

STAFF REPORT

SOUND TRANSIT MOTION NO. M2000-60

Auburn Commuter Rail Station Construction Contract Contingency

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	7/6/00	Discussion/Possible Action to Recommendation Board Approval	Bob Sundin, Program Manager	206-398-5118
Finance Committee	7/20/00	Discussion/Possible Action to Recommendation Board Approval	Paul Price, Director	206-398-5111
Board	7/27/00	Action		

PROPOSED ACTION

Increase the contract contingency fund for Contract Number RTA/CR 55-99 with Magnolia Contractors, Inc., for construction of the Sounder commuter rail station in Auburn. To date, 99% of the contingency amount (\$641,242) approved with the original contract award has been committed through execution of change orders to cover changes in work. This action will add a contingency amount of \$543,514, (12.7% of the original contract value of \$4,274,950) for a new total contract amount not to exceed \$5,459,706 to complete the construction of the Auburn Commuter Rail Station project.

KEY FEATURES

Highlights of Proposed Action:

- ◆ The proposed action allows future amendments of the contract with Magnolia Contractors, Inc. to complete the construction of the Auburn Commuter Rail Station. Changes in scope have exceeded the amount in the approved contract contingency. The amount proposed is within the construction budget.
- ◆ To-date seventeen change orders have been issued for a total of \$640,864. The largest dollar value change, \$385,309 is for delays related to obtain BNSF agreement to build on the railroad property and required BNSF design changes. The City of Auburn requirements for the building permit added \$128,693 for parking lot and related changes. \$126,862 was expended for changed conditions on the site and revisions to the design.
- ◆ In addition, there are still issues related to relocation of the BNSF track, as well as other unknown conditions that have not yet been addressed. The additional contingency requested includes an amount to cover pending change orders in the amount of \$443,514 and \$100,000 to cover unknown conditions for a total of \$543,514.
- ◆ An increase to the contingency fund for the contract is requested to give the construction management team the ability to address these issues in a timely manner in order to keep the completion of the station on schedule. The contingency will be drawn down through the execution of contract change orders necessary to complete the project.

Discussion of Proposed Action:

Use of the contract contingency has been necessary to cover change orders issued on the contract. The magnitude of the changes have depleted the contingency fund such that additional funds will be needed to cover changes both anticipated and unanticipated to complete the project. Three change orders have accounted for 71% of all changes issued to date. These are:

- Change Order #8 in the amount of \$240,721 covered additional costs associated with delays to the project. These delays were caused by the lack of access to the BNSF Right of Way and the lack of work completed by BNSF to allow station work to proceed. This delay was caused by the lack of attaining final agreement on the Sounder capital and Operating Agreement with the BNSF. This agreement was achieved on May 1, 2000. A separate agreement for the specific construction of the Auburn station was completed with the BNSF and a full Notice to Proceed was issued to Magnolia on January 10, 2000.
- Change Order # 9 in the amount of \$92,208 covered additional costs to install steel casings underneath the platform slab for future fiber optics installation. This was a BNSF requirement that was not known at the time of design and time of bid. This will permit the fiber optics to be installed without tearing up the newly completed platforms and disrupting passenger service.
- Change Order #10 covered additional costs in the amount of \$115,229 for modifications to the west side of the station parking areas. An extensive re-design of the west side parking area and associated utilities associated with the Station development was needed to secure the building permit. The city of Auburn required the changes as part of the building permit review process. These requirements were not known at the time of the earlier progress reviews and required a change order to incorporate into the contract documents.

The above change orders total \$448,158. Together with the balance of issued changes (\$192,706), the original contingency fund is 99 % committed. Additional funds are needed to complete the work based on the projection for potential change orders and unanticipated events.

The estimate for the additional contingency is \$543,514. Of this amount, \$443,514 is requested to cover anticipated changes including costs associated with modifications to the BNSF track design and known design changes. An additional \$100,000 is requested to cover as yet unknown conditions.

Under the State of Washington, Department of Ecology, Voluntary Cleanup Program, Sound Transit will request funding from the grant program to be reimbursed for 50% of the hazardous material clean up cost at the Auburn Commuter Rail Station site. As part of the Remediation Action Plan (RAP) submitted to the Department of Ecology, monitoring wells will be installed at the former Wickham property to evaluate ground water parameters. The Wickham property, a garage repair shop, was acquired for station construction. \$165,000 is to be spent in cleaning up this property. Sound Transit will request the 50% grant in the spring 2001 when the results of the site monitoring are completed. Sound Transit could receive a grant that reimburses us for \$82,500 of our expenditures.

BUDGET

Budget for this agreement is included in the construction phase budget of the Auburn Commuter Rail Station, as shown on page 91 of the agency's 2000 Authorized Budget, approved by Resolution No.

R99-33 on November 18, 1999. Committing these funds will potentially endanger other project elements that are funded from the construction phase of this project. The Board increased the Auburn budget from \$10,509,000 to \$20,718,828 by adding the garage to the project. The current forecast for all station construction elements is \$17,597,733. These elements include the parking structure and phase II station elements, which are currently in the design phase. There is a project construction shortfall of \$3,285,251. The plan is to address this shortfall in the 2001 budget by reprogramming from program savings, such as vehicles. Further, the staff will seek to reduce the cost of the phase II station elements and the garage through the design process and the securing of more funds from partners to ensure that the facilities meet community expectations.

Table 1 below presents the current budget as it relates to expenditures and outstanding commitments, and the impact of this action:

Table 1 - Auburn Station Construction Budget and Commitments

Total Project Budget	Budget for Construction Phase (A)	Construction Forecast at Completion ¹ (B)	Total Amount Requested (C)	Shortfall* or Surplus (A-[B+C])
\$20,718,828	\$14,312,482	\$17,054,219	\$543,514	(\$3,285,251)
*Amount of Shortfall	Potential Revenues	Funding Sources		
\$3,285,251	Yes	Grants, Vehicles savings, other		

¹Actuals through May 2000, including outstanding and future expected commitments, excluding this action.

Table 2 below provides the specific details for this contract of the original value and contingency, and how this additional requested contingency amount impacts the total contract.

Table 2 - Magnolia Contractors Agreement for Construction of the Auburn Station

Approved Construction Contract Value	Approved Construction Contract Contingency (A)	Approved Construction Contract Value Available (B)	Proposed Action: Cost for Added Tasks (C)	Total Contract: Not to Exceed (B+C)
\$ 4,274,950	\$ 641,242	\$ 4,916,192	\$ 543,514	\$ 5,459,706

ALTERNATIVES

The contract could be terminated with Magnolia Contractors and re-advertised for the change work and the remainder of the station construction. The impact cost of this alternative is estimated as well over a million dollars. Magnolia Construction has performed very well on their contract to build the commuter rail station in Auburn. The staff does not recommend considering termination of the contract.

CONSEQUENCES OF DELAY

Delay in this action will have an impact on the contract at such a time as the existing contingency funds are depleted. Without the capability to issue changes and resolve change order pricing in a

timely manner with the Contractor, there will be delays to the Auburn Commuter Rail Station completion schedule. This station is currently scheduled for completion in time to accommodate the anticipated start of revenue operations in September 2000. The station is 66% complete at the present time.

REGIONAL PARTNERSHIP AND COOPERATION

Sound Transit has coordinated closely with the City of Auburn in the development of the Auburn Commuter Rail Station. Sound Transit continues to work with the City in the development of the design/build parking garage project. The project has relied on the input from the Technical Advisory Committee (TAC) in Auburn to establish local stake holders and provide insight and input into the design of the Auburn Commuter Rail Station.

PUBLIC INVOLVEMENT

There has been limited public involvement with the station construction process. We have provided community outreach and information on station construction operations through neighborhood briefing handouts, signage and the Sound Transit website.

LEGAL REVIEW

MBL 6/23/00

SOUND TRANSIT

MOTION NO. M2000-60

A motion of the Board of the Central Puget Sound Regional Transit Authority approving an increase in the contract contingency fund for Contract Number RTA/CR 55-99 with Magnolia Contractors, Inc., for construction of the Sounder Commuter Rail Station in Auburn in the amount of \$543,514, (12.7% of the original contract value of \$4,274,950) for a new total contract value not to exceed \$5,459,706.

Background:

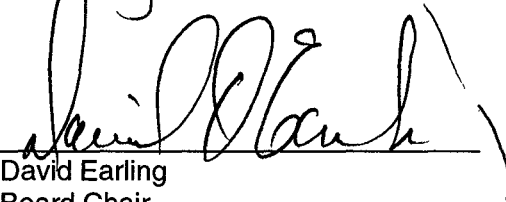
Use of the contract contingency has been necessary to cover change orders issued on the contract. The magnitude of the changes have depleted the contingency fund such that additional funds will be needed to cover changes both anticipated and unanticipated to complete the project. These change orders are attributed to the lack of access to the BNSF Right of Way and the lack of work completed by BNSF to allow station work to proceed. This delay was caused by the lack of attaining final agreement on the Sounder capital and operating agreement with the BNSF. Part of the contingency was required for additional costs to install steel casings underneath the platform slab for future fiber optics installation. The third large change was for modifications to the west side of the station parking areas. The City required the changes as part of the building permit review process.

The above change orders total \$448,158. Together with the balance of changes (\$192,706) the original contingency fund is 99 % committed. Additional funds are needed to complete the work based on the projection for potential change orders together with unanticipated events.


Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that an increase in the contingency fund in the amount of \$543,514 for Contract Number RTA/CR 55-99 with Magnolia Contractors, Inc., for construction of the Sounder commuter rail station in Auburn is hereby approved for a new total value not to exceed \$5,459,706 to complete the construction of the Auburn Commuter Rail Station project.

Approved by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof on the 27th day of July 2000.


David Earling
Board Chair

ATTEST:


Marcia Walker
Board Administrator

**Sound Transit Motion No. M2000-60
Auburn Commuter Rail Station Construction Contract Contingency**

**Supplemental information as requested by Finance Committee members
July 20, 2000**

This information supplements the staff report and motion for M2000-60, which has not changed. Auburn Commuter Rail Station was advertised and bids were opened on June 29, 1999. This bid advertisement was issued with the plan to operate Sounder in December 1999. A Limited Notice to Proceed was issued on August 11, 1999 to conduct site demolition. At that time, we expected full Notice to Proceed (NTP) by October 1, 1999. With the delay of attaining final Operation and Capital agreements from the BNSF, the contractor was precluded from building on the site. By a special side agreement with BNSF, the construction contract was issued a full NTP on January 10, 2000.

1. PARKING GARAGE COSTS

The budget shortfall of (\$3,285,251) at Auburn is due mainly to the increase of the parking garage estimate at the completion of the concept design. The construction cost estimate increased from \$6,013,000 to \$8,600,000. The Finance Committee discussion of the design build garage costs at Auburn and Kent station led to a request for the garage construction cost per stall and a comparison with Metro or Pierce County costs. The Auburn garage costs are higher than Kent due to the retail spaces on the ground floor. These costs are identified below.

<u>Facility</u>	<u>Stall Cost</u>	<u>Remarks</u>
Auburn	\$17,551 *	490 stalls
Kent	\$10,953	680 stalls
Metro Generic	\$11,769 **	472 stalls
Metro Generic	\$9,396 **	749 stalls
Metro Northgate	\$10,361 **	600 stalls
Eastgate	\$14,951	980 stall proposed garage
Tacoma Dome PH II	\$9,500	1200 stall basic garage

* The addition of retail space requires life safety requirements, mechanical ventilation, sanitary sewer, fire protection, potable water, and interior architectural finishes. The associated retail cost is \$3,187 per stall.

** These dollars are from a King County study dated January 1999, escalated to 2000

2. IMPACTS AT OTHER STATIONS

The subjects of BNSF delay, duct bank construction for fiber optics, and building permit requirements led to a request for similar costs at other stations. The costs for these items at other stations are identified below.

<u>Station</u>	<u>BNSF Delay</u>	<u>Duct Bank Construction</u>	<u>Building Permit Req. Changes</u>	<u>TOTALS</u>
King Street	\$0	\$0	\$0	\$0
Auburn	\$240,721	\$92,208	\$115,229- Parking lot and utility changes west lots	\$448,158
Kent	\$182,340	\$116,648	\$420,000	\$718,988
Sumner	\$0	\$176,100	\$15,000(est)	\$191,100
Puyallup	\$0	\$0	\$45,000(est)- fire hydrants	\$45,000
TOTALS	\$423,061	\$384,956	\$595,229	\$1,403,246

The BNSF delay related costs are due to the railroad right of way not being available for station construction because the Capital Agreement was not signed. The Sumner Station contractor said that he has had delay costs but has not submitted a request yet. The duct bank construction is for two 10" steel ducts to accommodate the fiber optics used by Sound Transit, BNSF, and fiber optic carriers in the right of way. Installing the duct banks now will preclude the platforms from being opened up for fiber optic installation at a later date. The city building permit required changes have been most significant at Kent where extended coordination and negotiation sessions were held. The requirement to install specific storm water catch basin vaults and filters for the drainage system, and street improvements including lighting and pavement were added.

3. AUBURN CONTINGENCY NEEDS

The Chairman of the Committee requested that the expected changes that will be executed with the additional contingency funds be identified. The following list is the prospective change orders that have been identified.

PCO No.	Subject Auburn Station proposed change orders	Anticipated Settlement
018	Delay due to BNSF Track Design Coordination	\$150,000.00
020	Stem Wall and Anchor Bolt Modification at East Platform	\$40,000.00
024	Corbels	\$15,108.00
025	Conduit and Cabling for System Wide Appurtenances	\$75,000.00
026	Downspouts and Underground Piping	\$9,146.00
027	BNSF Sub-Ballast Under Temporary Platform	\$40,000.00
028	BNSF Horizontal Re-location Effects to East and West Platforms	\$30,000.00
029	Caulk Under Gutters on Station Canopies	\$9,007.00
030	Changes to Columns Inside Masonry	\$0.00
031	Gutter Support	\$20,000.00
033	Additional Forming Required Under East Cantilever	\$10,000.00
034	Clock Tower Floor	\$3,000.00
035	Add Convenience Outlets on East and West Platforms	\$6,000.00
037	Pole Changes to Meet System Wide Devices Loading Requirements	\$26,000.00
038	Gutter Changes at Bus Drive	\$7,500.00
39	Testing of Corbels	\$2,753.00
	Total	\$443,514.00

The BNSF track design coordination delay is associated with the elimination of the third main line track in the Auburn Station area. The third track was dedicated to the inter-city train program, which was unfunded with the passage of I-695. The track and facilities design work was reviewed and \$20,000,000 of track changes were removed from the program in this area and reapplied to priority improvements in the corridor. The actions have not precluded installing the third main line track in the Auburn area in the future. The resulting re-design of the track facilities has impacted the station construction and caused delays.

4. BUDGET STRATEGY

The overall budget plan is to address this shortfall in the 2001 budget. The Sounder 10-Year Budget Forecasts by Segment and by Equity Area are attached. The budget forecast by segment shows that the Seattle to Tacoma segment has a shortfall of \$898,000. The South King County Equity area has a shortfall of \$1,886,000. While this shortfall is made up of several component parts, the Auburn parking garage is the largest portion of the total. The Staff Report addresses the utilization of the savings in the vehicle procurement. The King Street Station construction appears to have savings also. The strategy is to reprogram existing savings to this shortfall and secure additional funds from our partners to ensure adequate funding. Staff are in the process of finalizing a station funding strategy for the Seattle to Tacoma corridor, for presentation in the first draft of the Sound Transit year 2001 budget.