

STAFF REPORT

**SOUND TRANSIT
MOTION NO. M2001-56**

**NE 40th Street Overlake Transit Center Budget Amendment
and Construction Contract Award**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	7/19/01	Discussion/Possible Action to Recommend	Agnes Govern, Director, Regional Express	(206) 398-5037
Board	7/26/01	Board Approval Action	Jim Edwards, Program Manager, Capital Program Linda Smith, Project Manager, Capital Projects	(206) 398-5436 (206) 689-4922

PROPOSED ACTION

Authorizes a budget amendment to increase the project budget to include funds from Microsoft for improvements on the NE 40th Street Overlake Transit Center and Park-and-Ride site. In addition, this action authorizes the Executive Director to execute a contract with the lowest responsive and responsible bidder for the construction of the NE 40th Street Overlake Transit Center and Park-and-Ride Lot. The construction contract amount and the Microsoft contribution will be determined by bids opened on July 13, 2001. The final amount will include a 10% contingency for a total authorized amount not to exceed the project construction budget.

KEY FEATURES

Highlights of Proposed Action:

- ◆ Amends the Sound Transit budget to increase the project budget by an amount equal to funds to be contributed by Microsoft (about \$1M) pursuant to the agreement between Sound Transit and Microsoft as approved for execution and adopted by Board Resolution No. R2001-05 on May 23, 2001. The actual Microsoft contribution will be determined based on construction bids and any construction change orders required during construction. The project budget will be further amended in the 2002 Budget process to reflect the actual Microsoft contribution.
- ◆ Further authorizes the Executive Director to execute a contract with the lowest responsive and responsible bidder for the construction of the transit center and park-and-ride lot. The contract amount will be determined by bids opened on July 13, 2001, plus a 10% contingency for a total authorized amount not to exceed Sound Transit's budgeted funds for construction.

DISCUSSION OF PROPOSED ACTION:

This project will build a new NE 40th Street/SR 520 Overlake Transit Center and Park-and-Ride Lot (235 stalls), passenger waiting and boarding areas, transit and shuttle van loading areas, and bicycle facilities on a 10-acre site provided by Microsoft. Two complementary buildings will eventually be completed on the site. One building will house the Microsoft employee shuttle

operations center and a second building will house a police substation, the Greater Redmond Transportation Management Association (GRTMA) with customer information, a bike station, a convenience vendor, and driver restrooms. The facility will function as a service hub for transit services operated by Sound Transit, King County Metro, and Community Transit buses; employer shuttle services; vanpool/carpool services; and for bicyclists and pedestrians. The basic facility is scheduled to be completed in February 2002, which is approximately four months later than stated in the 2001 Adopted Budget. The buildings on the site will be constructed under a separate construction contract and will be completed at a later date.

For the basic project, King County Metro is contributing up to \$1M for the project and the City of Redmond is providing about \$225,000 in funds. The FTA will provide \$250,000 for a bike station on the site as part of a future phase. Microsoft is dedicating the transit center property at no cost to Sound Transit through an agreement with the City of Redmond. In addition, Microsoft will provide funds to cover all costs associated with the design, construction, maintenance, and operation of the shuttle operations center, and a portion of overall site development costs. Microsoft's contribution will be based on the actual construction bids received and any change orders required during construction. This motion will increase the project budget by an estimated \$1,060,000 from Microsoft. The Sound Transit budget will be further amended in the 2002 Budget process to include the actual contribution from Microsoft as established by the agreement and the construction contract.

This motion also would authorize the Executive Director to award the construction contract based on bids received on July 13, 2001. Design of the NE 40th Street Overlake Transit Center and Park-and-Ride Lot was completed in May 2001 by the design team led by HNTB. The construction contract was initially advertised in May 2001 and bids received were considerably above available resources and the engineer's estimates for the buildings on the site. The bids received on the basic transit center and park-and-ride lot were comparable or lower than the engineer's estimate. In an effort to bring the cost down, the project was rebid separating the basic transit center and the park-and-ride lot and rider waiting areas from the Shuttle Operations and the Bike Station/GRTMA/Police buildings on the site. Staff is continuing to work with the City of Redmond and Microsoft to complete these buildings within budget and will report back on how this can be accomplished at a later meeting. These buildings will be advertised to be constructed separately at a later date.

The basic construction contract was re-advertised in the Daily Journal of Commerce on June 28, 2001, as well as being advertised on the Sound Transit web site. Several contractors have expressed interest in the project and bids will be opened on July 13, 2001. Bids will be evaluated by Sound Transit in accordance with the competitive bidding process to determine the lowest responsive and responsible bidder. This motion does not currently identify the contractor because board materials needed to be forwarded before bids were opened. This item is being forwarded to the Finance Committee at this time in an effort to expedite the construction contract approval to give the contractor Notice to Proceed at the earliest possible date to take maximum advantage of the 2001 construction season.

BUDGET

Table 1: Summary of Funds Available

Current Project Budget ⁽¹⁾	Microsoft Contribution for Additional Scope ⁽²⁾	Total Funds Available / Revised Budget
\$7,425,000	\$1,060,000	\$8,485,000

All figures shown are year of expenditure (YOES).

- (1) Budget amounts shown include the Sound Transit budget amount of \$5,950,000 (for Sound Move scope of work), plus contributions from the City of Redmond of approximately \$225,000; \$1M from King County Metro; and a grant from the FTA of \$250,000. These contributions are for additional scope of work and were approved by the Board on May 24, 2001 (Resolution No. R2001-05).
- (2) The Microsoft contribution amount shown is approximate and includes design costs of about \$300,000. The final amount will be determined when construction bids are received, discussions with Microsoft are finalized, and the construction is completed. The scope of work covered by this additional funding is beyond the scope anticipated and included in the Sound Move plan.

Table 2: Available budget as it relates to expenditures and commitments.

Revised Project Budget Available	Budget for Construction ⁽³⁾	Obligations to Date for Construction ⁽⁴⁾	Total Amount Requested ⁽⁵⁾	Shortfall* or Surplus ⁽⁶⁾
	(A)	(B)	(C)	(A-[B+C])
\$8,485,000	\$6,017,000	\$0	NTE \$4,920,000	\$1,097,000

All figures shown are year of expenditure (YOES).

- (3) Construction budget amount for the basic project and the Bike Station/GRTMA/Police building includes \$3,782,000 from the Sound Transit budget and contributions from Microsoft (\$760,000), Redmond (\$225,000), King County Metro (\$1M) and a FTA grant of \$250,000.
- (4) No funds have been obligated for the construction. The amount of \$2,364,479 has been spent and committed to date on other phases of the project.
- (5) The construction contract will be awarded to the lowest responsible and responsive bidder, not to exceed the budgeted amount. The actual amount will be determined when the bids are received. The engineer's estimate for the basic project portion of the construction is \$4,920,000. The budget for this project is limited and Sound Transit is working with the City, Microsoft, and King County to ensure that the project can be constructed within available resources. Deductive options have been included in the construction bid package should bids exceed available funding.
- (6) This shows a surplus at this time that will be used when the buildings on the site are bid under a separate construction contract.

ALTERNATIVES

If all bids exceed the funding available, the following alternatives exist and staff will provide a detailed recommendation on these as part of presentations on July 19 and July 26, 2001:

1. Request new bids on this project in an effort to obtain a better bid price.
2. Reject bids and place project on hold while considering other project alternatives.
3. Accept basic bid and eliminate deductive options.

CONSEQUENCES OF DELAY

The construction contract is being competitively bid and bids will be analyzed by Sound Transit in accordance with the competitive bidding process to determine the lowest responsive and responsible bidder. Failure to act on this recommendation or to award the contract at this time will impact Sound Transit's ability to have the NE 40th Street Overlake Transit Center and Park-and-Ride Lot operational in February 2002. This will delay the Route 545 service improvements.

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. The added complementary buildings on this site, funded by others, will benefit the community and provide added convenience, safety, and security for the customer.

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. The authorization of this action will enable Sound Transit to complete the improvements as designed and permitted in partnership with the aforementioned parties. The construction contract was advertised in the Daily Journal of Commerce on June 28, 2001, and was posted on the Sound Transit web site to inform perspective bidders of the project. A site visit was conducted with interested bidders on May 21, 2001. 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

JB 7/5/01

SOUND TRANSIT

MOTION NO. M2001-56

A motion of the Board of the Central Puget Sound Regional Transit Authority amending the 2001 Budget to increase the project budget by about \$1,060,000 to cover added improvements funded by the Microsoft Corporation and further authorizing the Executive Director to execute a contract with Wilder Construction, the apparent lowest responsive, responsible bidder for the construction of the NE 40th Street Overlake Transit Center and Park-and-Ride Lot in the amount of \$3,994,000 and a 10% contingency of \$399,400 for a total authorized amount not to exceed \$4,393,400.

Background:

This project will build a new NE 40th Street/SR 520 Overlake Transit Center and Park-and-Ride Lot (235 stalls), passenger waiting and boarding areas, transit and shuttle van loading areas, and bicycle facilities on a 10-acre site provided by Microsoft. The facility will function as a service hub for transit and paratransit services operated by Sound Transit, King County Metro, Community Transit; employer shuttle services; vanpool/carpool services; and for bicyclists and pedestrians. The basic transit center and park-and-ride lot is scheduled for completion in February 2002, which is approximately four months later than stated in the 2001 Adopted Budget. The buildings on the site will be constructed under a separate construction contract and will be completed at a later date.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the project budget is amended by about \$1,060,000 to cover added improvements funded by Microsoft, and the Executive Director is authorized to execute a contract with Wilder Construction, the apparent lowest responsive and responsible bidder, for the construction of the NE 40th Street Overlake Transit Center and Park-and-Ride Lot in the amount of \$3,994,000 and a 10% contingency of \$399,400 for a total authorized amount not to exceed \$4,393,400.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting therefore held on the 26th day of July, 2001.


David Earling
Board Chair

ATTEST:


Marcia Walker
Board Administrator