

SOUND TRANSIT MOTION NO. M2002-05

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a contract amendment with Otak, Inc. for final design services with associated urban design for the Beacon Hill Station in the amount of \$858,100 for a new total authorized contract amount not to exceed \$3,209,387.

Background:

Station Design Package #4 was one of seven station design packages that were awarded as a result of the Sound Transit Board preliminary indication of the Central Link LPA in February 1999. This contract (LR 32-99d) was awarded to Otak, Inc. and includes the design of the station finishes for the Beacon Hill and McClellan stations and associated landscape/urban design. This scope of work includes preliminary engineering and final design; both phases authorized separately.

The preliminary engineering work progressed from June 1999 to November 1999 when the Central Link LPA was formally adopted by the Sound Transit Board. At that time, the Beacon Hill station was changed to be a "shell-out" only and work related to finishing that station was stopped and outstanding work was deducted from the contract. \$603,706 was deducted from the contract due to the deletion of the Beacon Hill Station. Approximately \$150,000 was spent on the initial Beacon Hill station preliminary engineering work.

In the meantime, McClellan station design work continued through October 2000 for preliminary engineering. Final design was authorized in November 2000. This work was paused in April 2001 after the Sound Transit Board adoption of the Airport Link Work Plan, which directed limited work on the southern alignment.

In March 2001, the Finance Committee approved Motion No. M2001-23 allowing a transfer of \$125,000 in contingency funds from this contract (LR 32-99d) to Link Station Design Package #3 (LR 32-99c) which was nearing completion. Package #3 was for the Royal Brougham and Lander stations. Due to a shift in the Lander station location at 60% design completion and other changes in the entry intersection at 90% design completion that were needed to comply with third party needs, this contract was unable to work within its established contingency.

With the adoption of the southern Initial Segment on November 29, 2001, the Board decided to once again move forward with design of the Beacon Hill station. Following that decision, staff is preparing to complete design of all stations within the Initial Segment, including Beacon Hill. The decision to once again include the Beacon Hill station in the segment now requires station design work to be added back into this contract.

Re-negotiations began in October 2001 and were completed in late December 2001. The initial full cost proposal was approximately 21% higher than the final negotiated

costs to complete. Costs to complete Beacon Hill station preliminary engineering and McClellan station final design were within original the contract authorized amounts and have been previously approved by change order. This allowed that portion of the work to begin while final negotiations were completed for the Beacon Hill station final design work. The costs to complete exceed the original budget amount by \$858,110.

Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute a contract amendment with Otak, Inc. for final design services with associated urban design for the Beacon Hill Station in the amount of \$858,100 for a new total authorized contract amount not to exceed \$3,209,387.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 7, 2002.

Kevin Phelps
Finance Committee Chair

ATTEST:

Marcia Walker
Board Administrator

SOUND TRANSIT STAFF REPORT MOTION nO. M2002-05 Renegotiated Contract for Station Design Package #4 with Otak Inc. (Contract LR 32-99d)

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	2/7/02	Discussion/Possible Action	Debora Ashland, Link Architecture Manager	206-689-3309

OBJECTIVE OF ACTION

- To re-engage Station Design Package #4 architectural contract which was "paused" based on the Airport Link Work Plan adopted by the Sound Transit Board in March 2001.
- To complete final design for the Beacon Hill station and associated urban design.

ACTION

- Authorize the Executive Director to execute a contract amendment with Otak, Inc. (Contract No. RT/VLR32 99d) for an additional \$858,110 for final design services with associated urban design for the Beacon Hill Station for a total revised contract amount of \$3,209,387.

KEY FEATURES

- Original authorized contract amount was \$2,476,276. (\$2,063,369 contract with \$412,907 contingency). The initial contract included design of the Beacon Hill and McClellan stations. The Beacon Hill station work was stopped, and the associated dollars deducted from the contract when the Sound Transit Board adopted the LPA in November 1999 and changed the Beacon Hill station to "shell-out" only.
- \$769,359 was spent to date prior to the "pause" in work (March 2001) for 1) initial start of the Beacon Hill station and 2) completion of preliminary engineering and initial start of final design for the McClellan station. (This total also includes \$19,126 for settlement costs for the "pause" in work.)
- \$125,000 of contingency was transferred to Station Design Package #3 (Royal Brougham and Lander Stations) per Motion #2001-23 on March 8, 2001 (See History of Project section).
- Remaining authorized contract amount at time of "pause" in work was \$1,581,918.
- Change order authorized work (C.O. #10 and #11) for Beacon Hill station preliminary engineering and McClellan station final design for \$1,535,529, including 10% contingency.
- A cost to complete the Final Design of Beacon Hill station is \$904,499, including 10% contingency.
- An additional \$858,110 would be added to the remaining contract amount to total the revised contract amount of \$3,209,387, as requested above.

Budget

On November 29, 2001, the Board adopted Resolution No. R2001-16 which selected the initial segment for the Central Link project. On December 13, 2001, the Board adopted the 2002 agency budget, including budget for this initial segment. Within that budget, there are sufficient funds identified for the activity contemplated in this motion.

Within that budget, the activity contemplated within this motion is identified within the Final Design phase. This activity was included within the cost estimate and there are sufficient funds identified for work identified within this motion. The budget for this activity is \$3,519,358, including previously completed work. There is a remaining budget surplus of \$309,972 for this activity.

Table A - Initial Segment Budget (as adopted by the Board on December 13, 2001)

Column A	Column B	Column C	Column D	Column E
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Total Project Budget	Budget for this Task (B)	Obligated To Date (C)	Total Amount Requested (D)	Shortfall* or Surplus (B-[C+D])
\$ 2,070,000,000	\$3,519,358	\$2,351,276	\$858,110	\$309,972

Column B based on Link estimate to complete

Financial Impacts

Impact on Current Year Budget: This action is included within the 2002 Adopted Budget and will not have any additional impact on the current year budget beyond that contemplated within the 2002 Adopted Budget.

Impact on Sound Move Budget: The total proposed budget for Central Link is higher than the original Sound Move budget. This request will not further increase the Sound Move budget variance.

Impact on Cost-to-Complete: The amount requested is included within the cost at completion for the new initial segment.

Impact on Subarea(s) Budget(s): According to the current financial plan, North King will have additional capacity. This action will not further impact the North King County subarea budget beyond that contemplated within the 2002 Adopted Budget.

History of Project Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action

Reso No. R2001-16	Selected the initial segment of the Central Link Light Rail Project to be constructed and operated by 2009.	11/29/01
Motion No. M2001-103	Identified the preferred initial segment to be constructed and operated for Central Link Light Rail.	9/27/01
Motion No. M2001-21	Adopted a work program for the Airport Link portion of the Central Link Light Rail project for the 2001-2003 time period. (at which point this contract was paused).	3/8/01 3/8/01
Motion No. M2001-23	Authorized the Executive Director to approve a contract budget transfer in the amount of \$125,000 to the architectural design contract for the Royal Brougham and Lander Stations (Station Design Package #3) from the architectural design contract for Beacon Hill and McClellan Stations (Station Design Package #4) with Streeter and Associates Architects for additional architecture and urban design work.	11/18/99
Reso No. R99-34		10/7/99
Motion No. M99-63		2/25/99
Motion No. M99-14	Selected the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line Finance Committee approval of Otak contract (LR 32-99d) Identified the locally preferred alternative for alignment, station locations, and location of a vehicle maintenance facility for the Central Link light rail line.	

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paused in April 2001 after the Sound Transit Board adoption of the Airport Link Work Plan, which directed limited work on the southern alignment.

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Re-negotiations began in October 2001 and were completed in late December 2001. The initial full cost proposal was approximately 21% higher than the final negotiated costs to complete. Costs to complete Beacon Hill station preliminary engineering and McClellan station final design were within original the contract authorized amounts and have been previously approved by change order. This allowed that portion of the work to begin while final negotiations were completed for the Beacon Hill station final design work. The costs to complete exceed the original Board authorized contract amount, as summarized below:

A. ORIGINAL AUTHORIZED AMOUNT

Finance Authorized Amount \$2,476,276

Spent to date/

Transferred to Pkg. #3 (\$ 894,358)

Remaining authorized at time of

"pause" in work \$1,581,918

B. COSTS TO COMPLETE (PREVIOUSLY AUTHORIZED BY CHANGE ORDER)

PE for Beacon Hill station only \$ 384,962

(approved as Contract Modification #10 within available authorization)

FD for McClellan station only \$1,010,974

(approved as Contract Modification #11 within available authorization)

Authorized costs to complete \$1,395,936

10% contingency \$ 139,593

Total authorized costs to complete \$1,535,529

A. REMAINING AUTHORIZED CONTRACT AMOUNT

(A - B) = C \$ 46,389

D. COSTS TO COMPLETE (SUBJECT OF THIS MOTION)

FD for Beacon Hill only \$ 822,272

10% contingency \$ 82,227

Total Cost to Complete \$ 904,499

E. ADDITIONAL AMOUNT REQUESTED WITH THIS ACTION

Requested increase **\$ 858,110**

(D - C) = E

Staff is proposing an additional \$858,110 be added to the remaining contract amount (\$46,389) which will bring the revised contract total to \$3,209,387 as requested above. The additional costs for this contract were foreseen in the preparation of the revised Link budget and have been accounted for in the adopted 2002 budget.

Disadvantaged business participation is indicated at 19.5% for the cost to complete. Cumulative DBE% for the full contract is 15.5%. Small Business participation is indicated at 16.39% for the cost to complete work, with a cumulative participation level of 39%.

Staff is recommending approval of this contract amendment with the following changes:

- The original contract was to be complete by December 31, 2001. The preliminary engineering contract modification extended the contract period 17 months to May 31, 2003. The cost to complete includes costs for the adjusted schedule.
- This contract modification adds back in the final design of station finishes for the Beacon Hill Station.

- Beacon Hill Station preliminary engineering design costs have been approved as a separate change order (\$384,962) within the available authorized contract amount. This enabled work to begin on schedule on November 12, 2001. Beacon Hill final design is scheduled to begin April 2002 upon approval of the revised contract amount by the Finance Committee (and also subject to FTA approval to enter into final design).
- Final design work on McClellan station began in November 2000 but did not reach 60% completion prior to the pause in the work. Completion of final design has been approved as a separate change order (\$1,010,974) within the available authorized contract amount. McClellan final design is scheduled to begin February 2002.
- The original contract assumed concurrent design of both the Beacon Hill and McClellan stations. However, the preliminary engineering was not completed concurrently after the Beacon Hill station was removed. Therefore, costs of time related activities such as project management continued with only one station in design and were less efficient. Preliminary engineering for the Beacon Hill station is now underway. Final design for both stations is scheduled nearly concurrent, beginning in February 2002 for McClellan and April 2002 for Beacon Hill.
- Due to the contract extension, overhead rates have increased and labor rates have escalated. These revised rates were reviewed, negotiated and deemed to be fair and reasonable by Sound Transit Cost/Price Analyst.
- The Contract language has been revised to include Owner Controlled Insurance Program (OCIP), revisions to contract terms for termination, modified scope of work and related exhibits for consistency with the change to the work.

Consequences of Delay

Segment 710 incorporates the Beacon Hill station. Otak was issued a change order to complete preliminary engineering on the Beacon Hill station commencing

November 12, 2001 to meet the master schedule. Delay in authorization of the revised contract amount beyond the end of March 2002 for Beacon Hill station final design would delay Segment 710 and therefore the Central Link schedule.

Public Involvement

This contract provides services for architectural consultants to meet with the public during the design process.

Legal Review

JDW 1/25/02

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