



**TO:** Board of Contracts and Awards  
**FROM:** Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer /KDK  
Chris E. Larson, P.E., Engineering Division Manager, Public Works  
Tom Rutherford, P.E., Project Manager, Public Works Engineering  
**COPY:** City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and  
Chuck Blankenship, Finance/Purchasing  
**SUBJECT:** Increase for additional reconstruction work on the Port of Tacoma Road  
Rehabilitation Project  
Request for Bids Specification No. PW14-0696F, Contract No. 4600010550 –  
April 5, 2016  
**DATE:** March 17, 2016

**SUMMARY:**

The Public Works Department requests approval to increase Contract No. 4600010550 with Gary Merlino Construction Co., Inc., Seattle, WA, by \$1,111,036.00, plus 5 percent in contingency of \$55,552.00, for a total increase of \$1,166,588.00, applicable sales tax included, to extend reconstruction work on the Port of Tacoma Road to include the section from Marshall Avenue to SR 509. This increase will bring the contract to a total of \$10,171,892.39, plus approximately 5.45 percent in contingency for a cumulative amount of \$10,726,340.00, applicable sales tax included.

**STRATEGIC POLICY PRIORITY:**

- Assure outstanding stewardship of the natural and built environment.

This project improves pavement conditions and pedestrian safety on an important heavy haul route in the Tideflats area that carries freight and provides residents access to businesses in that area.

**BACKGROUND:**

On February 24, 2015, Council adopted Resolution No. 39119 authorizing the execution of an Interlocal Agreement with the Port of Tacoma (Port) for the Port of Tacoma Road project that provided the financial contributions and management responsibilities for both the City and the Port on the project. Funding for construction of the project came from grants from the Washington State Transportation Improvement Board (TIB) and the Washington State Freight Mobility Strategic Investment Board, and contributions from the Port of Tacoma, Tacoma Water, Tacoma Rail, private funding, and the City's Heavy Haul Corridor Permit Fund.

On April 21, 2015, Council adopted Resolution No. 39173, awarding a contract to Gary Merlino Construction Co., Inc., in the amount of \$9,060,856.39, plus approximately 5.5 percent in contingency, for a cumulative total of \$9,559,752.00, applicable sales tax included.

In January 2016, as the Project neared completion, TIB notified City staff that additional funding might be available, contingent on local agency match, to extend reconstruction work on the Port of Tacoma Road to include an additional 1,600 feet of pavement from Marshall Avenue to SR 509 (see attached figure). Working collaboratively with the Port, Public Works staff prepared an Amendment No. 1 to the Interlocal Agreement between the City and the Port for the Project that specified financial responsibilities to supplement TIB funding to complete the additional work on Port of Tacoma Road. The Port Commission approved this amendment on March 17, 2016.



**ISSUE:** This project has improved a section of roadway within the City’s Heavy Haul Corridor. The existing pavement was in poor to failing condition and needed to be replaced. The initial project extended from Marshall Avenue to East 11<sup>th</sup> Street and included replacement of the existing asphalt pavement with concrete pavement, addition of sidewalks with curb ramps to provide accessible pedestrian access throughout the project length, installation of conduits for a future intelligent transportation system, construction of two traffic signals, replacement of three rail crossings, and replacement of an existing 12” water main. TIB and the Port have offered additional funding to allow all of Port of Tacoma Road between SR 509 and East 11th Street to be paved in concrete, meeting heavy haul standards by extending improvements to the section of road from Marshall Avenue to SR 509.

**ALTERNATIVES:** Repaving this section of road by a grind and overlay was considered. However, this alternative would not meet heavy haul pavement design standards and it provided a shorter pavement life with increased maintenance costs over the concrete pavement proposed.

**COMPETITIVE SOLICITATION:** This contract was awarded to Gary Merlino Construction Co., Inc. as a result of a Request for Bids Specification No. PW14-0696F opened on March 24, 2015. The contractor has submitted an estimate to complete the additional work and is prepared to begin once all approvals are in place.

**CONTRACT HISTORY:** The original contract was approved by Resolution No. 39173 on April 21, 2015, in the amount of \$9,060,856.39, plus 5.5 percent contingency, for a cumulative total of \$9,559,752.00, applicable sales tax included.

**SUSTAINABILITY:** By using concrete pavement, the base material from the existing pavement can be utilized resulting in a reduction of the amount of material requiring disposal over total removal and construction of new asphalt pavement and base material. The reduced disposal cost associated with concrete pavement, coupled with additional life expectancy and reduced maintenance as compared to asphalt pavement, results in lower life cycle costs. Removed asphalt will be recycled. New street lights will be LED fixtures and existing street lights will be upgraded with LED fixtures.

**SBE/LEAP COMPLIANCE:** The recommended contractor is in compliance with the Small Business Enterprise (SBE) Regulation requirements per memorandum dated April 1, 2015. The SBE goal for this project is 15 percent. The SBE participation level of the recommended contractor is 15.27 percent. Gary Merlino Construction Co., Inc. submitted the lowest evaluated bid per the SBE Regulation requirements. The Local Employment and Apprenticeship Training Program (LEAP) goal is 15 percent.

**RECOMMENDATION:**

The Public Works Department requests approval to increase Contract No. 4600010550 with Gary Merlino Construction Co. Inc., Seattle, WA, by \$1,111,036.00, plus 5 percent in contingency of \$55,552.00, for a total increase of \$1,166,588.00, applicable sales tax included, to extend reconstruction work on the Port of Tacoma Road to include the section from Marshall Avenue to SR 509. This increase will bring the contract to a total of \$10,171,892.39, plus approximately 5.45 percent in contingency for a cumulative amount of \$10,726,340.00, applicable sales tax included.



**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Transportation Capital Fund - 1060	PWK-G0003	5600000	\$1,166,588.00
<b>TOTAL</b>			\$1,166,588.00

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
State Grant, TIB	PWK-G0003	4334280	\$325,000
Port of Tacoma Contribution	PWK-G0003	4345221	\$180,000
Streets Initiative Fund - 1085	PWK-G0003	6311108	\$661,588
<b>TOTAL</b>			<b>\$1,166,588</b>

**POTENTIAL POSITION IMPACT:**

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
N/A			
<b>TOTAL</b>			

*This section should only be completed if a subsequent request will be made to increase or decrease the current position count.*

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,166,588**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** No

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**

The contract increase will be covered by new funds which will be approved during the next budget amendment. The Streets Initiative Funds - 1085 are already planned and budgeted.

FINANCE PURCHASING  
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