



Motion No. M2019-93

Contract Modification for NE 200th Street to Lynnwood Transit Center Construction within the Lynnwood Link Extension

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	08/08/2019 08/22/2019	Recommend to Board Final action	Ron Lewis, DECM Executive Director Joe Gildner, Acting, Executive Project Director - Lynnwood Link Extension Randy Harlow, Deputy Project Director - Lynnwood Link Extension

Proposed action

Authorizes the chief executive officer to execute a contract modification with Skanska Constructors L300, a Joint Venture between Skanska USA Civil West California District, Inc., and Skanska USA Buildings, Inc., to provide construction services for the NE 200th Street to Lynnwood Transit Center segment within the Lynnwood Link Extension in the amount of \$778,113,669, with a 5 percent contingency of \$38,905,683 totaling \$817,019,353, for a new authorized contract amount not to exceed \$877,888,048.

Key features summary

- In February 2019, the Board authorized a Heavy Civil GC/CM construction contract with Skanska for the NE 200th Street to Lynnwood Transit Center segment through Motion No. M2019-13. At that time, the design of portions of the work needed to progress to further refine project scope and costs. To maintain the overall project schedule, a phased contracting approach was employed, authorizing an early work package of schedule-critical work elements.
- This action represents the next phase of the procurement, and incorporates additional elements of the design including construction of guideways, track, stations, and parking garage.
- The proposed action maintains the contract schedule, inclusive of the contract substantial completion milestone of May 2023, and also maintains the anticipated revenue service date of summer 2024.

Background

The Lynnwood Link Extension extends light rail 8.5 miles from Northgate Station in Seattle through Shoreline and Mountlake Terrace to the Lynnwood Transit Center in Lynnwood. The project is primarily along I-5, with stations at NE 145th Street, NE 185th Street, Mountlake Terrace Transit Center and Lynnwood Transit Center. The alignment includes elevated and at-grade retained cut/fill portions. On November 19, 2015, through Resolution No. R2015-30, The Sound Transit Board authorized the chief executive officer to advance the Lynnwood Link Extension project to final design. In May 2018, the Sound Transit Board established the baseline budget and schedule for the project. Revenue service is forecasted to begin in summer 2024.

The Lynnwood Link Extension Final Environmental Impact Statement was issued in April 2015, in compliance with the State Environmental Policy Act (SEPA) and the National Environmental Policy Act (NEPA). The Sound Transit Board selected the project route, profile, and stations on April 23, 2015. The Federal Transit Administration issued a NEPA Record of Decision (ROD) for the project on July 10, 2015, and the Federal Highway Administration issued a ROD on August 31, 2015. Sound Transit issued a SEPA Addendum on May 3, 2018, which includes additional environmental information related to project refinements proposed since the Final EIS was issued.

The NE 200th Street to Lynnwood Transit Center contract is one of three major construction contracts for the Lynnwood Link Extension. The contract includes construction of approximately 2.3 miles of elevated guideway, 1.4 miles of at-grade retained cut/fill guideway, a station adjacent to the existing Mountlake Terrace Park-and-Ride, a station and garage at Lynnwood Transit Center, trackwork, and civil/system infrastructure.

The Heavy Civil GC/CM contracting method, as allowed under RCW 39.10, was selected based on certain project characteristics including complex scheduling and phasing requirements required to minimize impacts to the traveling public and neighboring communities.

This work was competitively procured via the qualifications based Heavy/Civil GC/CM alternative public works procurement process. Skanska was selected as the most qualified team. The Sound Transit Board authorized a contract with Skanska for preconstruction services in August 2016. The scope of services included constructability reviews, value engineering reviews, risk assessments, schedule development, estimating, and coordination of construction activities and sequencing with WSDOT, cities of Mountlake Terrace and Lynnwood, transit agencies, utilities, private properties, and other Sound Transit contractors. Skanska successfully completed the preconstruction services phase.

To maintain the overall project schedule, a phased contracting approach was employed. The previously approved early work package included utility relocation, construction access, traffic control on I-5, demolition of residential structures, demolition of WSDOT noise walls, construction of temporary noise barriers, and associated demolition, grading, erosion control, traffic control/modifications, and temporary restoration.

Consistent with the Heavy Civil GC/CM process and RCW 39.10, following completion of pre-construction services, Sound Transit entered into negotiations for a Maximum Allowable Construction Cost (MACC) with Skanska. This MACC included procurement of subcontracts advertised to the public as 30 Invitations for Bid (IFBs), as well as negotiation of direct construction, management, oversight, and support services to be performed by Skanska. Subcontract bid solicitations, including subcontract procurements for stations and garage scopes, have been completed, reducing exposure to the risk of future market conditions.

Project status

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

Projected completion date for the Construction Phase: Q3 2024

Project scope, schedule and budget summary are located on page 29 of the May 2019 Agency Progress Report.

Procurement information

The NE 200th to Lynnwood Transit Center contract uses the GC/CM contracting method, an alternative method allowed under Chapter 39.10 of the Revised Code of Washington (RCW). The Project Review Committee of the State's Capital Project Advisory Review Board certified Sound Transit to use the GC/CM procurement method in March 2013 and recertified Sound Transit in January 2016. This project was procured under that certification.

A Request for Qualifications was issued in March 2016 and four Statements of Qualifications (SOQs) were received. Following review and evaluation, three firms were invited for interviews. Based on scoring of the SOQs and the interviews, two firms were asked to submit final proposals including price offers for specified work items. The price offers were opened publicly on July 20, 2016. Based on evaluation of SOQs, interviews, and price offers, Skanska was the highest ranked firm. Preconstruction Services commenced October 2016.

Consistent with the Heavy Civil GC/CM process and Chapter 39.10 RCW, Sound Transit commenced negotiation of a Maximum Allowable Construction Cost (MACC) with Skanska in April of 2019 to expand the scope of the original early work construction contract to encompass remaining main package scopes. The MACC includes subcontract work that was competitively bid, work to be self-performed by Skanska, negotiated support services and risk contingency. The cost included in this action are consistent with the independent cost estimate and are considered fair and reasonable.

In February 2019, the Board authorized a Heavy Civil GC/CM construction contract with Skanska for the NE 200th Street to Lynnwood Transit Center segment through Motion No. M2019-13. The scope of work included in the February action authorized early demolition, utility, and clearing activities.

Fiscal information

This action is within the baseline budget and sufficient funds remain within the project after approval of this action to fund the remaining work in the construction phase as contained in the current cost estimates. After this action, a total of \$273.0 million (11.5% of remaining work) will remain within the project as contingency amounts (allocated, unallocated, and design allowances).

The baselined budget for the Lynnwood Link Extension project is \$2,771,622,000. Within that amount, \$2,091,553,000 has been set aside for the construction phase. Within the construction services phase, \$877,888,048 has been allocated to the budget line item for NE 200th to Lynnwood. The proposed action would commit \$817,019,353 to this line item and leave no remaining budget in the line item.

Lynnwood Link Extension

(in thousands)

Project Phase	Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Administration	\$98,164	\$32,479	\$	\$32,479	\$65,685
Preliminary Engineering	39,054	39,053		39,053	1
Final Design	164,162	145,459		145,459	18,703
Third Party Agreements	14,600	11,255		11,255	3,345
Right of Way	235,660	153,172		153,172	82,488
Construction	2,091,553	978,678	817,019	1,795,697	295,856
Construction Services	128,429	98,023		98,023	30,406
Vehicles					
Project Contingency					
Total Current Budget	\$2,771,622	\$1,458,120	\$817,019	\$2,275,139	\$496,483
Phase Detail					
Construction					
L300 NE 200th to Lynnwood	\$877,888	\$60,869	\$817,019	\$877,888	\$
Other Construction	1,213,665	917,809		917,809	295,856
Total Phase	\$2,091,553	\$978,678	\$817,019	\$1,795,697	\$295,856

Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Skanska USA Buildings, Inc.				
Contract Amount	\$56,887	\$57,387	\$778,114	\$835,000
Contingency	3,982	3,482	38,906	42,888
Total	\$60,869	\$60,869	\$817,019	\$877,888
Percent Contingency	7%	6%	5%	5%

Notes:

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

* Board Approvals = Commitment and PO Contingency Remaining as of 7/22/19.

For detailed project information, see page 171 of the 2019 Financial Plan & Adopted Budget.

Disadvantaged and Small Business Participation

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 the construction 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.

For the subcontract package, Skanska included specific small and disadvantaged business goals. These goals were established based on the type of work and the availability of small and disadvantaged businesses to perform that particular work.

Small business and disadvantaged business enterprise (DBE) goals	
Sound Transit small business goal: 12%	Small business commitment: 12.2%
DBE goal: 5%	DBE commitment: 9.4%

Public involvement

Sound Transit is committed to public involvement throughout the design for the Lynnwood Link Extension light rail project. Staff has met with communities, businesses, stakeholders, property owners, and other agencies to help shape the project by asking questions, talking with project staff, and providing ideas and comments as the project moved through planning, environmental review and design. Public input for final design included six open houses with over 1,200 attendees and an online open house website with over 7,500 visits. Public outreach will continue through construction.

Time constraints

Approval of this action in August will allow the project to commence critical path guideway construction activities in the 2019 dry-weather construction season, helping maintain project schedule and avoid impacting the turnover of station and guideway areas to the future Systems construction contractor.

Prior Board/Committee actions

Motion No. M2019-13: Authorized the chief executive officer to execute a construction contract with Skanska Constructors L300, a Joint Venture between Skanska USA Civil West California District, Inc., and Skanska USA Buildings, Inc., to provide Heavy Civil General Contractor/Construction Manager construction services for early work on the NE 200th Street to Lynnwood Transit Center segment early construction work within the Lynnwood Link Extension in the amount of \$56,886,631, with a 7% contingency of \$3,982,064, for a total authorized contract amount not to exceed \$60,868,695.

Motion No. M2016-99: Authorized the chief executive officer to execute a contract with Skanska Constructors L300, a Joint Venture between Skanska USA Civil West California District Inc. and Skanska USA Buildings, Inc., to provide pre-construction services for the NE 200th Street to Lynnwood Transit Center contract within the Lynnwood Link Extension in the amount of \$5,370,000, with a 10% contingency of \$537,000, for a total authorized contract amount not to exceed \$5,907,000.

Environmental review – KH 7/30/19

Legal review – JEN 08/05/2019



Motion No. M2019-93

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract modification with Skanska Constructors L300, a Joint Venture between Skanska USA Civil West California District, Inc., and Skanska USA Buildings, Inc., to provide construction services for the NE 200th Street to Lynnwood Transit Center segment within the Lynnwood Link Extension in the amount of \$778,113,669, with a 5 percent contingency of \$38,905,683 totaling \$817,019,353, for a new authorized contract amount not to exceed \$877,888,048.

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Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract modification with Skanska Constructors L300, a Joint Venture between Skanska USA Civil West California District, Inc., and Skanska USA Buildings, Inc., to provide construction services for the NE 200th Street to Lynnwood Transit Center segment within the Lynnwood Link Extension in the amount of \$778,113,669, with a 5 percent contingency of \$38,905,683 totaling \$817,019,353, for a new authorized contract amount not to exceed \$877,888,048.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 22, 2019.



John Marchione
Board Chair

Attest:



Kathryn Flores
Board Administrator