



Motion No. M2023-25

Contract Modification with Kiewit-Hoffman, East Link Constructors, for the East Link Extension Seattle to South Bellevue Segment

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	03/09/2023	Recommend to Board	Ron Lewis, DECM Executive Director
Board	03/23/2023	Final action	Jon Lebo, Exec. Project Director – East Link Extension

Proposed action

Authorizes the chief executive officer to increase the contract contingency with Kiewit-Hoffman, East Link Constructors, for the construction of the Seattle to South Bellevue Segment of the East Link Extension project in the amount of \$14,000,000, for a new total authorized contract amount not to exceed \$735,660,541, all within the Board approved project budget.

Key features summary

- This additional contingency is necessary to proceed with the needed nylon inserts replacement in all plinths and dual blocks on the floating bridge and approaches due to unanticipated issues. Replacement of the nylon inserts is needed to assure their long-term durability.
- The nylon inserts are an integral part of the stray electrical current system to prevent corrosion on the floating bridge. Approximately 13 percent of the 19,500 inserts were identified as stripped and have been replaced. This action would replace the balance of the inserts.
- Sound Transit continues to investigate the root cause of the insert deformation during concrete placement and rail assembly process.
- It is important to note that to the extent that the extended durations and additional costs such as those referenced here are the result of the actions or inactions of Eastlink contractors, designers and or construction management consultants, reimbursement of the costs will be aggressively pursued by Sound Transit.

Background

East Link extends light rail 14 miles, with 10 stations from Seattle's International District to Judkins Park, across I-90 to Mercer Island and South Bellevue, through downtown Bellevue and the Bel-Red area to Redmond Technology Station. Revenue service was anticipated to begin in 2023, but is delayed to spring 2025.

In February 2017, Sound Transit executed a construction contract with Kiewit-Hoffman JV for work on the Seattle to South Bellevue segment of the East Link Extension. 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 for the balance of the planned work. This included seven miles of double track alignment, two stations, traction power substations, and seismic and electrical improvements to WSDOT infrastructure.

This work includes the I-90 Floating Bridge, Judkins Park and Mercer Island Stations, along with the track tie-in to the International District Station. The construction on this segment is over 97 percent complete; it is the largest and most complex of the East Link civil contracts.

Originally, construction contingency for this General Contractor Construction Manager (GCCM) contract was established at seven percent, which is less than the typical Design-Bid-Build construction contract contingency of 10 percent. The requested change will increase the contract contingency from the current nine percent to 10.6 percent. While this amount is higher than a typical GCCM contract contingency, the complexity of the project, the existing conditions of the International District Station, Mount Baker and Mercer Island Tunnels, along with the I-90 floating bridge have resulted in higher than anticipated construction expenditures for unknown site conditions and design coordination changes. Many of the previous changes were due to Connect 2020, Rainier Avenue South improvements (to accommodate the new King County Metro Rapid Ride Bus stop), and a partial COVID-19 work suspension.

The nylon inserts were found to have been stripped during inspection of the inserts due to a construction quality issue with wax being found inside the nylon inserts. Wax was applied around the rail fastener inserts as part of the stray electrical current system. As part of the investigation by Wiss Janney Elstner (“WJE”), Sound Transit’s forensic engineering firm, found that the life span (number of times the bolts can be cycled in and out) of the nylon inserts has been significantly compromised. Only by replacing all the nylon inserts can the long-term serviceability and durability of the inserts be assured. Replacement of the inserts is done by drilling out and epoxying in new inserts.

WJE is assisting Sound Transit staff in investigating the root cause of the diminished expected life of the nylon inserts.

Project status

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

Projected Revenue Service: 2Q 2025

Project scope, schedule and budget summary are located on page 23 of the December 2022 Agency Progress Report.

Procurement information

The Seattle to South Bellevue segment (E130) contract was procured using the Heavy Civil General Contractor/Construction Manager (GCCM) alternative delivery method allowed under Chapter 39.10 of the Revised Code of Washington (RCW) and Sound Transit procedures. A Request for Qualifications and Proposed Approach for Heavy Civil GCCM Services was issued on March 16, 2015 and four (4) Statements of Qualifications and Approach (SOQPA) were received. Following review and evaluation, three (3) firms were invited for interviews. Based on the scoring of the SOQPAs and interviews, two (2) firms were invited to submit final proposals including price offers for specified work items. The price offers were opened publicly on July 27, 2015. Based on the evaluation of SOQPAs, interviews and price offers, Kiewit-Hoffman East Link Constructors was the highest ranked firm. Preconstruction Services commenced in December 2015.

The Board authorized a Heavy Civil GCCM construction services contract with Kiewit-Hoffman East Link Constructors for the Seattle to South Bellevue segment (E130) through Motion No. 2017-30.

This action seeks approval to increase the contract contingency for the necessary work associated with the nylon inserts replacement.

Fiscal information

This action is within the baseline budget and sufficient monies remain after approval of this action to fund the remaining work. 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 the construction phase, \$741,661,000 has been allocated to E130 Seattle to South Bellevue. The action would commit an additional \$14,000,000 to this line item and leave a budget balance of \$18,906,985.

East Link Extension

(in thousands)	Total Baseline Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Operations and Maintenance	\$7,106	\$7,106		\$7,106	\$
Administration	183,174	129,183		129,183	53,991
Preliminary Engineering	50,874	50,874		50,874	0
Final Design	268,888	247,285		247,285	21,603
Third Parties	49,473	36,988		36,988	12,485
Right of Way	288,516	279,838		279,838	8,678
Construction	2,518,224	2,257,004	14,000	2,271,004	247,220
Construction Services	277,177	250,689		250,689	26,489
System Testing-Start Up	33,718	21,136		21,136	12,582
Total Current Budget	\$3,677,150	\$3,280,102	\$14,000	\$3,294,102	\$383,048

Phase Detail - Construction					
E130 Seattle to So. Bellevue	\$741,661	\$708,754	\$14,000	\$722,754	\$18,907
Other Construction	1,776,563	1,548,250		\$1,548,250	\$228,313
Total Phase	\$2,518,224	\$2,257,004	\$14,000	\$2,271,004	\$247,220

Kiewit-Hoffman	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
East Link Contract Amount	\$665,000	\$665,000	\$	\$665,000
East Link Contingency	56,661	56,661	14,000	70,661
Total Contract Amount	\$721,661	\$721,661	\$14,000	\$735,661
Percent Contingency	9%	9%	100%	11%
Less Betterment	1,470	1,470	0	1,470
Sound Transit Share	\$720,191	\$720,191	\$14,000	\$734,191

Notes:

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

For detailed project information, see page 78 of 176 of the 2023 Financial Plan & Proposed Budget.

* Board Approvals = Commitment and PO Contingency Remaining as of 2/26/2023.

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.

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	2.5%	10.7%

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 March 2023.

Prior Board/Committee actions

Motion No. M2021-04: Authorized 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.

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 2/24/23

Legal review – JEN 03/02/2023



Motion No. M2023-25

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contract contingency with Kiewit-Hoffman, East Link Constructors, for the construction of the Seattle to South Bellevue Segment of the East Link Extension project in the amount of \$14,000,000, for a new total authorized contract amount not to exceed \$735,660,541, 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 contract contingency with Kiewit-Hoffman, East Link Constructors, for the construction of the Seattle to South Bellevue Segment of the East Link Extension project in the amount of \$14,000,000, for a new total authorized contract amount not to exceed \$735,660,541, 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 _____.

Dow Constantine
Board Chair

Attest:

Kathryn Flores
Board Administrator