

Motion No. M2026-02

Increase Contingency Funds for East Link Extension Agreements and Contracts

Meeting:	Date:	Type of action:
System Expansion Committee	01/08/2026	Recommend to Board
Board	01/22/2026	Final Action

Staff name:	Staff title:
Terri Mestas	Capital Delivery Deputy CEO
Michael Morgan	Capital Delivery Executive Director
Tony Raben	East Link Extension Executive Project Director

Proposed action

Authorizes the chief executive officer to increase the cumulative contingency amount authorized to increase certain East Link Extension contract and/or agreement amounts as necessary, by an amount of \$60,000,000 for a new total authorized cumulative contingency expenditure not to exceed \$110,000,000, contingent upon adoption of Resolution No. R2026-01.

Key features summary

- This action would authorize the additional use of East Link Extension baseline budget funds, contingent upon adoption of Resolution No. R2026-01, not to exceed an additional total of \$60,000,000 as needed, to add contingencies to and increase the authorized amounts of active contracts and intergovernmental agreements to fund work necessary to successfully complete and close out the East Link Extension.
- This action augments previous authority of \$50,000,000 authorized by Motion No. M2024-64 to allow additional funds added to the East Link Extension budget to be allocated to individual contracts or agreements such that amounts used would not exceed \$110,000,000 in cumulative increases.
- This authorization will be applied to contracts and agreements within the administration, final design, construction services, third party, and construction phases of the East Link Extension approved baseline budget, as amended by Resolution No. R2026-01. The work will be within the approved scope of the contracts and may include, but not be limited to, safety certification, agency requested resiliency changes, and changes required by authorities having jurisdiction.
- Staff will report to the CEO no later than the fourth quarter of 2026 with a full reconciliation of any contracts and/or agreements to which these funds were applied.
- This action is contingent upon the Board adoption of Resolution No. R2026-01 to increase allocation of funds and budget for the East Link Extension project.

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 commenced in April 2024 between the South Bellevue and Redmond Technology Stations. Revenue service for the full East Link Extension is anticipated to begin by May 31, 2026.

Sound Transit's experience with recent completed projects, including the Initial Segment, University Link Extension, Northgate Link Extension, Lynnwood Link Extension, Downtown Redmond Link Extension, and Federal Way Link Extension projects indicates that opening a new light rail line can require significant unanticipated work to meet a multitude of jurisdictional and operational requirements that arise during the final stages of the project. With limited time remaining to procure resources to address such needs, adding contingency at this time will help to ensure that the forecast revenue service date can be achieved.

Authorization for the increases in existing contract and agreement amounts will mitigate schedule risks associated with safety certification, civil/systems interfaces and civil/systems integrated testing and commissioning, code compliance adjustment directed by governing authorities such as the Washington State Department of Transportation for work critical to start-up of revenue operations.

This action, contingent upon adoption of Resolution No. R2026-01, authorizes increases within active intergovernmental agreements and final design, construction management, and construction contracts including the following:

Within the Final Design phase:

- Civil facilities and architectural final design services by WSP.
- Systems engineering final design services by Hatch (formerly LTK Engineering) for systems elements (communications, signals, track work, and traction power).

Within the Third Party phase:

- Construction Services Task Order(s) with the Washington State Department of Transportation

Within the Construction phase:

- Seattle to South Bellevue Heavy Civil General Contractor/Construction Management contract by Kiewit – Hoffman, a JV.
- Systems Construction Heavy Civil General Contractor/Construction Management contract by Mass Electric Construction Company.
- Follow-on construction contractor Balfour Beatty dba H.S. Wright.
- Follow-on construction contractor Titan Earthwork, LLC
- Post Acceptance Maintenance Program contractor CBRE Managed Services

Within the Construction Services phase:

- Civil construction management consultant, Jacobs Engineering, supporting Sound Transit's construction management team to manage elements of I-90 civil facilities construction.
- Civil construction management consultant, HDR Engineering Inc., supporting Sound Transit's construction management team to manage elements of the follow on work.
- Systems construction management consultant, Northwest Transit Systems Partners, supporting

Sound Transit's construction management team to manage all elements of systems construction.

To ensure timely opening of the extension, this action will authorize the chief executive officer to allocate funds within the East Link budget to intergovernmental agreements, construction contracts, design contracts, and construction management consultant contracts, increasing contractual not-to-exceed amounts as necessary, including the funds added in pending Resolution No. R2026-01 as well as other contingency funds remaining in the East Link Extension baseline budget, within the cumulative total increase in contingency of \$110,000.

Project status

Project Development Phase: Construction

Percent complete (measured to revenue service date): 99.7%

Current project status, performance metrics, and additional information are located on pages 21-22 of the November 2025 System Expansion Monthly Status Report.

Fiscal information

This action is contingent upon Board approval of the East Link budget amendment outlined in Resolution No. R2026-01.

The baseline budget for the East Link Extension project is \$3,817,150,000. The proposed action does not commit any new funds but will allow for contract contingencies and agreement amounts to be increased as necessary, using funds from existing budgetary line items, of up to \$60,000,000, contingent upon approval of Resolution No. R2026-01.

East Link Extension

(in thousands)

Project Phase	Authorized Allocation	Board Approvals*	This Action	Total Commitment Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$189,480	\$171,483	\$5,000	\$176,483	\$12,997
Preliminary Engineering	54,776	54,776	-	54,776	0
Final Design	271,068	266,322	1,000	267,322	3,746
Third Party	45,725	39,966	1,500	41,466	4,259
Right of Way	281,536	281,322	-	281,322	214
Construction	2,650,942	2,562,919	43,000	2,605,919	45,023
Construction Services	323,622	309,872	9,500	319,372	4,250
Total	\$3,817,150	\$3,686,660	\$60,000	\$3,746,660	\$70,490

Notes:

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

For detailed project information, see page 155 of the 2025 Adopted Budget & Financial Plan.

* Board Approvals = Commitment and PO Contingency Remaining as of 11/30/2025.

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 contracts related to the East Link Extension project. 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, at the time the contracts were solicited.

New regulations issued by the U.S. Department of Transportation (US DOT) on October 3, 2025, and new Federal Transit Administration (FTA) guidance, require Sound Transit to stop counting DBE participation toward contract and agency DBE goals effective October 2025 until a DBE recertification process is established by the Washington State Office of Minority & Women's Business Enterprises

(OMWBE) and DBEs are certified under the new standards in the US DOT regulations and FTA guidance. Sound Transit will continue to collect subcontractor information.

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

AE 0073-12 ST East Link Final Design			
Prime: WSP USA Inc. [*]			
DBE Goal: 6%		Small Business Goal: 12%	
DBE Commitment: 9%		Small Business Commitment: 16%	
Through September 2025 DBE Attainment: 9.43 %		Current Small Business Attainment: 14.77 %	

RTA/CN 0004-15C E130 East Link Extension Seattle to South Bellevue			
Prime: Kiewit-Hoffman East Link Constructors			
DBE Goal: 5%		Small Business Goal: 10%	
DBE Commitment: 5%		Small Business Commitment: 10%	
Through September 2025 DBE Attainment: 7.93 %		Current Small Business Attainment: 10.69%	

RTA/CN 0115-14C Lynnwood/East Link Systems Construction			
Prime: Mass. Electric Construction Co.			
DBE Goal: 3%		Small Business Goal: 6%	
DBE Commitment: 3%		Small Business Commitment: 6.26%	
Through September 2025 DBE Attainment: 5.24%		Current Small Business Attainment: 6.98%	

RTA/CN 0063-15 E320 - South Bellevue Station, Parking Garage, and Light Rail Guideway			
Prime: Shimmick/Parsons JV			
DBE Goal: 6%		Small Business Goal: 10%	
DBE Commitment: 6.57%		Small Business Commitment: 10.03%	
Through September 2025 DBE Attainment: 13.84%		Current Small Business Attainment: 16.49%	

AE 0007-15 Civil CMC Services for East Link (I-90 Segment)			
Prime: Jacobs Project Management Co.			
DBE Goal: 12.18%		Small Business Goal: 20.08%	
DBE Commitment: 12.18%		Small Business Commitment: 20.08%	
Through September 2025 DBE Attainment: 14.59 %		Current Small Business Attainment: 18.88 %	

AE 0171-13 Civil CMC Services for East Link (I-90 Segment)			
Prime: HDR Engineering Inc.			
DBE Goal: 7.5%		Small Business Goal: 15%	
DBE Commitment: 12%		Small Business Commitment: 35%	
Through September 2025 DBE Attainment: 17.40 %		Current Small Business Attainment: 30.14 %	

AE 0040-15A Construction Management Services for Eastlink/Northlink Systems Project			
Prime: Northwest Transit Systems Partners			
DBE Goal:		4.5%	Small Business Goal: 9.5%
DBE Commitment:		6%	Small Business Commitment: 11%
Through September DBE Attainment:		2.64 %	Current Small Business Attainment: 13.95 %

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would not create a significant impact to the project schedule.

Prior Board/Committee actions

Motion No. M2024-64: Authorized the chief executive officer to increase certain East Link Extension contract and/or agreement amounts as necessary, for a total authorized cumulative increase not to exceed \$50,000,000, contingent upon approval of Resolution No. R2024-23.

Motion No. M2024-63: Authorized the chief executive officer to increase the contract contingency with Mass Electric Construction Company for the East Link Systems Construction contract in the amount of \$30,000,000 for a new total authorized contract amount not to exceed \$468,450,000, contingent upon approval of Resolution No. R2024-23.

Resolution No. R2024-23: Amended the East Link Extension project baseline budget to settle certain delay claims and to provide funding to complete the extension by the forecast revenue service date by increasing the authorized project allocation by \$80,000,000 from \$3,677,150,000 to \$3,757,150,000.

Motion No. M2024-28: Authorized the chief executive officer to execute a contract modification with Jacobs Project Management Company to provide ongoing construction management consultant services for the Seattle to South Bellevue segment of the East Link Extension project in the amount of \$10,909,000, with a 10% contingency of \$1,091,000, for a new total authorized contract amount not to exceed \$92,919,350, all within the Board approved project budget.

Motion No. M2024-27: Authorized 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 \$15,000,000, for a new total authorized contract amount not to exceed \$750,660,541, all within the Board approved project budget.

Motion No. M2024-26: Authorized the chief executive officer to increase the contract contingency for the East Link Systems Construction Management Consultant Services contract with Northwest Transit Systems Partners in the amount of \$5,000,000 for a new authorized contract amount not to exceed \$77,661,124, with \$41,721,160 allocated from the East Link Extension project, all within the Board approved project budget.

Motion No. M2024-24: Authorized the chief executive officer to increase the contingency for the design service contract with WSP USA, Inc (formerly Parsons Brinkerhoff, Inc.) for design services during construction for the International District Station to South Bellevue segment of the East Link Extension, in the amount of \$4,000,000 for a new total authorized contract amount not to exceed \$73,039,782, contingent upon approval of Resolution No. R2024-13.

Motion No. M2024-01: Authorized the chief executive officer to increase the contract contingency with HDR Engineering Inc. for construction management services for the East Link Extension in the amount of \$7,000,000 for a new total authorized contract amount not to exceed \$125,440,000.

Motion No. M2023-102: Authorized the chief executive officer to increase the contingency for the Follow-On Package 1 contract with Balfour Beatty Construction LLC dba Howard S. Wright for the East Link Extension project to perform additional follow-on and closeout work, including additional tile repair work, in the amount of \$10,000,000 for a new total authorized contract amount not to exceed \$16,010,460.

Motion No. M2022-38: Authorized the chief executive officer to execute a contract modification with International Electronic Machines Corporation to fund the contract through 2026 for maintenance and support of the Electromagnetic Interference and vibration wheel detection system in the amount of \$3,013,658, for a new total authorized contract amount not to exceed \$12,220,038 to provide for the optional Northgate Link Extension technical field support period of five years.

Motion No. M2020-19: Authorized contingency for the East Link Systems Final Design contract with LTK Engineering Services to provide increased design support during construction services for the East Link Extension in the amount of \$3,000,000, for a new total authorized contract amount not to exceed \$27,361,805.

Environmental review – KH 12/22/25

Legal review – JSA 1/2/26

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A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the cumulative contingency amount authorized to increase certain East Link Extension contract and/or agreement amounts as necessary, by an amount of \$60,000,000 for a new total authorized cumulative contingency expenditure not to exceed \$110,000,000, contingent upon adoption of Resolution No. R2026-01.

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This action is contingent upon the Board adoption of Resolution No. R2026-01 to increase allocation of funds and budget for the East Link Extension project.

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 cumulative contingency amount authorized to increase certain East Link Extension contract and/or agreement amounts as necessary, by an amount of \$60,000,000 for a new total authorized cumulative contingency expenditure not to exceed \$110,000,000, contingent upon adoption of Resolution No. R2026-01.

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

Dave Somers
Board Chair

Attest:

Kathryn Flores
Board Administrator