



TO: Board of Contracts and Awards
FROM: Michael P. Slevin III, P.E., Director, Environmental Services
Kurtis D. Kingsolver, P.E., Director/City Engineer, Public Works
COPY: City Council; City Manager; City Clerk; SBE Coordinator; LEAP Coordinator;
Chuck Blankenship, Finance/Purchasing; and Erik Ward, ESSE Project Manager
SUBJECT: Resolution to increase the contract with Ceccanti, Inc. for the Stadium Way Arterial
Improvement Project – Request for Bids Specification No. PW12-0083F, Contract
No. 4600008105 – August 19, 2014
DATE: August 5, 2014

SUMMARY:

The Environmental Services and Public Works Departments request approval to increase Contract No. 4600008105 with Ceccanti, Inc., Tacoma, WA, by \$650,000, including sales tax, budgeted from the ES Surface Water Fund 4301 and PW Transportation Capital Fund 1060, for a cumulative total of \$13,290,776.99, for unforeseen overages associated with construction delays, additional time and labor necessary to complete the required work, and additional construction requirements not anticipated during the original estimation process.

STRATEGIC POLICY PRIORITY:

- Plan for and improve public infrastructure that meets the transportation needs of all Tacoma residents and visitors.

The Commerce Street/Schuster Parkway stormwater trunk main improvements provide critical drainage to more than 90 acres of properties and roadways in downtown Tacoma. This flooding mitigation project provides flood relief during high-intensity storm events by realigning and upsizing a portion of the existing trunk main, constructing a new storm main extension, re-grading roadway surfaces, and constructing new pedestrian ramps. Commerce Street/Stadium Way provides a vital transportation link between north and west Tacoma, the Stadium Way Business District, I-705 and the downtown. This project provides a high factor of safety against flooding for properties along Commerce Street previously affected by flooding.

BACKGROUND:

ISSUE: The proposed contract increase will provide funding for overages associated with construction delays, additional time and labor necessary to complete the required work, and additional construction requirements not anticipated during the original estimation process.

October through December 2013, a total of 6.9 inches of rain fell in Tacoma. In contrast, after the added work began in January 2014, over 20 inches of rain fell in the three winter months. Inclement weather severely affected the Contractor’s production capabilities and created saturated ground conditions which caused construction delays and necessitated additional remediation of pipe trenches and exposed road bedding. Construction days for this contract, which were originally estimated at 75 days, increased to approximately 110 days. In an effort to try to keep on schedule and work on dry days the Contractor was required to work several weekends. Labor on these days was paid at a premium. During construction the Contractor also ran into field conditions which necessitated design changes. Two additional stormwater manholes were added to the contract and one additional wastewater manhole was added; there were several instances where unmarked and unknown underground utilities required field changes and caused delays, one of which was the replacement of approximately 35-linear feet of retaining wall not originally



anticipated. In all, the additional labor, material and equipment rental costs associated with the additional work and additional construction days drove construction costs to far exceed original estimations. Additional funds for this contract are necessary to pay for overages experienced with construction labor, equipment rentals and additional construction requirements.

\$30,000 of this increase will settle a claim with the Contractor addressing disputed contract items, such as the deletion of work associated with the large retaining wall on Schuster Parkway, and additional traffic control, excavation, and roadway paving on the original Stadium Way construction project.

ALTERNATIVES: Once the flooding mitigation work began, the only alternative course of action to avoid these overages would have been to stop work and complete the flood mitigation work under a separate contract. The consequence of stopping work and hiring a different contractor would have been an increased risk of additional flooding due to delayed upgrades to the stormwater system, additional closures of both Schuster Parkway and Commerce Street to complete the necessary improvements at a later date, additional costs associated with temporary asphalt restoration and subsequent demolition when the new contract started and additional expenses associated with the procurement of a new construction contract.

Delaying this work would have resulted in negative impacts to the residents and businesses that regularly utilize Schuster Parkway and Commerce Street. The estimated cost of not implementing this action and hiring a new contractor would have been an additional \$100,000, based on a typical contractor markup of 12 percent versus the agreed 6 percent negotiated for this extension.

COMPETITIVE SOLICITATION: This contract was originally awarded to Ceccanti, Inc., as a result of a Request for Bids Specification No. PW12-0083F in April 2012. The contractor has agreed to perform the additional work and amend the contract at the same prices, terms, and conditions as the original contract extension adopted on November 19, 2013, with a 6 percent markup.

CONTRACT HISTORY: The original contract for \$10,740,776.99, including sales tax, was adopted by City Council Resolution No. 38481 on May 8, 2012. Amendment No. 1, in the amount of \$1,900,000.00, was adopted by Resolution No. 38777 on November 19, 2013, for a cumulative total of \$12,640,776.99, and initiated the flooding mitigation work on Commerce Street/Schuster Parkway, addressed additional roadway stabilization issues on Stadium Way, and provided for additional storm and roadway improvements on Division and Tacoma Avenues. This proposed third amendment in the amount of \$650,000.00 will bring the contract to a cumulative total of \$13,290,776.99.

RECOMMENDATION:

The Environmental Services and Public Works Departments request approval to increase the contract with Ceccanti, Inc., by \$650,000, including sales tax, for a cumulative total of \$13,290,776.99, for unforeseen overages associated with construction delays, additional time and labor necessary to complete the required work, and additional construction requirements not anticipated during the original estimation process.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Transportation Capital Fund 1060	PWK-00516	5600000	\$30,000
Surface Water Fund 4301-06CON	ENV-03006-05	5600000	\$620,000
TOTAL			\$650,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Transportation Capital Fund 1060	PWK-00516	6311010	\$30,000
ES Surface Water Fund 4301	521900	4343040	\$620,000
TOTAL			\$650,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$650,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes