity.

Mowat Construction Company was the low bidder with contract execution on October 26, 2009. The contract amount is \$18,250,482.70 with a contract completion date of September 14, 2011.

As there have been complications encountered with the City and nearby stakeholders, the final configuration is currently being redesigned and has delayed the completion of the project. This uncertainty has affected the ability of Port staff to predict an end date for this project.

The grade separation is open to traffic in an interim condition with work remaining to be completed in the west and south approaches that would allow northbound traffic on the structure. Due to weather and asphalt supply issues, the project was placed in suspension starting November 29, 2011, with work resuming on January 3, 2012. Based upon the remaining work, this project is anticipated to be complete during late first quarter of 2012. Time impact analyses are currently being performed on all remaining design changes and time impact will be awarded as appropriate for each issue as they are resolved.

CHANGE ORDER DESCRIPTION:

The following information relates to the pending change order scope and cost:

Change Order No. 054

Scope of work: The contractor shall provide labor, materials, and equipment to remove a section of the existing 20-inch diameter water main line and install a 20-inch restrained joint ductile iron pipe (RJDIP) water main line as directed by Construction Bulletin 051.1. The contractor shall coordinate all work with Seattle Public Utility (SPU).

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All cement lined 20-inch restrained joint pipe fittings shall not require any special tools for assembly and shall comply with the City of Seattle Standard Specifications 9-30.1(6)D.

The contractor shall install the 20-inch diameter RJDIP water main line in accordance with City of Seattle Standard Specification Section 9-30, "Water Distribution and Transmission Materials."

The contractor shall proceed for a total amount not to exceed \$371,000. Costs will be reconciled in a future change order after the Port completes the proposal evaluation and negotiation with the contractor.

As there are multiple issues affecting the completion of the work, additional time may be granted by separate change order after an analysis of whether this specific issue contributed to prolonging the contract duration.

JUSTIFICATION:

SPU has required the replacement of the affected portion of water main as a result of the earthquake drain installation activities near the water main. Although, in the opinion of Port staff and the designer of record, the settlement is minor and has not weakened or shortened the anticipated lifespan of the water main in question, SPU has maintained its position. The City of Seattle is the eventual owner of this project, and failure to complete this work may affect the turnover of this project to the City.

FINANCIAL ANALYSIS:

The funds to pay for this change order are part of the project construction contingency funds that were included in previously approved authorizations of \$50,700,000. The project authorization includes grants from both Freight Mobility Strategic Investment Board (FMSIB) and the American Reinvestment and Recovery Act (ARRA). No additional project funds are being requested as a result of this change order.

CONTRACT INFORMATION:

The following information relates to the contract and competitive award:

Contract award date:	October 23, 2009
Original period of performance:	October 23, 2009 – September 12, 2011
Previous contract extensions:	22 Working Days
Contract extension this change order:	0 Days*
Current Contract Completion Date:	October 14, 2011

FINANCIAL INFORMATION:

Original contract amount:	\$18,250,482.70
Previous Change Orders Executed:	\$694,551.61

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<u>Current contract amount</u>	<u>\$18,945,034.31</u>
This request, Change Order No. 54	\$371,000
Subtotal Construction Costs	\$19,316,034.31
<u>Anticipated sales tax @ 9.5%</u>	<u>\$1,835,023.23</u>
Revised Contract Amount	\$21,151,057.54

*As there are multiple issues affecting the completion of the work, additional time may be granted by separate change order after an analysis of whether this specific issue contributed to prolonging the contract duration.

PREVIOUS COMMISSION ACTIONS:

May 18, 2010, the Commission authorized the issuance of Change Order Number 015 for the not-to-exceed amount of \$430,000 for the disposal of contaminated soil excavated from the site.

March 24, 2009, the Commission authorized an increase of \$17,200,000 for a total project authorization of \$50,700,000 and authorized advertisement, bid and award of the construction project.

March 6, 2006, the Commission granted staff project-wide authorization for the East Marginal Way Grade Separation project with a total project authorization of \$34,500,000.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Attachment 1: Photo

Attachment 2: Aerial Plan view