

STAFF REPORT

SOUND TRANSIT MOTION NO. M2001-70

NE 40th Street Overlake Transit Center Contract Amendment

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

PROPOSED ACTION

The proposed action would authorize an increase in the original contract for final design and construction support services for the NE 40th Street Overlake Transit Center (Contract No. RE 47-97) with HNTB Corporation by \$352,300 for a new total amount not to exceed \$1,259,800.

KEY FEATURES

Highlights of Proposed Action:

- ◆ Authorizes an increase to the original consultant services contract with HNTB for added scope and design services for final design and construction services for the NE 40th Street Overlake Transit Center by \$352,300 for a new total amount not to exceed \$1,259,800.
- ◆ Includes \$170,000 for expenses already incurred by HNTB, above the Board's authorization, for added scope and services required to finalize the design, respond to Redmond permit submittals, and repackage the construction contract for rebidding the project.
- ◆ Also provides HNTB with \$47,686 for additional scope required for remaining work required to obtain permits from the City of Redmond; \$54,600 in supplemental funding for repackaging the buildings on the site for rebidding; and \$80,000 for design services during 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. The completed site will also include a 2,500 square-foot building which will house the Microsoft employee shuttle operations center, and a second 2,500 square-foot building to 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 transit center and park-and-ride lot will be completed in February 2002, 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.

Sound Transit advertised the project for construction bids in May 2001 and on June 5, 2001, bids were received that were substantially higher than engineer's estimates and available funding. The bids received on the basic transit center and park-and-ride lot were comparable or lower than the engineer's estimate. Therefore the project has been repackaged to separate the basic transit center from the complementary buildings to bring down construction costs. The project was rebid on June 28, 2001, and the construction contract is being forwarded for Committee approval by a separate motion.

Over the last several months, HNTB and Sound Transit have been very aggressively working to finalize the project design, obtain construction permits from the City of Redmond, and bid the project for construction. While aggressively pursuing design, permitting, and construction bids, HNTB did not as aggressively track budget expenditures. In April 2001, Sound Transit was notified that additional supplemental funding would be needed for design services to complete the project.

In an effort to keep the project on schedule, cover additional design services required to obtain building permits, and meet construction bid dates, Sound Transit staff authorized HNTB's use of contingency funds. In addition, HNTB continued to incur some additional costs beyond the contingency while awaiting Sound Transit's formal authorization in an effort to stay on schedule and get out to bid. About \$170,000 in costs above the Board's authorization for HNTB has been incurred while Sound Transit staff has been working to bring the additional authorization to the Finance Committee. The fast pace of this project contributed to the Board-authorized funds being exceeded. This is nonstandard and Regional Express has implemented procedures to ensure this does not occur again.

Many factors contributed significantly to the need for additional funding for HNTB's services:

- Work needed to comply with the City of Redmond's Tree Preservation Ordinance adopted in 2000.
- Work needed to comply with the City of Redmond's Sensitive Areas Ordinance and the Hawk Nest Variance.
- Work related to the Design Review process for the project and in particular for the buildings on the site.
- Lack of "as-built" drawings from the adjacent NE 40th Street/SR 520 Interchange, NE 40th Street and 156th Street intersection improvements, and recently constructed utilities resulted in additional survey/mapping work.
- Accelerated design and construction of utility stubs along 156th Avenue NE to take advantage of Redmond work on 156th Avenue NE.
- Extended site plan permit approval process.
- Unanticipated City storm drainage requirements.

Regional Express staff and HNTB worked closely to reach an agreement with respect to additional costs incurred for the above items. Their request was reviewed carefully and compared to the original scope of work agreed to between the parties.

In addition to the aforementioned items, repackaging of construction documents was a necessity after the first bid opening. All bids received were over the engineer's estimate and well above the project budget. Sound Transit requested HNTB prepare new documents with some design changes and repackaging in an effort to receive acceptable bids. After extensive negotiations, HNTB agreed to a supplemental budget of \$352,300 for added scope/services relating to the above elements, additional work that may be required to separately rebid the buildings on the site, and to provide design services during construction.

BUDGET

The budget for this project is limited and Sound Transit is working with the City of Redmond, Microsoft, and King County to ensure that the project can be constructed within available resources. This \$352,300 increase in the final design contract with HNTB results in a shortfall of \$319,496 in the final design budget line item in the 2001 budget for this project. However this shortfall will be offset by a project budget amendment (Motion No. M2001-56) which authorizes an increase in the project budget due to the Microsoft contribution of approximately \$300,000 for preliminary engineering and final design services, and \$760,000 for construction of improvements on the site. Negotiations to finalize the terms and amounts of the Microsoft contribution are in process.

Total Project Budget⁽¹⁾	Budget for Final Design phase⁽²⁾ (A)	Obligations to Date for Final Design⁽³⁾ (B)	Total Amount Requested (C)	Shortfall* or Surplus (A-[B+C])
\$7,425,000	\$876,636	\$843,832	\$352,300	(\$319,496)
*Amount of Shortfall	Potential Revenues⁽⁴⁾	Funding Sources		
(\$319,496)	\$300,000	Microsoft Corporation		

All figures shown are year of expenditure (YOES).

- (1) The total budget amount for the project shown is based on 2001 Adopted budget.
- (2) Budget for the final design phase of the project, in accordance with the 2001 Adopted budget.
- (3) Obligations include expenditures and commitments through May 31, 2001, excluding this action.
- (4) Negotiations underway and may result in additional revenue.

ALTERNATIVES

HNTB has already incurred charges over their approved budget. Sound Transit's Regional Express has agreed with HNTB for a portion of their request. The amount requested was negotiated between HNTB and Regional Express. As an alternative, the Board could refuse to pay the costs incurred by HNTB and face potential legal claims by the consultant.

CONSEQUENCES OF DELAY

Since HNTB's budget is part of the overall project budget, an agreement as to the amount to be paid to them needs to be reached to establish funds available for construction. This project has been advertised and bids have been received. Delaying action would cause another delay in construction of this project until such time as an agreement is reached with HNTB. Sound Transit might need to reject bids received and advertise again once an available budget was determined. This would delay project completion beyond the February 2002 service change.

REGIONAL PARTNERSHIP AND COOPERATION

The site has been planned and designed in close coordination with the City of Redmond, King County Metro, WSDOT, and the Microsoft Corporation. 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 the site, funded by contribution from others, will benefit the community and provide added convenience, safety, and security for the customer.

PUBLIC INVOLVEMENT

Sound Transit's Regional Express has been very active in promoting the new transit center through its partnerships with Microsoft, City of Redmond, and newsletters. A groundbreaking ceremony and ribbon cutting are planned for a later date. The public will be informed of upcoming events.

LEGAL REVIEW

JB 7/5/01

SOUND TRANSIT

MOTION NO. M2001-70

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing an increase to the original consultant services contract with HNTB for added scope and design services for final design and construction services for the NE 40th Street Overlake Transportation Center by \$352,300 for a new total authorized contract amount for final design and construction services not to exceed \$1,259,800.

Background:

Over the last several months, HNTB and Sound Transit have been very aggressively working to finalize the project design, obtain construction permits from the City of Redmond, and bid the project for construction during 2001. While aggressively pursuing design, permitting, and construction bids, HNTB did not as aggressively track budget expenditures. In April 2001, Sound Transit was notified that additional supplemental funding would be needed for design services to complete the project.

In an effort to keep the NE 40th Street Overlake Transit Center and Park-and-Ride Lot project on schedule, cover additional design services required to obtain building permits, and meet construction bid dates, Sound Transit staff authorized HNTB's use of contingency funds and HNTB incurred additional costs over the Board's authorization for consultant services for the project. As part of the \$352,300, this motion provides HNTB with \$170,000 for additional scope/costs incurred above the authorization plus \$47,686 for extra work remaining to secure permits; \$54,600 in supplemental funding for repackaging the buildings on the site for rebidding; and \$80,000 for design services during construction.

Motion:

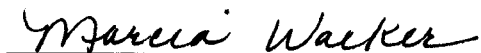
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to increase the original consultant services contract with HNTB for added scope and design services for final design and construction services for the NE 40th Street Overlake Transportation Center by \$352,300 for a new total authorized contract amount not to exceed \$1,259,800.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 19th day of July, 2001.



Rob McKenna
Finance Committee Vice Chair

ATTEST:



Marcia Walker
Board Administrator