

City of Bainbridge Island
PLANNING & COMMUNITY DEVELOPMENT



MEMORANDUM

TO: Mayor, City Administrator

FROM: Christopher Wierzbicki, PE, Winslow Way Reconstruction Project Manager
Kathy Cook, Downtown Planning Division Manager

CC: City Council, Directors

DATE: April 22, 2008

RE: **City Council Meeting, April 23, 2008**
Winslow Way Reconstruction: Phase II Heery Contract

Following up on our meeting of yesterday morning, and based upon concerns regarding the City's financial status, the Phase II Heery contract before Council on April 23rd for design reconciliation and final engineering will be revised to reflect an anticipated construction start date of spring 2010. The tasks outlined in the revised contract will effectively remain the same as the original, however; the timeline will be re-ordered to reflect the new construction start date. The contract will be organized into phases, each of which will require authorization by City Council before the work proceeds.

The first phase of work, May through September, will consist of design and budget reconciliation of the 30% plans in accordance with the \$11.3 million base project, and \$1.4 million in programmatic alternatives for above-ground amenities. The resulting design plans and documentation will be prepared for application to the Transportation Improvement Board (TIB) grant process in August of 2008. TIB grant funds would support the construction of street and sidewalk improvements, and limited sustainability aspects of the project. Also during this first phase of work, City Staff will be working with Council to develop a 2010 project budget for the upcoming CFP and 2009-2010 budget discussions. This overall project budget (design and construction) will include the 1-year cost of construction escalation, which we estimate may be in the range of \$700K to \$900K.

The following is a task and cost breakdown of the revised contract by phase (**a draft scope of work will follow this memo on the morning of April 23 for Council review prior to the meeting**):

Phase I (5/08 – 8/08) Site Investigation Part 1, Design and Budget Reconciliation of 30% Plans

Estimated Cost: \$240K (\$187K Carry-over Bond Proceeds from 2007, \$53K Utility Funds)

Phase II (9/08 – 12/08) Site Investigation Part 2, Permitting, ROW Acquisition and Scheduling

Estimated Cost: \$240K (Funding to be determined)

Phase III (01/09 – 09/09) 75% and 90% Design Plans, Business Vitality Planning, Contract Documents

Estimated Cost: \$938K (Funding to be determined)

Phase IV (10/09 – 11/09) Construction Contract Bidding and Selection

Estimated Cost: \$60K (Funding to be determined)

In addition to the construction start date and contract revision notification, this memo is intended to answer several questions that arose at the April 16th Finance and Personnel Committee Meeting:

Q: How and why was the Heery team selected for the Winslow Way Project?

A: The Heery team was selected from a group of 4 design teams that submitted their qualifications through an RFP process in the fall of 2006. Each of the 4 design teams included civil engineers, landscape architects and public outreach professionals, however; Heery was the only team that proposed a construction project manager as the lead. As the project is equal parts design and construction coordination, the City chose Heery as the most qualified to perform the work. (Please note that all of the 4 teams that applied and were selected from the RFP were Seattle-based firms. None of the firms that competed for the work were located on Bainbridge Island.)

Q: Is Heery performing all of the work on the Winslow Way Project?

A: No. Heery's primary responsibility is for the coordination, scheduling, estimating, and construction planning for the project. Engineering, design, testing and other consulting services are provided by 11 other firms.

Q: What is the difference between the 9-month construction schedule proposed by Heery, and the 20-month schedule proposed by the value engineering team?

A: The 9-month construction schedule proposes two or more construction crews working on the project simultaneously, including some night work, in order to avoid delays associated with late fall and winter weather conditions. The 20-month schedule proposes 1 construction crew, and does not complete the work in time to avoid fall and winter weather delays.

Q: What is the shelf-life of the completed bid documents?

A: Due primarily to regulation and personnel changes associated with the project, the shelf life of completed bid documents is not expected to be more than 3 years.

Q: What impact does postponing the contract for additional design services have on the project timeline?

A: Even though the construction may not occur until spring of 2010, the team will need at least 8-12 weeks prior to the TIB grant application deadline in August to reconcile the design plans and budget. This work will also inform the City Council CFP and budget discussions that layout the planning and funding for construction in 2010. Postponing the work until later in the year will prevent the City from being able to submit for grants, will allow less time for construction investigation during the off-season, and will weaken the City's commitment to the project from the perspective of downtown property and business owners.

Q: What are the costs for each subsequent year of not starting construction?

A: The cost of construction escalation for flat-work and utility projects in the Puget Sound region is estimated to be between 8 and 10% per year.

Q: Given a possible reduction in capital work in 2008, does it make sense for City engineering staff to provide the services requested in the Heery contract?

A: The Winslow Way project currently requires the equivalent of almost 2 full-time employees for coordination, project management, and design services. The services represented in the Heery contract represent approximately 12,000 additional hours of design, planning and investigation services, or 5 full-time employees. The engineering staff would need significantly more time and expertise to complete the project in-house, while continuing to perform the required work associated with on-going major and minor capital projects, development reviews, and site inspections.