

## Motion No. M2024-01

### Increase contingency for Construction Management Consultant Services with HDR Engineering Inc. for the East Link Extension

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	1/11/2024	Recommend to Board	Ron Lewis, DECM Executive Director
Board	1/25/2024	Final action	<b>Jon Lebo, Executive Project Director – East Link Extension</b>

### Proposed action

Authorizes the chief executive officer to increase the contract contingency with HDR Engineering Inc. for construction management services for the East Link Extension in the amount of \$7,000,000 for a new total authorized contract amount not to exceed \$125,440,000.

### Key features summary

- HDR Engineering Inc. provides construction management support to the East Link Extension by managing all civil construction elements of the East Link Extension Bellevue Segment.
- The construction management consultant (CMC) scope of work includes: program management, resident engineering, contract administration, office engineering, technical support and inspection, construction cost estimating, contract change management, claims analysis, scheduling, construction safety oversight, quality assurance activities, document control, tracking of diversity/small business/project labor agreement requirements, management of the construction contractor, and oversight of work by public and private utility relocations.
- This action provides additional needed contingency to address:
  - Extended closeout of the four (4) Bellevue segment civil contracts, including permitting, as-built, warranty and other closeout requirements;
  - Ongoing management support for the follow-on 1 and 2 contracts for security enhancements, additional fencing, and tile repair work;
  - Augmentation of Sound Transit staff for developing operations and maintenance agreements, property transfer documentation, and project management of follow-on contracts;
  - Construction management support for issues that may arise after the East Link Starter Line opening; and,
  - Potential construction management support for follow-on construction contracts to address planned scopes of work resulting from required third-party and Sound Transit request necessary for the I-90 segment that are outside of the current civil contract such as security and fencing requirements.
- This action does not increase the Board adopted baseline budget for the Project.

## Background

East Link Extension extends light rail fourteen (14) miles from downtown Seattle to downtown Bellevue and the Overlake area of Redmond via I-90, with stations serving Rainier Avenue/I-90, Mercer Island, South Bellevue, Downtown Bellevue, Overlake Hospital, the Bel-Red Corridor, Overlake Village, and the Overlake Transit Center. The East Link project route, profiles, and station locations were selected by the Sound Transit Board on July 28, 2011, and amended on April 25, 2013. In April 2015, the Sound Transit Board established the baseline budget and schedule for the project.

In July 2014, through Motion No. M2014-47, the Board authorized a contract with HDR for construction management pre-construction services for the Bellevue Segment. Staff negotiated both Phase 1 – Pre-construction Services and Phase 2 – Construction Management Services work with HDR prior to executing Phase 1.

In December 2015, through Motion No. M2015-123, the Board authorized a contract amendment with HDR to provide CMC services for Phase 2.

In December 2022, through Motion No. M2022-97, The Board authorized additional contract contingency to support HDR CMC services anticipated to be required through Q4 2023.

HDR provides construction management support to the East Link Extension team by managing all civil construction elements of the East Link Extension Bellevue Segment. The CMC scope of work includes: program management, resident engineering, contract administration, office engineering, technical support and inspection, construction cost estimating, contract change management, analysis of claims, scheduling, construction safety oversight, quality assurance activities, document control, tracking of diversity/small business/project labor agreement requirements, management of the construction contractor, and oversight of work by adjacent private and public developments as well as public and private utility relocations.

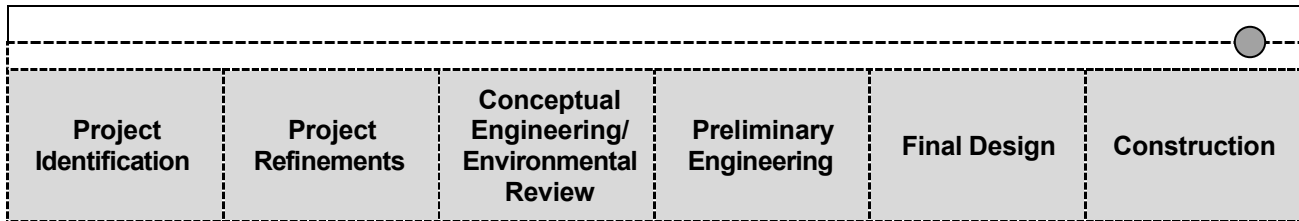
The previous motion M2022-97 authorized in December 2022, forecast completion of both the Bellevue civil contract closeouts and anticipated follow-on contract work being completed by the end of 2023. The duration of the civil contract closeout period is extending into mid-2024 to address ongoing resolution of contractor quality issues, such as having to re-video sewer lines for permit closeout, reinstallation of tile at various stations, multiple review of as-builts and permit closeout documents due to missing or inaccurate information from the contractor, additional oversight to address dead plants and weed control, and other closeout issues.

The scope and duration of the follow-on construction contracts are larger in scope and duration than contemplated in 2022. This action provides for continued construction management of follow-on construction work and additional needed contingency to address:

- Extended closeout of the four (4) Bellevue segment civil contracts, including permitting, as-built, warranty and other closeout requirements
- Ongoing management support for the follow-on 1 and 2 contracts for security enhancements, additional fencing, and the tile repair work,
- Augmentation of Sound Transit staff for developing operations and maintenance agreements, property transfer documentation and project management of follow-on contracts,
- Construction management support for issues that may arise after the East Link Starter Line opening, and
- Potential construction management support for follow-on construction contracts to address planned scopes of work resulting from required third-party and Sound Transit request necessary for the I-90 segment that are outside of the current civil contract such as security and fencing requirements.

Having HDR consistently manage the follow-on contracts that are directly related to the East Link Light Rail Extension provides the appropriate efficiency and quality assurance needed.

## Project status



Baseline Revenue Service: Q1-Q2 2024 East Link Starter Line

Project scope, schedule and budget summary are located on page 31 of the October 2023 Agency Progress Report.

## Procurement information

A qualifications-based selection process was used to procure contract number RTA/AE 0171-13, Civil Construction Management Consultant (CMC) Services for East Link (Bellevue Segment). The solicitation was advertised on October 31, 2013. Sound Transit received submittals from four firms on December 9, 2013. The firms were evaluated based on the criteria: team experience and history, knowledge and experience of key individuals, project understanding, project work plan, good faith efforts and commitment to DBEs and other Small Businesses, and Equal Employment Opportunity (EEO) Commitment. Based on these evaluations, two submitters were invited for interviews. HDR Engineering, Inc. was determined to be the highest ranked firm based on qualifications and was invited to enter negotiations for the contract. After negotiations, cost analysis, responsibility check the cost were deemed fair and reasonable by procurement and contracts, Sound Transit entered a contract on September 12, 2014.

The initial contract value was not to exceed \$3,445,455 for scope limited to provide construction management consultant services for the preconstruction phase of the Bellevue segment of the East Link Extension. With appropriate Board authorizations, Contract modifications to date have resulted in increase in scope and contract amount. The current Contract amount is not to exceed \$117,040,000.

This Board action does not result in an immediate modification to the contract and only increases the contingency. The contingency is expected to cover increases in the level of effort required and additional scopes of work associated with completing the East Link Extension. Contract Modifications will be negotiated in accordance with the Contract terms. This is not expected to result in an increase in the direct labor rates or indirect cost rates.

## Fiscal information

This action is within the baseline budget and sufficient monies remain after approval of this action to fund the remaining work in the Construction Services phase. This action does not impact the affordability of any other system expansion project.

The baseline budget for the East Link project is \$3,677,150,000. Within that amount, \$277,177,256 has been set aside in the Construction Services phase. Within the Construction Services phase, \$125,440,000 has been allocated to the budget line item for Bellevue Corridor CMC. The action would commit \$7,000,000 to this line item and leave a budget balance of \$0.

## East Link Extension

(in thousands)

(in thousands)	Total Baseline Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Operations and Maintenance	\$7,106	\$7,106	\$0	\$7,106	\$0
Administration	181,174	141,506	-	141,506	39,667
Preliminary Engineering	50,874	50,874	-	50,874	-
Final Design	261,888	257,344	-	257,344	4,544
Third Parties	44,818	41,216	-	41,216	3,601
Right of Way	278,516	281,245	-	281,245	(2,729)
Construction	2,516,079	2,469,399	-	2,469,399	46,680
Construction Services	277,177	268,684	7,000	275,684	1,493
System Testing-Start Up	59,518	21,840	-	21,840	37,678
<b>Total Current Budget</b>	<b>\$3,677,150</b>	<b>\$3,539,214</b>	<b>\$7,000</b>	<b>\$3,546,214</b>	<b>\$130,936</b>

Phase Detail - Construction Services					
Bellevue Corridor CMC	\$125,440	\$118,440	\$7,000	\$125,440	\$0
Other Construction Services	151,737	150,244	-	150,244	1,493
<b>Total Phase</b>	<b>\$277,177</b>	<b>\$268,684</b>	<b>\$7,000</b>	<b>\$275,684</b>	<b>\$1,493</b>

Bellevue Corridor CMC	Board Approvals to Date	Proposed Action	Proposed Total for Board Approval	Current Contract Spend Status
Contract Amount	\$118,440	\$0	\$118,440	\$118,104
Contract Contingency		7,000	7,000	\$0
<b>Total Contract Amount</b>	<b>\$118,440</b>	<b>\$7,000</b>	<b>\$125,440</b>	<b>\$118,104</b>
Percent Contingency	0%	100%	6%	0%

### Notes:

Amounts are expressed in Year of Expenditure \$000s.

For detailed project information, see page 85 of 194 of the Proposed 2024 Financial Plan & Proposed Budget.

\* Board Approvals = Commitment and PO Contingency Remaining as of 11/30/2023.

## Disadvantaged and small business participation

### Participation by small businesses and disadvantaged business enterprises (DBEs)

Sound Transit promotes and encourages small business participation, which also includes disadvantaged business enterprises (DBEs). Consistent with Sound Transit Policies and federal regulations, Sound Transit has established small business / DBE goals for this contract. These goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of small businesses / DBEs available to perform such subcontracting work.

AE 0171-13: Disadvantaged business enterprise (DBE) / Small Business goals, commitments, and participation to-date		
	DBE	Small Business
Sound Transit Goal	7.5%	15%
Prime Commitment	12%	35%
Participation to-date	18.24%	30.31%

### Public involvement

Not applicable to this action.

### Time constraints

To support the most efficient completion of the work, approval of this action is needed by January 2024.

## **Prior Board/Committee actions**

Motion No. M2022-97: Authorizes the chief executive officer to increase the contract contingency with HDR Engineering Inc. for construction management services for the East Link Extension in the amount of \$7,000,000 for a new total authorized contract amount not to exceed \$118,440,000.

Motion No. M2015-123: Authorized the chief executive officer to execute a contract amendment with HDR Engineering, Inc. to provide construction management consultant services for the construction phase of the Bellevue segment of the East Link Extension in the amount of \$97,409,091, with a 10% contingency of \$9,740,909, totaling \$107,150,000, for a new total authorized contract amount not to exceed \$110,940,000.

Motion No. M2014-47: Authorized the chief executive officer to execute a contract with HDR Engineering, Inc. to provide construction management consultant services for the preconstruction phase of the Bellevue segment of the East Link Extension in the amount of \$3,445,455, with a 10% contingency of \$344,545, for a total authorized contract amount not to exceed \$3,790,000.

---

**Environmental review** – KH 12/26/23

**Legal review** – JSA 1/9/24

## Motion No. M2024-01

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contract contingency with HDR Engineering Inc. for construction management services for the East Link Extension in the amount of \$7,000,000 for a new total authorized contract amount not to exceed \$125,440,000.

### Background

East Link Extension extends light rail fourteen (14) miles from downtown Seattle to downtown Bellevue and the Overlake area of Redmond via I-90, with stations serving Rainier Avenue/I-90, Mercer Island, South Bellevue, Downtown Bellevue, Overlake Hospital, the Bel-Red Corridor, Overlake Village, and the Overlake Transit Center. The East Link project route, profiles, and station locations were selected by the Sound Transit Board on July 28, 2011, and amended on April 25, 2013. In April 2015, the Sound Transit Board established the baseline budget and schedule for the project.

In July 2014, through Motion No. M2014-47, the Board authorized a contract with HDR for construction management pre-construction services for the Bellevue Segment. Staff negotiated both Phase 1 – Pre-construction Services and Phase 2 – Construction Management Services work with HDR prior to executing Phase 1.

In December 2015, through Motion No. M2015-123, the Board authorized a contract amendment with HDR to provide CMC services for Phase 2.

In December 2022, through Motion No. M2022-97, The Board authorized additional contract contingency to support HDR CMC services anticipated to be required through Q4 2023.

HDR provides construction management support to the East Link Extension team by managing all civil construction elements of the East Link Extension Bellevue Segment. The CMC scope of work includes: program management, resident engineering, contract administration, office engineering, technical support and inspection, construction cost estimating, contract change management, analysis of claims, scheduling, construction safety oversight, quality assurance activities, document control, tracking of diversity/small business/project labor agreement requirements, management of the construction contractor, and oversight of work by adjacent private and public developments as well as public and private utility relocations.

The previous motion M2022-97 authorized in December 2022, forecast completion of both the Bellevue civil contract closeouts and anticipated follow-on contract work being completed by the end of 2023. The duration of the civil contract closeout period is extending into mid-2024 to address ongoing resolution of contractor quality issues, such as having to re-video sewer lines for permit closeout, reinstallation of tile at various stations, multiple review of as-builts and permit closeout documents due to missing or inaccurate information from the contractor, additional oversight to address dead plants and weed control, and other closeout issues.

The scope and duration of the follow-on construction contracts are larger in scope and duration than contemplated in 2022. This action provides for continued construction management of follow-on construction work and additional needed contingency to address:

- Extended closeout of the four (4) Bellevue segment civil contracts, including permitting, as-built, warranty and other closeout requirements
- Ongoing management support for the follow-on 1 and 2 contracts for security enhancements, additional fencing, and the tile repair work,

- Augmentation of Sound Transit staff for developing operations and maintenance agreements, property transfer documentation and project management of follow-on contracts,
- Construction management support for issues that may arise after the East Link Starter Line opening, and
- Potential construction management support for follow-on construction contracts to address planned scopes of work resulting from required third-party and Sound Transit request necessary for the I-90 segment that are outside of the current civil contract such as security and fencing requirements.

Having HDR consistently manage the follow-on contracts that are directly related to the East Link Light Rail Extension provides the appropriate efficiency and quality assurance needed.

HDR Engineering Inc. provides construction management support to the East Link Extension by managing all civil construction elements of the East Link Extension Bellevue Segment.

The construction management consultant (CMC) scope of work includes: program management, resident engineering, contract administration, office engineering, technical support and inspection, construction cost estimating, contract change management, claims analysis, scheduling, construction safety oversight, quality assurance activities, document control, tracking of diversity/small business/project labor agreement requirements, management of the construction contractor, and oversight of work by public and private utility relocations.

This action provides additional needed contingency to address:

- Extended closeout of the four (4) Bellevue segment civil contracts, including permitting, as-built, warranty and other closeout requirements;
- Ongoing management support for the follow-on 1 and 2 contracts for security enhancements, additional fencing, and tile repair work;
- Augmentation of Sound Transit staff for developing operations and maintenance agreements, property transfer documentation, and project management of follow-on contracts;
- Construction management support for issues that may arise after the East Link Starter Line opening; and,
- Potential construction management support for follow-on construction contracts to address planned scopes of work resulting from required third-party and Sound Transit request necessary for the I-90 segment that are outside of the current civil contract such as security and fencing requirements.

This action does not increase the Board adopted baseline budget for the Project.

**Motion**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to increase the contract contingency with HDR Engineering Inc. for construction management services for the East Link Extension in the amount of \$7,000,000 for a new total authorized contract amount not to exceed \$125,440,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 25, 2024.

  
Dow Constantine  
Board Chair

**Attest:**

  
Kathryn Flores  
Board Administrator