



**BUSINESS OF THE CITY COUNCIL  
CITY OF MERCER ISLAND**

**AB 6380  
January 2, 2024  
Consent Agenda**

**AGENDA BILL INFORMATION**

<b>TITLE:</b>	AB 6380: Luther Burbank Boiler Building Phase LBB1 Bid Award	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
<b>RECOMMENDED ACTION:</b>	Award the project to Ferguson Construction Inc., authorize the City Manager to execute a construction contract for \$1,891,377, and set the project budget to \$2,521,556.	

<b>DEPARTMENT:</b>	Public Works
<b>STAFF:</b>	Jason Kintner, Chief of Operations Clint Morris, Capital Division Manager Paul West, Senior CIP Project Manager
<b>COUNCIL LIAISON:</b>	n/a
<b>EXHIBITS:</b>	1. Project Location Map
<b>CITY COUNCIL PRIORITY:</b>	3. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks.

<b>AMOUNT OF EXPENDITURE</b>	\$ 2,521,556
<b>AMOUNT BUDGETED</b>	\$ 2,557,246
<b>APPROPRIATION REQUIRED</b>	\$ 0

**EXECUTIVE SUMMARY**

The purpose of this agenda bill is to award a public works construction contract to renovate the historic Boiler Building at Luther Burbank Park and restroom annex (Exhibit 1), prolonging their useful life.

- Work includes seismic retrofits and a new roof for the Boiler Building, plus renovations of the restrooms and concession stand. The top ten feet of the brick chimney will be removed, and the remaining portion reinforced.
- The Boiler Building portion of the project (PA0124) is included in the 2023-2024 Capital Improvement Program (CIP) with a total project budget of \$2,012,300. This is funded by the Capital Improvement Fund and a \$513,000 grant from the Washington State Historical Society.
- Funding for the restroom annex is included in the Luther Burbank Waterfront project (PA0122) in the 2023-2024 CIP. Of the \$7.5 million project budget, \$544,946 will cover the restroom renovation, a new sewer line and pump, and a rooftop viewing deck. Of these costs, 63% is covered by a Recreation and Conservation Office grant.
- Four construction bids were received. The lowest responsive bid is \$1,891,377.

Construction is tentatively scheduled to begin in February/March and should be completed in Q3 2024.

## BACKGROUND

The 2006 Luther Burbank Park Master Plan identified the 1928 Boiler Building for reuse as a non-motorized watercraft facility. A 2017 study of the Boiler Building established the feasible reuse of the building for this purpose. It also outlined Phase 1 improvements which would stabilize the Boiler Building with seismic retrofits, install a new roof membrane, repair masonry, and renovate the 1974 restroom annex.

Partial funding for the stabilization portion of Boiler Building Phase 1 was included in the City's 2021-2022 budget. During the early design of the Luther Burbank Park docks, the Parks and Recreation Commission began to consider a more comprehensive approach to the waterfront. The renovation of the restroom annex was initially part of the waterfront project scope ([AB 5868](#)). At 30% design, it was recombined with the Boiler Building stabilization scope. This packaged all building construction for more efficient and cost-effective bidding and construction phasing. The City Council supported this approach at the 30% design phase ([AB 6021](#)).

In pursuit of additional outside funding, City Council passed [Resolution No. 1624](#) in April 2022, authorizing the City Manager to apply for a Heritage Capital Program grant through the Washington State Historical Society ([AB 6049](#)). In June 2023, the Washington State Legislature approved this Heritage Capital grant, providing up to a maximum of \$513,000 (33% of construction costs).

## ISSUE/DISCUSSION

### PROJECT DESCRIPTION

The project includes installing a steel reinforcement framework inside the Boiler Building and the chimney, pinning masonry cladding to the concrete structure, installing a new roof membrane, and renovating the restrooms and concession stand. The top ten feet of the 80-foot-tall brick chimney is unreinforced masonry and is cost-prohibitive to retain. It will be removed. The remaining chimney will be capped after it is lined on the interior with concrete and structural steel reinforcement.

An interactive element of the project makes use of the City's existing [STQRY](#) web-based platform and artistic bronze plaques installed at the Boiler Building and three other historic sites in the park. The Mercer Island Historical Society will develop content published alongside existing listings for Mercer Island's public art collection. This historical interpretation component is a condition of grant funding from the Washington State Historical Society.

This project will precede the Luther Burbank Park Dock and Waterfront Improvements project which is anticipated to begin construction in the fall of 2024.

### BID RESULTS

Four construction bids were received and opened on November 14, 2023. The lowest bid was received from Ferguson Construction (Ferguson) with a base bid of \$1,782,064, which is approximately 12% above the engineer's construction cost estimate. Table 1 on the following page shows the bid results.

<b>BID SUMMARY</b>			
<b>Company</b>	<b>Base Bid + 10.1% Sales Tax</b>	<b>Additive Alternate A Viewing Deck + 10.1% Sales Tax</b>	<b>Total Base + Alternate</b>
Ferguson Construction	\$1,782,064.29	\$109,312.79	\$1,891,377.07
Bayley Construction	\$1,904,934.79	\$175,042.49	\$2,079,977.27
Boyce Construction	\$2,226,222.00	\$165,150.00	\$2,391,372.00
CDK Construction	\$2,309,526.96	\$112,302.00	\$2,421,828.96
Architect's Estimate	\$1,596,450.00	\$160,000.00	\$1,756,450.00

Table 1

The Architect's Estimate for the base bid was \$1,596,450. Additive Alternate A includes a viewing deck on the top of the restroom annex.

Staff recommends including Additive Alternate A in the project scope. This element was strongly supported by the Parks and Recreation Commission during design development. This element is 63% funded by Washington State Recreation and Conservation Office grants. The bid for Additive Alternate A received from Ferguson in the amount of \$109,313, is well below the Architect's Estimate.

Based in Bellevue, WA, Ferguson was established in 1948. They have completed numerous building renovation projects in western Washington, notably the Saint James Cathedral in Seattle, another historic masonry building. Ferguson successfully completed multiple projects in environmentally critical areas around the Costco Corporate Center in Issaquah.

A review of the Labor and Industries (L&I) website confirms Ferguson is a contractor in good standing with no license violations, outstanding lawsuits, or L&I tax debt. Based on Ferguson's bid submittal and reference checks, Ferguson is the lowest responsive bidder and staff recommends awarding the project to Ferguson.

**CONTINGENCY**

Staff has set contingency for the Boiler Building portion of the project at 20% of the construction bid amount for the following reasons:

- Renovations of old buildings typically have unknown costs that are uncovered during construction.
- Project work will occur in an environmentally sensitive area that includes underground soil testing and excavation, which may require additional remediation if/when unknown conditions arise.

Project contingency for the restroom annex renovation and rooftop deck is more predictable and is therefore set at 10% of associated construction costs.

**RECOMMENDED PROJECT BUDGET**

The 2023-2024 Biennial Budget includes project funding in PA0124 (\$2,012,300) and PA0122 (\$544,946 for the restroom annex renovation and rooftop deck). This project budgeting supported grant funding applications and permitting efforts. Staff will work with the contractor to track costs associated with the separate scopes of work.

One third of the Boiler Building construction costs are covered by Heritage Capital Program grant funding from the Washington State Historical Society up to \$513,000. Restroom and viewing deck renovations are

funded by a Recreation and Conservation Office grant funding, making up 63% or \$343,316 of the total construction costs.

Table 2 details the \$2,521,556 total project cost, of which \$856,316 (34%) is funded via grants.

<b>2024 LUTHER BURBANK PARK BOILER BUILDING PHASE LBB1</b>	
<b>PROJECT COST AND BUDGET</b>	
Construction (Base Bid plus Alternate)	\$1,717,872
Washington State Sales Tax @ 10.1%	\$173,505
<b>Construction Contract Award to Ferguson Subtotal</b>	<b>1,891,377</b>
<b>Additional Project Components</b>	
Final Design and Bidding Costs	\$63,000
Construction Contingency (20% boiler building, 10% restroom annex)	\$327,000
Construction Support Services – Consultant	\$94,000
Project Management/In-house Staff Support	\$86,000
Construction Inspection and Testing	\$15,000
1% for the Arts	\$17,179
Historical Interpretive Program	\$28,000
<b>Additional Project Components Subtotal</b>	<b>\$630,179</b>
<b>Total Project Cost</b>	<b>\$2,521,556</b>
Project PA0124 Budget	\$2,012,300
Project PA0122 (Annex & Deck) Budget	\$544,946
<b>Total Budget Available</b>	<b>\$2,557,246</b>
<b>Budget Appropriation Required</b>	<b>\$0</b>

Table 2

## NEXT STEPS

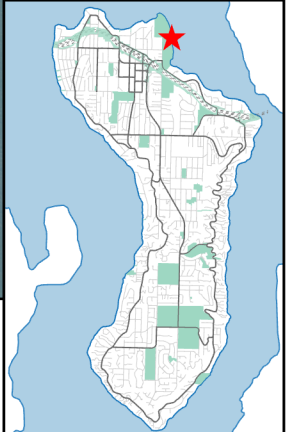
Staff recommends awarding the bid to Ferguson Construction, Inc. and authorizing the City Manager to execute a contract with Ferguson for the construction of the Luther Burbank Park Boiler Building Phase LBB1 project and set the total project budget at \$2,521,556.

Staff anticipates construction to begin in Q1 2024. Public agencies, contractors, and suppliers are still experiencing shortages of materials and long lead times on critical items, such as structural steel, plumbing, and building materials. Staff estimate project completion in Q3 2024, which may overlap with the start of the dock and waterfront improvements. Staff will work closely with the contractor to manage the project timeline and work schedule.

## RECOMMENDED ACTION

Award the Luther Burbank Park Boiler Building Phase LBB1 (Bid No. 23-30) to Ferguson Construction and authorize the City Manager to execute a contract with Ferguson Construction, in an amount not to exceed \$1,891,377 for the construction of the Luther Burbank Park Boiler Building Phase LLBB1 and set the total project budget at \$2,521,566.

# AB 6380 EXHIBIT 1: LUTHER BURBANK BOILER BUILDING BID AWARD



 PROJECT LOCATION

 LAKE WASHINGTON



Date: 12/12/2023  
2023CIP\_Template.aprx  
AB63801-Boiler Building