



Motion No. M2021-04

Increase Contract contingency with Kiewit-Hoffman, JV for the East Link Extension

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	01/14/2021	Recommend to Board	Ron Lewis, DECM Executive Director
Board	01/28/2021	Final action	Mike Bell, Sr. Exec. Project Director – East Link Extension

Proposed action

Authorizes the chief executive officer to increase the contingency for contract with Kiewit-Hoffman, East Link Constructors for the construction of the Seattle to South Bellevue Segment (E130) within the East Link Extension in the amount of \$10,000,000, for a new total authorized contract amount not to exceed \$721,660,541, all within the Board approved project budget.

Key features summary

- This action provides additional contingency to address unanticipated scope additions, unforeseen changes due to actual conditions in existing infrastructure, and costs associated with Connect 2020.
- This action addresses the current risk profile and projected costs associated with executing the original scope of work. The additional contingency does not include any impacts associated with the pre/post COVID-19 30-day shutdown, or claims relating to contract performance or time.
- The additional construction contingency is needed to complete the base scope of the project and to ensure a timely turnover to the Follow-on Systems contractor.
- This action does not increase the Board adopted baseline budget for the Project.

Background

East Link Extension extends light rail 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. Revenue service between Seattle and the Overlake Transit Center is forecasted for 2Q 2023.

In February 2017, Sound Transit entered into a construction contract with Kiewit-Hoffman JV for work on the East Link segment E-130. Seattle to South Bellevue. The initial contract included only time-sensitive elements, including procurement of the post-tensioning steel and leasing of field offices. In March 2017, Sound Transit executed a contract change order to the initial agreement, which contained most of the planned work. This included seven miles of double track alignment, two stations, traction power substations, seismic and electrical improvements to WSDOT infrastructure.

E130 is 90% complete and is being delivered via a General Contractor Construction Manager (GC/CM) contract. Construction contingency for this GC/CM was originally established at 7 percent (typical

Design-Bid-Build contracts have 10 percent contingency). The requested change will increase the E130 contract contingency from 7 percent to 9 percent.

Unanticipated site conditions and changes resulted in higher than anticipated construction expenditures. Connect 2020 is an example of such a change. Originally, work was planned for a full-closure of the Downtown Seattle Transit Tunnel. To minimize customer impacts, the approach was modified to a single-tracking operation, but only after the construction contract was executed. Other notable changes include improvements along Rainier Avenue South to accommodate the future King County Metro Rapid Ride Bus stop.

Project status

○					
Project Identification	Project Refinements	Conceptual Engineering/ Environmental Review	Preliminary Engineering	Final Design	Construction

Projected Revenue Service: 2Q 2023

Project scope, schedule and budget summary are located on page 49-74 of the November 2020 Agency Progress Report.

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 phase.

The baseline budget for the East Link project is \$3,677,150,000. Within the construction phase, \$731,661,000 has been allocated to the budget line item for E130 Seattle to South Bellevue Construction. The action would commit \$10,000,000 to this line item and leave a budget balance of \$10,961,281.

East Link Extension

(in thousands)	Total Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Administration	\$186,200	\$102,326	\$	\$102,326	\$83,874
Preliminary Engineering	55,900	54,776		54,776	1,124
Final Design	283,000	257,186		257,186	25,814
Third Parties	52,150	39,282		39,282	12,868
Right of Way	298,150	277,070		277,070	21,080
Construction	2,510,582	2,329,675	10,000	2,339,675	170,907
Construction Services	257,450	214,912		214,912	42,538
System Testing and Startup	33,718				
Total Current Budget	\$3,677,150	\$3,275,227	\$10,000	\$3,285,227	\$358,205

Phase Detail - Construction

E130 Seattle to So. Bellevue	\$731,661	\$710,700	\$10,000	\$720,700	\$10,961
Other Construction Phase Work	1,778,921	1,618,975		1,618,975	159,946
Total Phase	\$2,510,582	\$2,329,675	\$10,000	\$2,339,675	\$170,907

Kiewit-Hoffman	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	\$665,000	\$698,746	\$	\$665,000
Contingency	46,661	12,915	10,000	56,661
Total Contract Amount	\$711,661	\$711,661	\$10,000	\$721,661
Percent Contingency	7%	2%	100%	9%

Notes:

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

* Board Approvals = Commitment and PO Contingency Remaining as of 11/30/20.

For detailed project information, see page 98 of the 2021 Financial Plan & Proposed Budget.

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.

Disadvantaged business enterprise (DBE) / Small Business goals, commitments, and participation to-date		
	DBE	Small Business
Sound Transit Goal	5%	10%
Prime Commitment	5%	10%
Participation to-date	6.45%	8.37%

Public involvement

Not applicable to this action.

Time constraints

To support the most efficient completion of the work, approval of this action is needed in the month of January 2021.

Prior Board/Committee actions

Motion No. M2017-117: Authorized the chief executive officer to execute a Reimbursement Agreement with the Washington State Department of Transportation for replacement of Interstate 90 East Channel Bridge expansion joints as a betterment to the East Link Extension for a total authorized agreement amount not to exceed \$1,470,000.

Motion No. M2017-30: Authorized the chief executive officer to execute a contract amendment with Kiewit-Hoffman, A Joint Venture to provide Heavy Civil General Contractor/Construction Manager construction services for the Seattle to South Bellevue construction within the East Link Extension in the amount of \$661,315,300, plus a 7% contingency of \$46,292,071, totaling \$707,607,371, for a new total authorized contract amount not to exceed \$711,660,541. Further authorizes Sound Transit to issue a notice-to-proceed under the executed contract when appropriate.

Motion No. M2017-17: Authorized the chief executive officer to execute a construction contract with Kiewit-Hoffman, a Joint Venture to provide early work as part of the Heavy Civil General Contractor/Construction Manager construction services for the Seattle to South Bellevue segment within the East Link Extension in the amount of \$3,684,700, plus a 10% contingency of \$368,470 for a total authorized contract amount not to exceed \$4,053,170.

Environmental review – KH 1/6/21

Legal review – JSA 1/11/21



Motion No. M2021-04

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contingency for contract with Kiewit-Hoffman, East Link Constructors for the construction of the Seattle to South Bellevue Segment (E130) within the East Link Extension in the amount of \$10,000,000, for a new total authorized contract amount not to exceed \$721,660,541, all within the Board approved project budget.

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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 increase the contingency for contract with Kiewit-Hoffman, East Link Constructors for the construction of the Seattle to South Bellevue Segment (E130) within the East Link Extension in the amount of \$10,000,000, for a new total authorized contract amount not to exceed \$721,660,541, all within the Board approved project budget.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Kent Keel
Board Chair

Attest:

Kathryn Flores
Board Administrator