

RESOLUTION NO. R2011-12
Increase the Sounder M Street to Lakewood Track and Signal Project Lifetime Budget

| MEETING: | DATE: | TYPE OF ACTION: | STAFF CONTACT: |
|-------------------|--------------|-------------------------|---------------------------------------|
| Capital Committee | 08/11/2011 | Recommendation to Board | Ahmad Fazel, DECM Executive Director |
| Board | 08/25/2011 | Final Action | Eric Beckman, Project Director |

PROPOSED ACTION

Increase the Sounder M Street to Lakewood Track and Signal Project Lifetime Budget by \$2,911,274 from \$78,630,327 to \$81,541,601.

KEY FEATURES

- The purpose of this action is to increase the M Street to Lakewood Track and Signal Project Lifetime Budget to reflect (1) project savings, and (2) the cost of the construction of track and signal improvements related to WSDOT's Point Defiance Bypass Project, which have been reimbursed by WSDOT. In 2008, Sound Transit and WSDOT entered into an agreement to incorporate elements of the Point Defiance Bypass Project in the construction contract for the M Street to Lakewood Track and Signal Project. WSDOT agreed to reimburse Sound Transit for its project costs.
- WSDOT has reimbursed Sound Transit \$7,230,056 for the full cost of the work; however, the current Project Lifetime Budget does not include the costs.
- The project is now complete and has realized a savings of \$4,318,782 for Sound Transit's scope of work.
- To reflect both the project savings and the cost of track and signal improvements for the WSDOT Point Defiance Bypass Project, the Lifetime Budget will have a net increase of \$2,911,274 (WSDOT's reimbursement of \$7,230,056 less \$4,318,782 in project savings).

PROJECT DESCRIPTION

To extend Sounder to South Tacoma and Lakewood, Sound Transit reconstructed seven miles of the Lakeview Subdivision tracks, installing a new signal system, and upgrading crossings from M Street in Tacoma to Bridgeport Way in Lakewood. Sound Transit's project and elements of WSDOT's Point Defiance Bypass Project were constructed under one contract. The Project has been completed and Sound Transit owns the improvements, which are located within the Sound Transit right of way.

FISCAL INFORMATION

The proposed action increases the lifetime budget for the M Street to Lakewood Track and Signal Project from \$78,630,327 to \$81,541,601. In 2008, the Board approved Motion No. M2008-87, authorizing a cooperative and funding agreement with WSDOT to incorporate elements of its Point Defiance Bypass Project in the construction contract for the M Street to Lakewood Track and Signal Project. WSDOT paid Sound Transit \$7,230,056 for the full cost of the work, and the payments were recorded as revenue to the Pierce County subarea. The cost of the WSDOT work was treated as a betterment in error and therefore was not charged against the project budget.

The project has now been completed and there are savings of \$4,318,782 for the Sound Transit scope. After realizing the project savings, adding the cost of the WSDOT scope results in a net increase of \$2,911,274 to the Project Budget.

BUDGET TABLE

| | |
|---|----------------|
| WSDOT Track and Signal Project Cost | \$ 7,230,05 |
| M St. - Lakewood Track & Signal Project Savings | \$ (4,318,782) |
| Net Change to Project Budget | \$ 2,911,27 |

| M St. - Lakewood Track & Signal | Adopted 2011 Lifetime Budget ¹ (A) | Proposed Budget Amendment ² (B) | Revised 2011 Lifetime Budget (C) |
|---------------------------------|---|---|--|
| Agency Administration | \$ 3,571,67 | \$ 786,361 | \$ 4,358,040 |
| Preliminary Engineering | \$ 1,496,13 | \$ - | \$ 1,496,137 |
| Final Design | \$ 3,017,78 | \$ 160,441 | \$ 3,178,230 |
| Right of Way | \$ 12,578,763 | \$ 499,161 | \$ 13,077,924 |
| Construction | \$ 46,337,368 | \$ 4,107,515 | \$ 50,444,883 |
| Construction Management | \$ - | \$ 33,000 | \$ 33,000 |
| Vehicle | \$ 8,953,38 | \$ - | \$ 8,953,388 |
| Contingency | \$ 2,675.20 | \$ (2,675,204) | \$ - |
| Total Current Budget | \$ 78,630,327 | \$ 2,911,274 | \$ 81,541,601 |

Notes:

- ¹ Project budget is located on page 75 of the 2011 Transit Improvement Plan.
- ² Construction phase increase is \$5,751,092 in additional cost offset by \$1,643,578 in savings for a net increase of \$4,107,515.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

BACKGROUND

This resolution increases the M Street to Lakewood Track and Signal Project Lifetime Budget from \$78,630,327 to \$81,541,601, to account for project savings and the cost of the construction of track and signal improvements related to the Point Defiance Bypass Project, which has been reimbursed by WSDOT. The actual cost of construction for Sound Transit’s scope of work was below the engineer’s estimate and there is remaining budget in the construction phase. The project savings of \$4,318,782 comes from the remaining amount in the construction phase and the project contingency. WSDOT’s payment of \$7,230,056 minus the \$4,318,782 in project savings results in a net increase to the Project Lifetime Budget of \$2,911,274.

ENVIRONMENTAL COMPLIANCE

SSK 6-28-11

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2008-87 - Authorized the chief executive officer to execute a cooperative and funding agreement with the Washington State Department of Transportation for an amount not to exceed \$9.5 million. WSDOT will reimburse Sound Transit to incorporate elements of WSDOT's Point Defiance Bypass Project in the Sounder M Street-to-Lakewood Track and Signal Project construction package.

TIME CONSTRAINTS

Board adoption of this action in August 2011 will allow adequate time to reflect the changes in the 2012 Proposed Budget and the 2012 Draft Transit Improvement Plan.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

LA 8-05-11