

Memo

March 26, 2025

To:	Sound Transit Board of Directors
From:	Tony Raben, Downtown Redmond Link Extension Executive Project Director
Subject:	Accounting of contingency applied under authority granted in Motion No. M2025-09

Under the provisions of Motion No. M2025-09, the Downtown Redmond Link Extension (DRLE) staff committed to provide the Board with "... a full accounting of contingency [not to exceed \$25,000,000] used and the reconciliation of any contracts and agreements to which these [contingency] funds were applied".

DRLE Staff were able to manage much of the work needed to achieve the timely opening of the project within approved contract and agreement not-to-exceed amounts including the authorization granted in Motion No. M2025-09 in May 2025. Of the \$25,000,000 cumulative contingency increase authorized by the Board, the project has used \$6,878,128 in contingency funds to support opening for revenue service and part of the closeout phase. See the summary table below of the DRLE contracts and agreements that the funds were applied to.

Item	Previous NTE	Authorized Contingency for Modifications	New NTE	Comments
		\$25,000,000		
Design Build PM – WSP USA Inc.	\$56,530,000	\$6,878,128	\$63,408,128	Extending Design Build PM staffing.
Total authorized change		\$6,878,128		
Remaining authorization		\$18,121,872		

Memo

As the DRLE project works to complete closeout responsibilities which can span several years after the beginning of Revenue Service, staff will continue to track the usage of the contingency authorized. Future updates can be provided upon request. A copy of Motion No. M2025-09 is attached for your reference.

Please contact DRLE staff with any questions.

Best Regards,

Tony Raben

Executive Project Director – Downtown Redmond and East Link Extensions
Capital Delivery Department



Motion No. M2025-09

Increase Contingency Funds for Certain Downtown Redmond Link Extension Agreements and Contracts

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	02/13/2025 02/27/2025	Recommend to Board Final action	Terri Mestas, Deputy CEO, Capital Delivery Michael Morgan, Executive Director, Capital Delivery Tony Raben, Executive Project Director, Downtown Redmond Link Extension

Proposed action

Authorizes the chief executive officer to increase certain Downtown Redmond Link Extension contract and/or agreement amounts as necessary, for a total authorized cumulative increase not to exceed \$25,000,000, all within the Downtown Redmond Link Extension approved baseline budget.

Key features summary

- Sound Transit’s experience with the Initial Segment, University Link Extension, Northgate Link Extension, and Lynnwood Link Extension projects indicates that opening a new light rail line can require significant unanticipated work and the agency must be in a state of readiness to meet jurisdictional and operational requirements that arise during the final stages of the project and through closeout.
- This action would authorize the use of Board-approved baseline budget funds, not to exceed \$25,000,000, as needed, to add contingencies to and increase the authorized amounts of certain active contracts and intergovernmental agreements related to the Downtown Redmond Link Extension to facilitate the project’s opening.
- This authorization will be applied to contracts and agreements within the construction services, third party, and construction phases of the Downtown Redmond Link Extension approved baseline budget.
- The work will be within the approved scope of the contracts or agreements and may include but not be limited to safety certification, agency requested changes, and changes required by Authorities having jurisdiction.
- This action will allow for funds to be allocated to individual contracts or agreements such that the amounts used will not exceed \$25,000,000 in cumulative increases.
- Staff will report to the Board no later than the first quarter of 2026 to provide a full accounting of contingency used and the reconciliation of any contracts and any agreements to which these funds were applied.

Background

The Downtown Redmond Link Extension is a 3.4-mile light rail extension from the Redmond Technology

Center Station at NE 40th Street in Redmond to the terminus station at 166th Avenue NE in Downtown Redmond. The project includes two stations and a 1400-space parking garage. Funding for final design and construction was approved with the passage of ST3 in November 2016. Service to Downtown Redmond is anticipated in 2025.

In 2011, DRLE was funded through conceptual engineering. The Board selected the project to be built for East Link, including Segment E of the East Link Project. In June 2017, the Board identified proposed refinements to DRLE for further study, authorizing additional environmental review and preliminary engineering. Proposed refinements included the alignment and station profile in the downtown segment of Redmond from an at-grade profile from Bear Creek to Leary Way, to an elevated profile from Bear Creek to 164th Ave NE, including an elevated station and tail tracks. Additional environmental review was completed in August 2018, and the Board approved refinements to the project to be built in September 2018.

The Board has previously authorized the funds, which are available within the Downtown Redmond Link baseline budget. This action would authorize the use of baseline budget funds, not to exceed \$25,000,000, as needed, to increase the authorized amounts and add contingencies to certain active contracts and intergovernmental agreements related to the Downtown Redmond Link Extension, including the following:

Within the Third Party Phase:

- Construction Services Task Order with the Washington State Department of Transportation
- Construction and Permitting support agreement with the City of Redmond.
- Memorandum of Understanding with King County for the Downtown Redmond Link Extension

Within the Construction Services phase:

- Design Build construction management (DBPM) consultant, WSP USA Inc., supporting Sound Transit design and construction teams with oversight of design and construction of civil and systems work.

Within the Construction Phase

- Design Build contract with Stacy and Witbeck/Kuney JV.
- CBRE Preventative Maintenance Contract

To facilitate timely opening of the extension, this action will authorize the chief executive officer to allocate funds within the Downtown Redmond Link budget to intergovernmental agreements, design build contract, design build Project management contract, increasing contract and agreement contingencies and authorized amounts as necessary, within the cumulative total increase of \$25,000,000.

Project status

○					
Project Identification	Alternatives Identification	Conceptual Engineering/ Draft EIS	Preliminary Engineering/ Final EIS	Final Design	Construction

Projected completion date for Construction: 2Q 2025

Project scope, schedule and budget summary are located on the [Sound Transit website](#).

Fiscal Information

The baseline budget for the Downtown Redmond Link Extension project is \$1,530,000,000. The proposed action does not commit any new funds but will allow for contract contingency and agreement amounts to be increased as necessary, using funds from existing budgetary line items, of up to \$25,000,000.

Downtown Redmond Link Extension

(in thousands)

Project Phase	Baseline Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$77,071	\$36,628	\$0	\$36,628	\$40,443
Preliminary Engineering	22,229	19,641		19,641	2,587
Final Design	4,910	1,843	-	1,843	3,067
Third Parties	17,000	11,124	2,000	13,124	3,876
Right of Way	198,950	117,196	-	117,196	81,754
Construction	1,145,884	850,439	16,000	866,439	279,445
Construction Services	63,956	54,331	7,000	61,331	2,625
Total Current Budget	\$1,530,000	\$1,091,201	\$25,000	\$1,116,201	\$413,799

Notes:

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

*Board Approvals = Commitment and PO Contingency Remaining as of 12/31/2024.

For detailed project information, see page 132 of the 2025 Proposed Budget & Financial Plan.

Disadvantaged and small business participation

Participation by small businesses and disadvantaged business enterprises (DBEs)

Below is the current DBE and Small Business performance on the associated contracts:

AE 0195-17 – Design Build Contract - WSP Inc.		
Small business goal: 11%	Small business commitment: 39.1%	Small Business Attainment: 28.7%
DBE goal: 5%	DBE commitment: 16.8%	DBE Attainment: 13.5%

CN 0148-18 – Design Build Project Management Contract (Design Servies) – SW/Kuney-JV		
Small business goal: 10%	Small business commitment: 13.07%	Small Business Attainment: 19.2%
DBE goal: 5%	DBE commitment: 6%	DBE Attainment: 9.2%

CN 0148-18 – Design Build Project Management Contract (Construction Servies) – SW/Kuney-JV		
Small business goal: 10%	Small business commitment: 12.1%	Small Business Attainment: 10.9%
DBE goal: 5%	DBE commitment: 6%	DBE Attainment: 7.1%

Public involvement

Not applicable to this action.

Time constraints

Due to limited remaining schedule float, a one-month delay may impact the ability to provide schedule critical-scopes of work to support the opening of revenue service.

Prior Board/Committee actions

Motion No. M2021-50: Authorizes the chief executive officer to execute a two-year contract with CBRE to provide preventative maintenance and other services for facilities along the East Link Extension in the amount of \$2,404,602, with a 20 percent contingency of \$480,920 for a total authorized contract amount not to exceed \$2,885,522, plus applicable taxes.

Motion No. M2019-89: Authorized the chief executive officer to execute a contract modification with WSP USA, to exercise the contract option for Phase 2 of the design-build project management services for Downtown Redmond Link Extension in the amount \$49,727,000, with a 10 percent contingency of \$4,973,000 totaling \$54,700,000, for a new total authorized contract amount not to exceed \$56,530,000.

Motion No. M2019-74: Authorized the chief executive officer to execute a design-build contract with Stacy and Witbeck/Kuney, a Joint Venture, to complete final design and construction of the Downtown Redmond Link Extension in the amount of \$729,266,000, with a \$75,256,600 base contingency, and authorizes an alternative concept allowance not to exceed \$50,000,000 to fund the maximum cost of any additional substantial added value improvements, for a total authorized contract amount not to exceed \$854,522,600.

Motion No. M2019-23: Authorized the chief executive officer to execute a Memorandum of Understanding with King County for the Downtown Redmond Link Extension in the amount of \$3,040,000 to provide schedule assurance and support from King County related to project interfaces and to satisfy conditions related to the acquisition of King County property.

Motion No. M2018-73: Authorized the chief executive officer to execute a contract with WSP USA, Inc. to provide design-build project management services for the Downtown Redmond Link Extension, particularly Phase 1 – Preconstruction Services in the amount of \$1,663,998 with a contingency of approximately 10% or \$166,002 for a total authorized contract amount not to exceed \$1,830,000.

Motion No. M2018-14: Authorized the chief executive officer to execute an agreement with the City of Redmond for project administration services to provide expedited permitting, design review, and construction support services for the Downtown Redmond Link Extension in the lump sum amount of \$5,711,933.

Environmental review – KH 1/27/25

Legal review – JSA 2/6/25

Motion No. M2025-09

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase certain Downtown Redmond Link Extension contract and/or agreement amounts as necessary, for a total authorized cumulative increase not to exceed \$25,000,000, all within the Downtown Redmond Link Extension approved baseline budget.

Background

The Downtown Redmond Link Extension is a 3.4-mile light rail extension from the Redmond Technology Center Station at NE 40th Street in Redmond to the terminus station at 166th Avenue NE in Downtown Redmond. The project includes two stations and a 1400-space parking garage. Funding for final design and construction was approved with the passage of ST3 in November 2016. Service to Downtown Redmond is anticipated in 2025.

In 2011, DRLE was funded through conceptual engineering. The Board selected the project to be built for East Link, including Segment E of the East Link Project. In June 2017, the Board identified proposed refinements to DRLE for further study, authorizing additional environmental review and preliminary engineering. Proposed refinements included the alignment and station profile in the downtown segment of Redmond from an at-grade profile from Bear Creek to Leary Way, to an elevated profile from Bear Creek to 164th Ave NE, including an elevated station and tail tracks. Additional environmental review was completed in August 2018, and the Board approved refinements to the project to be built in September 2018.

The Board has previously authorized the funds, which are available within the Downtown Redmond Link baseline budget. This action would authorize the use of baseline budget funds, not to exceed \$25,000,000, as needed, to increase the authorized amounts and add contingencies to certain active contracts and intergovernmental agreements related to the Downtown Redmond Link Extension, including the following:

Within the Third Party Phase:

- Construction Services Task Order with the Washington State Department of Transportation
- Construction and Permitting support agreement with the City of Redmond
- Memorandum of Understanding with King County for the Downtown Redmond Link Extension

Within the Construction Services phase:

- Design Build construction management (DBPM) consultant, WSP USA Inc., supporting Sound Transit design and construction teams with oversight of design and construction of civil and systems work

Within the Construction Phase

- Design Build contract with Stacy and Witbeck/Kuney JV
- CBRE Preventative Maintenance Contract

To facilitate timely opening of the extension, this action will authorize the chief executive officer to allocate funds within the Downtown Redmond Link budget to intergovernmental agreements, design build contract, design build Project management contract, increasing contract and agreement contingencies and authorized amounts as necessary, within the cumulative total increase of \$25,000,000.

Sound Transit's experience with the Initial Segment, University Link Extension, Northgate Link Extension, and Lynnwood Link Extension projects indicates that opening a new light rail line can require significant unanticipated work and the agency must be in a state of readiness to meet jurisdictional and operational requirements that arise during the final stages of the project and through closeout.

This action would authorize the use of Board-approved baseline budget funds, not to exceed \$25,000,000, as needed, to add contingencies to and increase the authorized amounts of certain active contracts and intergovernmental agreements related to the Downtown Redmond Link Extension to facilitate the project's opening.

This authorization will be applied to contracts and agreements within the construction services, third party, and construction phases of the Downtown Redmond Link Extension approved baseline budget.

The work will be within the approved scope of the contracts or agreements and may include but not be limited to safety certification, agency requested changes, and changes required by Authorities having jurisdiction.

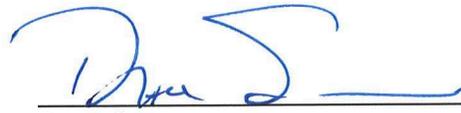
This action will allow for funds to be allocated to individual contracts or agreements such that the amounts used will not exceed \$25,000,000 in cumulative increases.

Staff will report to the Board no later than the first quarter of 2026 to provide a full accounting of contingency used and the reconciliation of any contracts and any agreements to which these funds were applied.

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 certain Downtown Redmond Link Extension contract and/or agreement amounts as necessary, for a total authorized cumulative increase not to exceed \$25,000,000, all within the Downtown Redmond Link Extension approved baseline budget.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 27, 2025.



Dave Somers
Board Chair

Attest:



Kathryn Flores
Board Administrator