

**SOUND TRANSIT  
STAFF REPORT**

**RESOLUTION NO. R2007-02**

**Budget Amendment for the I-90 Two-Way Transit and HOV Operations Stage 1 Project**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	2/15/07	Discussion/Possible Action to Recommend Board Approval	Jim Edwards, Acting Director, Capital Project	(206) 398-5037
Board	2/22/07	Action	Christine Engler, Construction Program Manager Jerry Dahl, Construction Project Manager <b>Hank Howard, Project Manager</b>	(206) 398-5056 (206) 398-5284 (206) 398-5078

<b>Contract/Agreement Type:</b>	✓	<b>Requested Action:</b>	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	✓
Real Estate		Property Acquisition	

**PROJECT NAME**

I-90 Two-Way Transit and HOV Operations Stage 1 Project

**PROPOSED ACTION**

Amends the Adopted 2007 Budget for the I-90 Two-Way Transit and HOV Operations Stage 1 Project to reflect a transfer from the Regional Express East King County Program Reserve in the amount of \$1,375,417.

**KEY FEATURES of PROPOSED ACTION**

- This action resolves the estimated funding shortfall for the I-90 Two-Way Transit and HOV Operations Stage 1 Project.
- This action amends the Adopted 2007 Budget to reflect the transfer from the Regional Express East King County Program Reserve to the project.
- This action does not change the total East King County subarea program budget.

**BUDGET and FINANCIAL PLAN DISCUSSION**

The proposed resolution would amend the Adopted 2007 Budget for the I-90 Two-Way Transit and HOV Operations Stage 1 Project to reflect a transfer from the Regional Express East King County Program Reserve in the amount of \$1,375,417. As shown in the table below, the transfer would make the Adopted 2007 Budget for the I-90 Two-Way Transit and HOV Operations Stage 1 Project (#382) equal to \$25,781,629. The remaining East King County

Regional Express Program Reserve would be \$22,758,273. There would be no change in the total Regional Express East King County Program.

**Summary for Board Action (Year of Expenditure \$000)**

**Project: 382 - I-90 Two-way Transit & HOV Operations, Stage 1**

	Adopted 2007 Budget: (A)	Proposed Budget Amendment <sup>2</sup> (B)	Revised 2007 Budget (C)
1 Agency Administration	\$ 1,338	\$ 74	\$ 1,412
2 Preliminary Engineering	\$ 1,595	\$ -	\$ 1,595
3 Final Design	\$ 3,875	\$ -	\$ 3,875
4 Right of Way	\$ 145	\$ -	\$ 145
5 Construction	\$ 15,118	\$ 2,742	\$ 17,860
6 Contingency	\$ 2,334	\$ (1,440)	\$ 894
7 Total Current Budget	\$ 24,406	\$ 1,375	\$ 25,782
8 East King County Program Reserve	\$ 24,134	\$ (1,375)	\$ 22,758
9 All Other East King County Projects	\$ 497,248	\$ -	\$ 497,248
10 Total Regional Express East King County Program	\$ 545,788	\$ -	\$ 545,788

**Notes:**

<sup>1</sup> The adopted 2007 budget was adopted by the Board on December 14, 2006.

<sup>2</sup> The proposed budget amendment would reallocate \$1,375,417 from the East King County Regional Express Program Reserve, as well as reallocate project contingencies to address phase level shortfalls.

<sup>3</sup> Sound Transit and WSDOT are sharing the design cost of the I-90 Stage 1 project 50:50. This may result in a credit to Sound Transit from WSDOT after all actual costs have been accounted for.

The description of the basis for this budget amendment is included in the staff report of Motion No. M2007-27, which will be considered by the Board concurrently with this action.

**SMALL BUSINESS PARTICIPATION**

Not applicable for this action.

**PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

The I-90 Two-Way Transit and HOV Operations Stage 1 Project will improve regional mobility by providing a full-time HOV lane for westbound traffic on the I-90 outer roadway between Bellevue Way and 80<sup>th</sup> Avenue Southeast on Mercer Island, while minimizing impacts to the environment and to other users and transportation modes. Major components of the I-90 Stage 1 project include:

- A new HOV lane in the westbound outer roadway
- A new 80th Avenue Southeast HOV direct access ramp from the new westbound outer roadway HOV lane
- Modifications to the Bellevue Way HOV direct access ramp
- Modifications to the northbound I-405/westbound I-90 connection.

The Final Environmental Impact Statement (FEIS) for the I-90 project was prepared in compliance with State Environmental Policy Act (SEPA) and National Environmental Policy Act

(NEPA) and was issued on May 21, 2004. The Record of Decision (ROD) was approved and issued by the Federal Highway Administration on September 28, 2004.

On October 16, 2006 the Washington State Department of Transportation (WSDOT) advertised the I-90 Two-Way Transit and HOV Operations Stage 1 Project for construction bids. Bids were opened on January 18, 2007. Max J. Kuney Construction Company was the lowest responsive and responsible bidder. The bid was 23% higher than the engineer's estimate for the construction of the project. Five (5) bids were received— ranging between 23 to 62% over the engineer's estimate. The estimated shortfall in the project budget is about \$1.4 Million, which includes shortfalls in Sound Transit's share of the project funding required for the construction contract, applicable sales tax, construction engineering, construction contingency, project administration, and project contingency amounts.

Sound Transit and WSDOT are jointly funding design and construction of the I-90 Stage 1 Project. Sound Transit is responsible for funding the costs related to the direct access portions of the project. The proposed budget amendment would fully fund Sound Transit's share of these costs for Stage 1.

Simultaneously with the proposed budget amendment, staff is requesting authorization to execute GCA 3361 Task Order Agreement A-10 with WSDOT to provide construction and construction management services for the I-90 Two-Way Transit and HOV Operations Stage 1 Project in the amount of \$16,790,707, with a 5% contingency of \$839,535, for a total authorized amount not to exceed \$17,630,243.

### Prior Board/Committee Actions on this Project

Motion/Resolution Number and Date	Summary of Action
M2005-19 2/18/05	Authorized execution of Agreement GCA 3536 Task Order 12 with WSDOT for design services necessary to complete 30% design for certain project elements that were deferred during the PE/ED phase and to prepare final design for Stage 1 in the amount of \$3,398,911, with a contingency of \$339,891, for a total authorized amount not to exceed \$3,738,802.
M2004-63 8/12/04	Authorized the Chief Executive Officer to enter into an amendment to the I-90 Memorandum Agreement.
R2004-09 8/12/04	Amended Sound Move to provide for Two-Way Transit and HOV Operations in the outer roadways of I-90 and to select Alternative R-8A as the project to be built.
M2003-120 11/13/03	Directed staff to negotiate an amendment to the Memorandum Agreement for I-90 to define the guiding principles for the ultimate configuration of the I-90 roadway with HCT in the center roadway.
M2003-99 11/13/03	Identified Alternative R-8A as the preferred alternative for the I-90 Two-Way Transit and HOV Operations project.
M2003-17 4/3/03	Authorized a supplement to the WSDOT Agreement and an amendment to the URS contract for the completion of environmental analysis/preliminary engineering for the I-90 project.
M2001-75 7/26/01	Provided direction on how to proceed on the environmental analysis for the I-90 project.
M2001-07 1/25/01	Provided direction on how to proceed on the I-90 project.
M2000-112 12/7/00	Approved a supplement to the Agreement with WSDOT for the I-90 project.
R98-12	Authorized execution of a Master Agreement with WSDOT for the Big Four

**CONSEQUENCES of DELAY**

Bid opening was January 18, 2007. WSDOT cannot award the construction contract until the Board has approved this budget amendment and the construction task order. If award is delayed, project completion could be delayed by several months, which could add significant cost impacts to the project.

**PUBLIC INVOLVEMENT**

Sound Transit has conducted an extensive community outreach effort. To date, the agency has mailed four newsletters/postcards; held and attended over seventeen public meetings; and held three open houses in May 2003 in the Cities of Bellevue, Seattle, and Mercer Island, as part of the public review process for the Draft and Final EIS. Sound Transit will continue to update the public throughout the life of the project.

**ENVIRONMENTAL COMPLIANCE**

SSK 12-06-06

**LEGAL REVIEW**

JW 2/8/07