

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2001-115

**NE 40th Street Overlake Transit Center/Park & Ride Construction Contract
Amendment to Increase Contract Authorization**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	11/1/01	Discussion/Possible Action	Agnes Govern, Director, Region Express Jim Edwards, Program Manager, Capital Projects Linda Smith, Project Manager, Capital Projects	206-398-5037 206-398-5436 206-689-4922

OBJECTIVE OF ACTION

- Restore construction contingency to provide reserve for potential change orders during the construction phase for the NE 40th Street Overlake Transit Center and Park & Ride lot. Previous authorized contingency has been depleted due to additional mitigation measures required for wet weather construction.

ACTION

- Authorizing the Executive Director to execute a construction contract amendment to increase the authorized construction contract with Wilder Construction in the amount of \$4,393,400 for the construction of the NE 40th Street Overlake Transit Center and Park-and Ride Lot. The contract amendment will restore contingency to \$400,000 for a new total authorized contract amount not to exceed \$4,793,400.

Highlights of Action:

- Restores construction contingency, as presented to the Finance Committee in an information item on September 6, 2001, enabling Sound Transit to process anticipated future construction change orders as required.
- The current Board authorized budget is \$4,393,400, which is Wilder Construction's low bid of \$3,994,000 plus a 10% contingency of \$399,400.
- A change was required to mitigate wet weather construction conditions to meet new more stringent storm water management requirements from the Department of Ecology and the City of Redmond for construction between October 1st and May 1st. The aggregate of these changes totaled \$400,000 and depleted authorized contingency.
- Increases the total authorized contract budget of \$4,393,400 for the construction of the NE 40th Overlake Transit Center by restoring contingency to \$400,000 for a new total authorized amount not to exceed \$4,793,400.

BUDGET

The following table shows the available budget as it relates to expenditures, commitments, and the impact of this action:

Column A	Column B	Column C	Column D	Column E
Total Project Budget (1)	Budget for Construction Phase (1)	Obligated to Date for Construction (2)	Total Amount Requested (3)	Remaining Budget (4) (B-[C+D])
\$8,634,000	\$5,580,000	\$4,428,756	\$400,000	\$751,244

All figures are shown in YOES\$.

- (1) The budget amounts shown in Columns A and B are based on the proposed 2002 budget, which is currently under review by the Board (ref. page 203 of the proposed budget document). The budget amounts include contributions from Microsoft, King County, the City of Redmond, and the FTA, as previously approved by the Board.
- (2) The obligated-to-date amount shown in Column C includes expenditures and commitments for the construction phase of the project, through September 30, 2001, and includes the original construction contract amount of \$4,393,400.
- (3) The contingency in the construction contract was depleted due to the unexpected cost of the stringent wet weather construction requirements, as discussed with the Finance Committee on September 6, 2001. The proposed 2002 budget did not include coverage for the unanticipated stringent wet weather construction requirements. Staff is requesting authorization to amend the construction contract, thus restoring contingency to use for potential additional change orders during construction.
- (4) The remaining budget amount of \$751,244 was to be used for construction of the GRTMA, police, bike station, and driver comfort building on the site. Staff is proposing to temporarily borrow funds from this amount to restore the construction contingency until additional project funding is secured to cover the unforeseen construction costs associated with wet weather and unsuitable soils.

A project budget shortfall of about \$400,000 is projected on this project due to these unforeseen costs. Funding for this shortfall can be secured from either unanticipated revenues or the proposed East King County capital program reserve proposed in the 2002 budget. If the project budget is not restored the GRTMA, police, bike station and driver comfort station building can not be completed on the site as designed.

Potential future actions include:

- HNTB's design contract with ST may need to be amended to include additional services for redesign and re-bidding of the buildings. This increase will potentially be funded by others.
- The project remains at high budget risk given the need to re-bid buildings on the site. Additional budget authorization may be required.

FINANCIAL IMPACTS

Impact on Current Year Budget: see below

Impact on Sound Move Budget: In the 2002 budget a request to establish a Regional Express program reserve fund will be presented to the Board. This program reserve is intended to provide for unforeseen project costs such as this need. This program reserve for East King County will be funded out of unanticipated revenues. Should the program reserve not be funded, unanticipated revenues (previously approved by the Board) will be used.

Impact on Cost-to-Complete: The overall cost to complete the project will most likely increase by about \$400,000 for the added cost to construct during the rainy season due to the more stringent wet weather storm water management construction mitigation requirements.

Impact on Subarea(s) Budget(s): N/A

HISTORY OF PROJECT

On September 6, 2001, a Discussion Paper (attached) was brought before the Finance Committee outlining the need to fully use the existing construction contingency for the Overlake Transit Center project. This need arose from unanticipated mitigation measures, including extensive clearing and grading activities occurring on the project site during the wet weather season. The City of Redmond and the Department of Ecology required Sound Transit to establish a wet weather construction program and institute construction methods to treat any storm water runoff during the rainy season. The Regional Express Department's Change Control Board (CCB), reviewed the proposed change and agreed it was necessary. This action was brought before the Finance Committee as an information item on September 6, 2001. Subsequently the Regional Express Change Control Board reviewed the construction budget and determined that construction contingency should be restored to cover unanticipated change orders during construction.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
Discussion Paper	Construction contract change order for wet weather construction	9/6/01
M2001-70	Increase final design contract with HNTB	7/19/01
M2001-56	Execute construction contract and amend project budget to include funds from Microsoft	7/26/01
M2001-08	Execute construction management contract with HNTB	2/1/01
R2001-05	Execute Property Assignment and an Option to Lease Agreement with Microsoft and City of Redmond	5/24/01
M99-45	Contract amendment with HNTB to include final design	7/1/99
M98-38	Execute contract with HNTB for preliminary engineering and environmental documentation	5/7/98
R98-21	Execute MOA with Microsoft, King County, and City of Redmond	4/23/98

REGIONAL PARTNERSHIP AND COOPERATION

The site has been planned and designed in close coordination with the City of Redmond, King County Metro, WSDOT, and Microsoft. In addition, Sound Transit has worked with the employer and residential community in planning and designing the facility. The resulting design meets applicable environmental requirements and addresses engineering and architectural standards while conveniently serving transit users.

PUBLIC INVOLVEMENT

The design of the improvements to be constructed resulted from extensive work and consultation with the City of Redmond, King County Metro, WSDOT, Microsoft, and the community. Sound Transit and the City of Redmond are collaborating to keep the community informed about construction activities. Sound Transit will work with the contractor to ensure that any concerns expressed by the community during construction are promptly addressed.

LEGAL REVIEW

JDW 10/23/01

SOUND TRANSIT

MOTION NO. M2001-115

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a construction contract amendment to increase the authorized construction contract with Wilder Construction in the amount of \$4,393,400 for the construction of the NE 40th Street Overlake Transit Center and Park-and Ride Lot. The contract amendment will restore contingency to \$400,000 for a new total authorized contract amount not to exceed \$4,793,400.

Background:

The initial 10% construction contingency for the NE 40th Street Overlake Transit Center project was fully used to respond to unanticipated requirements related to mitigation of wet weather construction. The City of Redmond and the Department of Ecology required Sound Transit to institute unanticipated wet weather construction methods to treat any storm water runoff during the rainy season. The Regional Express Department's Change Control Board reviewed the proposed change and agreed it was necessary. The Finance Committee was informed of this action in a discussion item on September 6, 2001. The motion will restore the construction contract contingency to cover additional unforeseen needs that may occur during construction.

Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to restore a contingency of \$400,000 on the construction contract for the NE 40th Street Overlake Transit Center project, to deal with unanticipated needs that may arise during construction, increasing the current contract amount of \$4,393,400 with Wilder Construction for a new total authorized contract amount not to exceed \$4,793,400.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting therefore held on the 1st day of November, 2001.



Rob McKenna
Finance Committee Vice Chair

ATTEST:



Marcia Walker
Board Administrator

**SOUND TRANSIT
DISCUSSION PAPER**

**NE 40TH STREET OVERLAKE TRANSIT CENTER/PARK & RIDE
CONSTRUCTION CONTRACT CHANGE ORDER FOR WET WEATHER CONSTRUCTION**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	9/06/01	Discussion	Agnes Govern, Director, Regional Express Jim Edwards, Program Manager, Capital Projects Linda Smith, Project Manager, Capital Projects	(206) 398-5037 (206) 398-5436 (206) 398-5024

DISCUSSION TOPIC

Sound Transit will be executing a change order to the NE 40th Street Overlake Transit Center construction contract with Wilder Construction for \$400,000. The change order scope of work will cover additional mitigation measures between October 1, 2001, and May 1, 2002, related to a wet weather construction program as required by the City of Redmond and Department of Ecology. This change order will deplete the authorized 10% contract contingency previously approved by the Finance Committee when the \$4 million construction contract with Wilder Construction was authorized in July 2001.

BACKGROUND

Major clearing, grading, and construction activities on the NE 40th Street Overlake Transit Center site will take place between October 1, 2001 and spring 2002. Due to the sensitive nature of Lake Sammamish and potential for storm water runoff into the lake during construction, the City of Redmond and the Department of Ecology (DOE) required Sound Transit to establish a wet weather construction program and institute construction methods to treat any storm water running off the project site during the rainy season between October 1, 2001, and May 1, 2002. This wet weather construction program and the requirements associated with it must be in place by October 1, 2001, if construction activities are to continue during the fall and winter. The full extent of these requirements were unknown when contract documents and specifications for the construction were developed. The construction contract was put out to bid and subsequently awarded to Wilder Construction in July 2001 based on a low-bid procurement. This construction management requirement reflects new more rigorous standards by the DOE to protect water quality.

The newly imposed wet weather construction requirements make a construction contract change order with Wilder Construction necessary. The change order will increase the scope of work to allow for increased treatment and monitoring of storm water runoff that may occur between October and spring 2002 while construction is underway. The change includes design, installation, and operation of a storm water treatment system, quality monitoring and bioassays, treatment of storm water with electrocoagulation technology, and treatments of construction vehicle wheel wash wastewater with chemical additives.

The cost of the change is \$400,000 and can be categorized in two elements: wet weather storm water runoff treatment and additional construction:

- The wet weather treatment element of the change is estimated at \$250,000 and includes estimates for equipment, monitoring, and treatment of storm water during construction.
- The additional construction and labor is estimated at \$149,000 including erosion and sediment treatment; the reconfigured detention/holding pond size, shape, and lining; and for hauling away unusable soils from the site.

Construction for this project was initially scheduled to be underway in July 2001. Initial construction bids received in May 2001 were higher than available resources and resulted in rejection of all bids. The work was repackaged and re-bid in June 2001. Bids received in July 2001 were within available resources and the contract was awarded to the lowest responsive and responsible bidder, Wilder Construction. The schedule delay resulting from the re-bid process meant that clearing, site grading, and restoration work that would have been completed before October and the rainy season has been delayed into the fall. The schedule delay also moved Sound Transit into additional environmental mitigation requirements from the City of Redmond and DOE. Provisions for wet weather construction were included in the bid specifications, however, since issuance of the Clearing and Grading permit had been concluded, Sound Transit did not anticipate additional storm water management would be imposed on the project.

The wet weather construction program associated with this change order was developed in close coordination with Redmond and the DOE to meet the newly imposed requirements for mitigation and makes conservative assumptions relative to wet weather conditions. Expenses estimated using the "worst weather scenario" might not be incurred if the region has a mild winter, however the savings would be minimal. With the current environmental requirements, the greatest expense is in constructing and implementing a basic storm water monitoring and treatment system. The basic system must be in place to handle and treat runoff from fall/winter weather if construction is to continue through the winter.

ALTERNATIVES CONSIDERED/CONSEQUENCES OF DELAY

Staff considered costs/impacts of delaying construction until the 2002 construction season (post May) to offset wet weather construction costs. This would delay completion of the project until at least the fall of 2002 and could result in some added demobilization/remobilization expense with the contractor. It is also the case that even if construction were to be delayed until spring, some of the proposed change order wet weather expense would be incurred to address wet weather construction mitigation in the spring.

Delaying construction is not recommended because this facility is key to the community's requested transit service improvements, including a new ST Express connection between Seattle, Overlake, and East Redmond, the start-up of frequent employer shuttle service connecting the transit center with the Microsoft campus and other worksites, and local King County Metro service improvements. The ST Express and employer shuttle improvements have already been delayed by over a year. Completion of the facility is key to Microsoft's ability to complete the Shuttle Operations Center, which will centralize their employee shuttle service to meet Sound Transit, Metro, and Community Transit services in transporting employees to and from work sites.

BUDGET IMPACT:

The cost associated with this \$400,000 change order is projected to be worst case expense associated with the wet weather plan required by the City of Redmond and DOE. Efforts will be made to minimize the cost of the wet weather construction program and monitoring associated with it to reduce this expense. If the region has a wet fall and winter, the full cost of this wet weather program will most likely be incurred. This change order will deplete the approximate \$400,000 (10%) construction contract contingency that was authorized when the \$4 million construction contract was awarded to Wilder Construction in July 2001. It is highly likely that the project will experience additional change orders in the course of construction on the site. If additional change orders materialize, staff will need to seek Finance Committee authorization for a construction contract amendment and for additional construction funding to complete the project.

Staff is currently engaged in work to identify potential funding sources to restore the construction contract contingency and project budget. At the same time, analysis of the project scope, schedule, and budget will continue and any cost saving opportunities will be identified. Staff will report back to the Finance Committee with its findings.

LEGAL REVIEW

MLB 9-5-01