

STAFF REPORT

SOUND TRANSIT MOTION NO. M2001-54

Authorization of an Increase in the Sumner Commuter Rail Station Contingency for Construction Contract No. RTA/CR67-99 with Lumpkin Construction Company, Inc.

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	6/7/01	Discussion/Possible Action	Paul Price, Director Bob Sundin, Construction Program Manager Kim Brackett, Project Manager	(206) 398-5111 (206) 398-5118 (206) 398-5415

PROPOSED ACTION

The proposed action would authorize the Executive Director to increase the contingency amount on Contract Number RTA/CR67-99 with Lumpkin Construction Company, Inc., for construction of the Sumner Commuter Rail Station. This action increases the original authorized contract amount of \$3,938,770 by adding \$399,430 to the existing contingency of \$358,070 for a new total authorized contract amount not to exceed \$4,338,200. A transfer from the operating budget of the 2001 Adopted Budget for Sounder Commuter Rail to the construction line item of the Sumner Commuter Rail Station is authorized by this action.

KEY FEATURES

Highlights of Proposed Action:

- ◆ Authorizes the Executive Director to execute a contract amendment to Contract Number RTA/CR 0067-99 for construction by Lumpkin Construction Company, Inc. for construction of the Sumner Commuter Rail Station. This action increases the original authorized contract amount of \$3,938,770 by adding \$399,430 to the existing contingency of \$358,070 for a new total authorized contract amount not to exceed \$4,338,200.
- ◆ The major change issue at the Sumner station was lack of access to the Burlington Northern Santa Fe Railway (BNSF) property at the start of construction, combined with the addition of BNSF-required fiber optic casing pipe. BNSF-related change issues total \$286,000.
- ◆ Approval of this motion will create a line-item shortfall for the Sumner station project, which will be funded by cost savings identified in the operating budget that will be transferred to the Sumner capital budget as presented to the Board on April 12, 2001 in Sounder Commuter Rail's Cost-to-Complete discussion. The overall Sounder Commuter Rail budget as approved in the Sound Transit adopted budget for 2001 will not be exceeded.

DISCUSSION

Sounder Commuter Rail service was initiated at the Sumner station September 18, 2000, with limited completion of both platforms. The station opened for full service in November 2000. The station is now complete with all parking areas open for use by commuters. Additional funds

are needed to close out change orders for work performed on the Sumner commuter rail station. Delays to the start of construction, changes required by BNSF and post-award requirements imposed by the local jurisdiction have required the need for additional funding for the station completion.

The increase of contingency funds will allow staff to execute change orders for work required to complete the construction of the Sumner Commuter Rail Station. Below is a table summarizing the changes and their cost impact. The table groups changes into three categories. The first are changes that the original contingency was set aside to cover. The necessity for the changes was dictated based on the need to complete the design and bring the station into operation. The second category of changes was based on third party requirements and the need to adjust the contract to account for unforeseen conditions. Third parties held approvals for site access and start of construction until their conditions were met. The third category is a reserve contingency to cover yet to be finalized issues. The sum of the three categories of changes totals the amount that exceeds the original contract value.

Table 1 – Description of Anticipated and Unanticipated Changes		
Category	Description	Cost
1	Anticipated changes (covered by 10% contract contingency)	
	Design coordination	\$181,500
	Start up of service	\$50,000
	Utility Coordination	\$143,000
	Sound Transit requested scope changes	(\$109,000)
	Subtotal	\$265,500
2	Unanticipated changes (require additional contingency)	
	City of Sumner – required changes	\$78,000
	Burlington Northern Santa Fe Railway requirements	\$286,000
	Environmental remediation	\$3,000
	Unforeseen conditions/unsuitable soils	\$71,000
	Subtotal	\$438,000
3	Reserve contingency (required to complete the project)	\$54,000
	Total of contingency required for changes on contract	\$757,500

BACKGROUND

The following is a more detailed description of the changes required on the Sumner Commuter Rail Station project.

Category 1 - Anticipated changes

- Design Coordination (\$181,500): Forty identified change issues were implemented to adjust the design to meet the desired installed condition. The largest of the changes included installation of additional conduit for future communication systems such as closed circuit TV and public address systems together with additional light fixtures at the north parking lot. A number of minor changes include fiber optic cable for Ticket Vending Machines (TVM's), addition of galvanizing for C channel supports at the platform, installation of disconnect switches for electrical devices, modifications to the lighting control panel, additional signage supports, and several changes requiring minor work to resolve discrepancies in the contract documents.

- Start-up (\$50,000): To open the station for service on September 18, 2000, additional work was required to provide temporary barriers, fencing, lighting and fences to separate the ongoing construction operations from the portions of the station open to the public. In addition, changes to the sequence in work performed by the landscape subcontractor, changes to the granite strip material and temporary power for TVM service was required to meet the start up date. At the Sumner Station initial operations began with 250 feet of train platform in service.
- Utility Coordination (\$143,000): Seven change issues were identified as a result of coordination with utility and telecommunications providers. High voltage lines parallel the east platform at the station. Puget Sound Energy (PSE) required installation of additional grounding around the depot structure for stray current protection together with special pole base block out construction details. In addition, the contractor was requested to provide for the power feed to the communications building in lieu of PSE in order to better coordinate the site utility work. Monies anticipated to be paid directly to PSE by Sound Transit via a purchase order were instead paid to the contractor under a change order.
- Sound Transit requested scope changes deduction (\$109,000): Sound Transit requested the contractor implement changes to coordinate improvements with adjacent property owners and to implement minor revisions to the contract documents. Changes include revisions to the curb, gutter, sidewalk and utility modifications to accommodate the Haines property, additional paving on Harrison street, and installation of signage foundations for station location signs. In addition, bid excavation quantities were adjusted to reflect the actual installed quantities for bid items resulting in a net deduction in the contract price.

Category 2- Unanticipated changes

- City of Sumner changes (\$78,000): Although the majority of the City's comments were incorporated into the contract documents as part of the contractor's base price, several changes were required by the City after award to coordinate with improvements performed directly by the City of Sumner. The changes were made in cooperation with the City to avoid future costs for both parties.
- Changes to the drawings were required as a result of the permit review process. These changes ranged from modifications to the storm drainage system, additional sidewalk improvements and work required to coordinate with City street improvements planned on Pioneer and Harrison streets including:
 - Modifications to the platform design to accommodate future improvements planned by the City at Traffic Avenue were necessary. The City lowered the design elevation of their street, creating the need for Sound Transit to change its design. Changes included increasing the retaining wall height at the west platform, installation of a galvanized guardrail to meet code, and adjustments to the length of handicap ramps.
 - Installation of a new fire hydrant instead of relocation of an existing hydrant.
 - Installation of removable bollards at the south parking lot.
 - Additional pavement replacement on Maple Street.
- BNSF requirements (\$286,000): Sound Transit was unable to issue a full Notice to Proceed (NTP) to Lumpkin Construction for several months because of lack of access to the BNSF right of way. The contract was awarded to Lumpkin on September 29, 1999 and a Notice to Proceed was estimated to be issued in December, 1999. A Limited NTP was issued on

November 3, 1999 for soil remediation work. The lack of an operating agreement between BNSF and Sound Transit (due in part to the funding lost in I-695), prevented issuing a NTP for construction. The full NTP was issued in April, 2000 when the final operating agreement with BNSF was obtained. In addition, BNSF required Sound Transit to construct a fiber optic duct bank under the platforms to allow for future fiber optic installation. This was not part of the bid documents and required addition by change order. Several other changes were required by BNSF after construction started that had to be implemented prior to operation of the station including:

- Additional track survey to verify location of track prior to platform construction.
- A more expensive forming system was used to construct the cantilever section of the platform to accommodate BNSF operations and maintenance requirements.
- Temporary wood platform extensions to allow operation of the train prior to BNSF shifting the southbound track. Service started September 18, 2000 and BNSF did not shift track until October 23, 2000.
- Relocate existing signal poles that conflicted with the east platform and canopy installation. BNSF signal work will not occur until 2002. An interim location was needed to complete platform construction allowing the station to open on September 18, 2000.
- Environmental Remediation (\$3,000): At the Sumner site the removal of contaminated material was completed as planned and the cost were kept within the anticipated bid item amounts. Additional cost attributed to handling and clean up of contaminated material included additional sorting of suspect materials. During excavations suspect materials were encountered and the contractor was instructed to separate stockpiles of materials for further testing by Sound Transit and the City.
- Unforeseen Conditions/ Unsuitable Soil (\$71,000): Unsuitable soil conditions were found at the Sumner site requiring over-excavation of native soil with replacement of a gravel-base material that could meet compaction requirements. The soil over-excavation and replacement was 2,000 cubic yards more than anticipated in the bid documents. If the native soft, silty soil were not replaced with the gravel-base material, the parking lot pavement would fail in a short period of time due to ground settlement.

Category 3-Reserve Contingency

- A reserve contingency is requested to resolve outstanding cost issues with the Contractor that is related directly to completion of change order work that is undisputed.

BUDGET

Table 1 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 1 – Lumpkin Construction Agreement for Construction of the Sumner Station

	Current Contract Value Not to Exceed ¹ (A)	Proposed Action Cost for of This Change Order (B)	Proposed Total Contract Value Not to Exceed (C) = (A+B)
Total	\$ 3,938,770	\$ 399,430	\$ 4,338,200
Contingency	\$ 358,070	\$ 399,430	\$ 757,500
% Contingency	10%	100%	21.2%

¹ See Motion No. M99-58 from 9/2/99.

Funding for this contract change order corresponds to budget in construction phase of the Sumner commuter rail station, as shown in the on page 97 of the Agency's 2001 Proposed Budget, approved by Resolution No. R2000-17 on December 14, 2000.

Committing these funds impacts other project elements that are to be funded out of this phase, as referenced in the Sounder Commuter Rail Seattle-to-Tacoma Cost-to-Complete discussion presented to the Board on April 12, 2001. As noted in that discussion, the line-item shortfall for the Sumner station will be funded by cost savings identified in the operating budget that will be transferred to the Sumner capital budget. The overall Sounder Commuter Rail budget as approved in the Sound Transit adopted budget for 2001 will not be exceeded. Table 2 presents the current budget as it relates to the forecast and the impact of this action.

Table 2 – Sumner Station Construction Budget and Obligations: Impact of this Motion

Total Project Budget	Budget for Construction Phase ¹ (A)	Obligations-to-Date ² (B)	Total Amount Requested (C)	Shortfall* or Surplus (D) (D)=(A-B-C)
\$ 7,986,000	\$ 5,194,000	\$ 5,635,744	\$ 399,430	(\$841,174)
*Amount of Shortfall	Funding Sources / Potential Revenues			
\$ 841,174	This has been addressed in the April 12, 2001 Cost-to-Complete discussion. Though some line items in the Sumner budget may be exceeded with this action, the overall Sounder-approved 2001 capital budget will not be exceeded.			

¹ Budget does not include the over \$3 million referenced in the Cost-to-Complete discussion, a comprehensive budget amendment will be brought to the Board to provide more details.

² Includes expenditures through April 30, 2001 of \$5,185,781 and commitments of \$449,963. Also reflects construction management commitments authorized by M2001-31 (Construction Management services contract amendment).

ALTERNATIVES

Options available to the Board are limited, based on the status of completion of the project. With the Sumner station substantially complete, resolution of the change orders with the contractor requires authorization of additional funds. Given this constraint, the viable options for the board include:

1. Authorization for the requested amount of funds totaling \$399,430. These funds are required to complete all contracted work on the station and resolve changes issued on the project. Potential disputes or claims will require further board action if proven valid. This action will allow staff to complete the work on the station, and closeout all undisputed change orders.
2. Authorize \$239,489 of the requested \$358,000. This is the amount of changes that are currently recommended for approval by the construction manager. Resolution of the balance of the change orders with the contractor would require additional monies and would result in a subsequent board action. The amount deferred for subsequent action would be \$149,997 plus funds needed to resolve potential dispute items.
3. No action at this time: No action will not reduce the cost liability to Sound Transit. It is more likely a non-action will cost Sound Transit additional funds to resolve potential claims from the contractor for lack of payment on work performed on legitimate change issues. The lack

of action will also increase the cost of staff time and consultant time due to lack of resolution of change orders.

CONSEQUENCES OF DELAY

Delay in this action will have an impact on the contract because 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 Sumner Commuter Rail station final completion schedule as well as potential claims from the construction contractor. This station is currently substantially complete and scheduled for final completion in May 2001.

REGIONAL PARTNERSHIP AND COOPERATION

Sound Transit has coordinated closely with the City of Sumner in the development of the Sumner Commuter Rail station.

PUBLIC INVOLVEMENT

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

LEGAL REVIEW

MBL 525/01

SOUND TRANSIT

MOTION NO. M2001-54

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to increase the contingency amount on Contract Number RTA/CR67-99 with Lumpkin Construction Company, Inc. for construction of the Sounder Commuter Rail Station in Sumner. This action increases the original authorized contract amount of \$3,938,770 by adding \$399,430 to the existing contingency of \$358,070 for a new total authorized contract amount not to exceed \$4,338,200. A transfer from the operating budget of the 2001 Adopted Budget for Sounder Commuter Rail to the construction line item of the Sumner Commuter Rail Station is authorized by this action.

Background:

By Motion No. M99-58 dated September 2, 1999, the Finance Committee authorized contract No. RTA/CR67-99 with Lumpkin Construction Company, Inc. for the construction of the Sounder Commuter Rail station in Sumner. Additional contingency funds are needed to complete the work on the Sumner Commuter Rail Station. Delays to the project start of construction and the addition of Burlington Northern Santa Fe required fiber optic casing pipes comprised the major cost elements.

Committing these funds impacts other project elements that are to be funded out of this phase, as referenced in the Sounder Commuter Rail Seattle-to-Tacoma Cost-to-Complete discussion presented to the Board on April 12, 2001. As noted in that discussion, the line-item shortfall for the Sumner station will be funded by cost savings identified in the operating budget that will be transferred to the Sumner capital budget. The overall Sounder Commuter Rail budget as approved in the Sound Transit adopted budget for 2001 will not be exceeded.

Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority to authorize the Executive Director to increase the contingency fund for Contract No. RTA/CR 67-99 with Lumpkin Construction Company, Inc. for construction of the Sounder Commuter Rail station in Sumner. This action increases the original authorized contract amount of \$3,938,770 by adding \$399,430 to the existing contingency of \$358,070 for a new total authorized contract amount not to exceed \$4,338,200. A transfer from the operating budget of the 2001 Adopted Budget for Sounder Commuter Rail to the construction line item of the Sumner Commuter Rail Station is authorized by this action.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 7th day of June 2001.



Greg Nickels
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator