

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2001-133

**Overlake Transit Center and Park-and-Ride at NE 40th Street
HNTB Consultant Services Contract Amendment**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	12/20/01	Discussion/Possible Action	Agnes Govern, Director, Regional Express Jim Edwards, Program Manager, Capital Projects Linda Smith, Project Manager, Capital Projects	206-398-5037 206-393-5436 206-689-4922

OBJECTIVE OF ACTION

- Amends the consultant services contract with HNTB by \$295,000 to include additional design services, and to provide construction management services for the Rider Services Building, plus a 10% contingency of \$29,500 to cover unforeseen costs. This amendment adds a total authorization of \$324,500 and brings the contract total not to exceed amount to \$1,887,000.

ACTION

- Authorizes the Executive Director to amend the Final Design and Construction Management Contract with HNTB by \$295,000 to include additional scope and fee for design and construction management services for construction of the buildings on the site, plus a 10% contingency of \$29,500, for a total amendment authorization of \$324,500 and new total authorized contract amount not to exceed \$1,887,000.

KEY FEATURES

Highlights of Proposed Action:

- Amends the contract with HNTB to increase the total for design services by \$245,000 to cover added scope and consultant services required to redesign, permit, and re-bid the Shuttle Operations Building and Overlake Rider Services building on the site.
- Provides \$50,000 for construction management services with HNTB for construction of the building.
- A 10% contingency of \$29,500 is included to cover unforeseen costs.
- June 2001 bids for the buildings in the project came in significantly over the engineer's cost estimate. Value-engineering recommendations must be incorporated prior to re-bidding to reduce construction costs.
- Additional funding from the City of Redmond and the Microsoft Corporation will offset most of the added cost of this contract amendment.

- Overall a shortfall in revenues of approximately \$500,000 may remain, primarily due to the unexpected \$400,000 wet weather construction change order.
- Sound Transit continues to aggressively pursue cost saving measures and additional funding from the City of Redmond, the Microsoft Corporation, and King County Metro to reduce this shortfall.
- Prior to awarding the construction contract for the Rider Services Building in early 2002, staff will be requesting a budget amendment to add the new funding from partners to the project. Funding will be requested from the East King County capital program reserve fund (if approved in the 2002 Proposed Budget) or unanticipated East King County revenues to cover any remaining project budget shortfall.

BUDGET

The following table shows the available budget (2002 Proposed) as it relates to expenditures, commitments, and the impact of this action:

Column A	Column B	Column C	Column D	Column E (B-[C+D])
Total Project Budget	Total Budget for Final Design Phase	Obligated To Date for Final Design	Total Amount Requested	(Shortfall) or Surplus for Final Design
\$8,634,000	\$1,392,000	\$1,146,948	\$324,500	(\$79,448)
Amount of Shortfall	Potential Revenues (for Final Design and Construction)	Funding Sources		
(\$79,448)	\$320,000	Microsoft Corporation and the City of Redmond		

All figures shown are in YOES\$

The budget amounts shown are based on the 2002 Proposed Budget which is scheduled for adoption on December 13, 2001, by the Sound Transit Board of Directors (ref. page 203 of the proposed budget document, project number 332). Obligated to Date for Final Design (column C) includes expenditures and commitments for final design work through October 31, 2001, excluding this action. The amount requested includes \$295,000 plus a 10% contract contingency amount of \$29,500 for a total of \$324,500.

With this contract amendment there will be a budget shortfall of \$79,448 (column E) for the final design phase of this project and an overall budget shortfall of approximately \$500,000. Current funding level commitments from Microsoft and the City of Redmond are insufficient to cover the total project overruns. Discussions are underway with both Microsoft and the City of Redmond to identify additional funding to cover the direct costs associated with the improvements requested. Sound Transit is also pursuing further funding participation from King County Metro to increase its current commitment of \$1,000,000 to this project.

FINANCIAL IMPACTS

Impact on Current Year Budget:

Funds are currently available within the project budget to cover this amendment. However, in 2002, this project will have a budget shortfall resulting from unanticipated wet weather construction requirements by the City of Redmond that occurred in September 2001, project schedule delays, and the added cost to redesign, repackage, and re-bid the complementary buildings on the site. Some of this shortfall will be funded by the partners to this project and staff will request Board authorization for the remaining balance to be funded from the East King County program reserve fund (if approved in the 2002 Proposed Budget) or unanticipated East King County revenues.

Impact on Sound Move Budget:

In early 2002, when seeking construction approval for the Rider Services Building and costs are fully known, staff will be requesting the Board amend the project budget to include additional revenues from our partners and to move any additional funds required from either the East King County capital program reserve fund or unanticipated East King County revenues to cover the remaining budget shortfall. Staff are continuing to pursue cost saving measures in addition to working with the City of Redmond, the Microsoft Corporation, and King County Metro to secure additional funding.

Impact on Cost-to-Complete:

This additional work and contract amendment will increase the cost of the project by up to \$324,500. The project has experienced significant unforeseen costs such as the wet weather mitigation requirements, which added at least \$400,000 in construction costs to the project. Sound Transit is managing the budget to achieve cost savings and complete the project within the existing funds and new funding from the partners. A 2002 shortfall in revenues of about \$500,000 for the project is estimated at this time if cost saving measures and additional funding is not secured from the partners. Staff will request to amend the budget prior to construction contract award for the Rider Services Building when the full extent of costs, cost savings efforts, and increased revenues are known. Staff anticipates a request for Board approval to move funds from the East King County program reserve fund or unanticipated East King County revenues to cover the remaining shortfall to complete the project.

Impact on Subarea(s) Budget(s):

There is no impact on subarea budgets of this action. An expected budget amendment to occur prior to award of the construction contract for the Rider Services Building will draw from either the East King County program reserve fund or unanticipated East King County revenues.

HISTORY OF PROJECT

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2001-115	Amended Construction Contract to Restore Contingency.	11/1/01
Discussion Paper	Construction contract change order for wet weather construction.	9/6/01
M2001-70	Increased final design contract with HNTB by \$352,300 to a revised total of \$1,259,800.	7/19/01

M2001-56	Executed construction contract and amended project budget to include funds from Microsoft.	7/26/01
R2001-05	Executed Property Assignment, Option to Lease Agreement with Redmond and MOA with Microsoft	5/24/01
M2001-08	Executed construction management contract with HNTB	2/1/01
M99-45	Contract amendment with HNTB to include final design for \$907,500.	7/1/99
M98-38	Executed contract with HNTB for preliminary engineering and environmental documentation.	5/7/98
R98-21	Executed MOA with Microsoft, King County, and the City of Redmond.	4/23/98

ALTERNATIVES

An alternative to this action would be to eliminate the Rider Services Building on the site that is proposed for the bike station, a concession vendor, the Greater Redmond Transportation Management Association (GRTMA) offices, a City of Redmond police outpost and driver comfort station. The cost of this building is estimated at \$850,000 in addition to the consultant design fees associated with this Motion. With this alternative this building could be replaced with a less costly, basic driver comfort station building to meet driver needs and a bus shelter in the Transit Center where the canopy from the adjacent building was sheltering customers. This approach would meet the basic needs of customers and bus drivers using the site. This alternative would save approximately \$500,000 as these smaller structures are estimated to cost up to \$350,000.

This alternative would also require that Sound Transit return \$250,000 in City of Redmond funds already contributed for the larger building and as much as \$250,000 in FTA grant funding provided for the Bike Station. Though this alternative would reduce budget expense by as much as \$500,000 it also reduces revenues and eliminates the added services, comfort, convenience, and security that the bike station, police outpost and GRTMA provide at the site.

CONSEQUENCES OF DELAY

Completion of the Shuttle Operations Building is critical to the Microsoft Corporation's planned implementation of its employee shuttle services. These buildings and the services housed in them add an element of safety, security and convenience for customers using the site. Redesign, re-bidding, and construction of the buildings is dependent on the consultant services authorized by this Motion. Any delay in this authorization will delay completion of these two complementary buildings on the site.

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 Corporation. Sound Transit has worked with employers in the area and the 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.

The City of Redmond, King County Metro, the Federal Transit Administration and the Microsoft Corporation are funding partners.

PUBLIC INVOLVEMENT

Design of the improvements to be constructed resulted from extensive work and consultation with the City of Redmond, King County Metro, WSDOT, Microsoft Corporation, and the community.

Sound Transit and the City of Redmond are collaborating to keep the community informed about construction progress. A public outreach effort and customer informational materials are being developed in coordination with King County Metro, the City of Redmond, and area employers to promote the opening of the transit center and park and ride lot in February 2002.

Sound Transit will work with the contractor to ensure that any concerns expressed by the community during construction are promptly addressed.

LEGAL REVIEW

JDW 12/7/01

SOUND TRANSIT

MOTION NO. M2001-133

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing an amendment to Contract No. RTA/RE 47-97E with HNTB for final design and construction management services for the Rider Services and Shuttle Operations Buildings located at the Overlake Transit Center and Park-and-Ride at NE 40th Street. This amendment increases the total contract amount available by \$295,000, plus a 10% contingency of \$29,500, for a total contract amendment of \$324,500 and a new total authorized contract amount not to exceed \$1,887,000.

Background:

In June 2001, the initial bids for the Overlake Transit Center Buildings came in significantly over the engineer's cost estimate. After extensive consultation with designers and contractors, the basic construction work at the Overlake Transit Center site was re-bid separately and is currently under construction. The two buildings are being modified to incorporate some value engineering prior to their re-bidding to reduce future construction costs.

This contract amendment will amend HNTB's contract to include:

- 1) \$245,000 in added design services to cover added scope and consultant services necessary to redesign, permit, and re-bid the Rider Services and Shuttle Operations Buildings, and
- 2) \$50,000 in construction management services to cover construction management for the Rider Services Building.

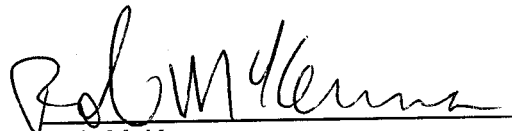
This amendment will also authorize a 10% contingency of \$29,500 to cover unforeseen costs.

Additional funding is anticipated from the City of Redmond and Microsoft Corporation to help offset the cost of this contract amendment.

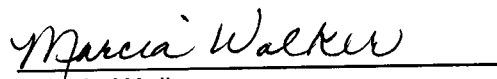
Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to increase Contract No. RTA/RE 47-97E with HNTB for final design and construction management services of the Rider Services and Shuttle Operations Buildings located at the Overlake Transit Center and Park-and-Ride at NE 40th Street. This amendment increases the total contract amount available by \$295,000, plus a 10% contingency of \$29,500, for a total contract amendment of \$324,500 and a new total authorized contract amount not to exceed \$1,887,000.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 20th day of December 2001.


Rob McKenna
Finance Committee Vice Chair

ATTEST:


Marcia Walker
Board Administrator