



Motion No. M2021-06

Contract Contingency Increase with Max J. Kuney, 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 Max J. Kuney Company, for construction of the Bel-Red Segment (E340) within the East Link Extension in the amount of \$5,000,000, for a new total authorized contract amount not to exceed \$107,487,012, all within the Board approved project budget.

Key features summary

- This action provides additional contingency to address unanticipated utilities, differing site conditions and existing non-conforming conditions that are not compatible with the planned work elements for at-grade and elevated guideway, as well as changes in the 130th Street station.
- 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

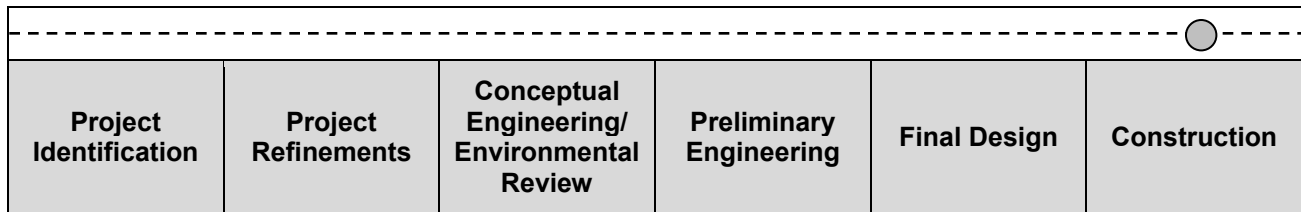
East Link Extension extends light rail 14 miles from downtown Seattle to downtown Bellevue and the Overlake area of Redmond via I-90, with stations serving Rainier Avenue/I-90, Mercer Island, South Bellevue, Downtown Bellevue, Overlake Hospital, the Bel-Red Corridor, Overlake Village, and the Overlake 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 January 2017, the Sound Transit entered into a construction contract with Max J. Kuney Company to construct the Bel-Red segment (E340) of East Link Extension. The contract scope of work includes the following: construction of the Bel-Red station; approximately one mile of elevated, retained cut and at-grade guideway; at-grade section includes road widening and full reconstruction of roadway; site restoration, roadway and sidewalk improvements; landscaping and irrigation; traffic signalization; public and private utility work; one communication bungalow; and close coordination with the City of Bellevue, adjacent property owners, and businesses.

The E340 project is 95 percent complete. The E340 project extends from the interface at NE 124th at the west to the intersection of NE 20th and 136th Place NE at the east interface with E360. This is a design-bid-build project with a 10 percent construction contingency. The additional construction contingency authorization will increase this to 15 percent.

A majority of the project work consists of an at-grade track and station along 136th Place NE, an existing road. Work within the road includes extensive rerouting of known and unknown drainage, sewer, domestic water, natural gas, electrical and communications systems. Rapid development in the Bel-Red neighborhood prior to Bellevue’s incorporation of this region led to a network of underground utilities that were largely unknown, undocumented and unpermitted. Even with pre-construction utility investigations, challenges emerged resulting in changes to the contract scope.

Project status



Projected completion date for 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, \$107,500,000 has been allocated to the budget line item for the E340 Bel-Red Construction. The action would commit \$5,000,000 to this line item and leave a budget balance of \$32,529.

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	2,334,675	5,000	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	\$3,280,227	\$5,000	\$3,285,227	\$358,205

Phase Detail - Construction

E340 Bel-Red	\$107,500	\$102,467	\$5,000	\$107,467	\$33
Other Construction Phase Work	2,403,082	2,232,208		2,232,208	170,874
Total Phase	\$2,510,582	\$2,334,675	\$5,000	\$2,339,675	\$170,907

	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Max J. Kuney				
Contract Amount	\$93,170	\$98,656	\$	\$93,170
Contingency	9,317	3,831	5,000	14,317
Total Contract Amount	\$102,487	\$102,487	\$5,000	\$107,487
Percent Contingency	10%	4%	100%	15%

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.

For this specific contract, the following goals were set and the successful Bidder/Proposer has committed to the following small business/DBE participation:

Disadvantaged business enterprise (DBE) / Small Business goals, commitments, and participation to-date		
	DBE	Small Business
Sound Transit Goal	5%	10%
Prime Commitment	5.14%	10.96%
Participation to-date	9.75%	18.04%

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. M2017-07: Authorized the chief executive officer to execute a contract with Max J. Kuney Company to construct the Bel-Red contract within the East Link Extension in the amount of \$93,170,012, with a 10% contingency of \$9,317,000, for a total authorized contract amount not to exceed \$102,487,012.

Environmental review – KH 1/6/21

Legal review – JSA 1/11/21



Motion No. M2021-06

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 Max J. Kune Company, for construction of the Bel-Red Segment (E340) within the East Link Extension in the amount of \$5,000,000, for a new total authorized contract amount not to exceed \$107,487,012, all within the Board approved project budget.

Background

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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 Max J. Kune Company, for construction of the Bel-Red Segment (E340) within the East Link Extension in the amount of \$5,000,000, for a new total authorized contract amount not to exceed \$107,487,012, 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