

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2002-21

**NE 40th Street Overlake Transit Center/Park-and-Ride Lot Project
Construction Contract Amendment**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Board	2/14/02	Discussion/Possible Action	Agnes Govern, Director, Regional Express Jim Edwards, Program Manager, Capital Projects, Regional Express Jerry Dahl, Construction Manager, Regional Express Linda Smith, Project Manager, Capital Projects, Regional Express	(206) 398-5037 (206) 398-5436 (206) 398-5284 (206) 689-4922

OBJECTIVE OF ACTION

- To increase the construction contract authorization for the NE 40th Street Overlake Transit Center and Park-and-Ride Lot Project by \$1,067,000 for a new total of \$5,860,400.

ACTION

- Increases the construction contract with Wilder Construction Company (Wilder) for the NE 40th Street Overlake Transit Center/Park-and-Ride Lot by \$970,000 with a 10% contingency of \$97,000 for a new total authorized amount not to exceed \$5,860,400.

KEY FEATURES

- Authorizes the Executive Director to increase the contract with Wilder to deal with circumstances that developed during construction of the NE 40th Street Overlake Transit Center Project, and enables Sound Transit to finish construction of the transit center and park-and-ride lot portion of the facility.
- Action will increase the contract by \$970,000 and authorizes an additional 10% contingency of \$97,000.
- Contingent on Board approval of Resolution No. R2002-01, to draw funds from the Regional Express Capital Projects Program Reserve for East King County to this project to fund this construction contract amendment.

BUDGET

The following table shows the 2002 adopted project and phase budgets relative to expenditures, commitments, and the impact of this action:

Table 1: Adopted 2002 Budget

Column A	Column B	Column C	Column D	Column E (B-[C+D])
Total Project Budget (Adopted)	Total Budget for Construction Phase (Adopted) (1)	Obligated To Date for Construction Phase (2)	Total Amount Requested	Current (Shortfall) or Surplus for Construction (3)
\$8,634,000	\$5,580,000	\$5,139,776	\$1,067,000	(\$626,776)
Amount of Shortfall (3)	Potential Revenues (for Construction)	Potential Funding Source		
(\$626,776)	\$1,067,000	East King County Capital Projects Program Reserve		

- (1) The budget amounts shown above reflect the 2002 adopted Budget. The total budget for the construction phase increases to \$6,647,000 with approval of Resolution No. R2002-01.
- (2) The obligated to date amount shown in Column C includes the authorized construction contract for \$4,793,400 for the basic project and \$346,376 for construction management services and permits.
- (3) The cost to construct the Rider Services Building is not included in the shortfall amount. The building will be bid later this spring and it is currently estimated at approximately \$850,000. Staff will seek authorization for this effort in a separate Board action.

Table 2: Impact of Amended 2002 Budget (if amended via Resolution No. R2002-01)

Column A	Column B	Column C	Column D	Column E (B-[C+D])
Total Project Budget (Amended)	Total Budget Construction Phase (Amended) (4)	Obligated To Date for Construction Phase (5)	Total Amount Requested	Current (Shortfall) or Surplus for Construction (6)
\$9,701,000	\$6,647,000	\$5,139,776	\$1,067,000	\$440,224

- (4) If the budget is amended by Board in Resolution No. R2002-01, then the amended 2002 budget amounts will be as shown above.
- (5) The obligated to date amount shown in Column C includes the authorized construction contract for \$4,793,400 for the basic project and \$346,376 for construction management services and permits.
- (6) The cost to construct the Rider Services Building is not included in the budget remaining amount. The building will be bid later this spring and it is currently estimated at approximately \$850,000. Sound Transit will seek authorization for this effort in a separate Board action. The remaining budget amount shown will be required to complete the project.

A shortfall of \$1,067,000 is projected for the current construction contract, for the basic project which includes the transit center and park-and-ride lot, due to added structural fill needed on the site, delays in construction due to permit issuance, and acceleration in construction required after the permit issuance delay in order to open the facility for the previously obligated February 2, 2002, bus service change.

Sound Transit is requesting an amendment to the construction contract to include additional funds in the amount of \$1,067,000 to be funded from the East King County Capital Program Reserve to cover the added cost of construction for the items described above. This action will increase the authorized amount for the construction contract from the current amount of \$4,793,400 to a revised total amount of \$5,860,400.

Future actions required:

The Rider Services Building is scheduled for bid later this spring. When bids are received Sound Transit will forward a construction contract authorization and a project budget amendment to increase the project budget to include all additional revenue received from the partners, and any additional funds required from the East King County Capital Project Reserve to complete the project. Additional revenue commitments from King County and Microsoft are anticipated to be \$322,500, and the City of Redmond is seeking up to \$150,000 in added funding for the project.

FINANCIAL IMPACTS

Impact on Current Year Budget:

This action will increase the construction contract authorization for this project by \$1,067,000 for a new total of \$5,860,400. There are insufficient funds in the current project budget to cover this action. By separate Resolution staff have proposed that the project budget be increased by moving \$1,067,000 in funds from the Regional Express East King County Capital Projects Program Reserve.

Impact on Sound Move Budget:

This action does not increase the total capital project program budget, since the 2002 Adopted budget established East King County Capital Projects Program Reserve to be used for this type of situation. The project budget increase will be offset by a corresponding decrease in the Capital Reserve fund.

Impact on Cost-to-Complete:

This construction contract amendment will fund the increase in the cost to complete the project by \$1,067, 000 and is contingent on funding authorized in the 2002 Adopted Budget for the East King County Capital Projects Program Reserve being allocated to this project. As previously described the cost of this increase is attributable to added structural fill required on the site, delay in construction due to permitting, and construction acceleration after the permit delay in order to meet the February 2, 2002 Transit Center opening commitment. Staff will request an additional project budget amendment prior to the construction contract award for the Rider Services Building, when the full extent of costs and increased revenues from the partners are known.

Impact on Subarea Budget:

There is no impact on subarea budgets with this action. This action is contingent on adoption of Resolution No. R2002-01 to draw funds from the East King County Capital Projects Program Reserve to complete this construction.

HISTORY OF PROJECT

Approved Construction Contract:

The Overlake construction project was originally awarded to Wilder for \$3,994,000 with a 10% contingency of \$399,400 for a total authorization of \$4,393,400.00. Immediately after Notice to Proceed, the City of Redmond and the State Department of Ecology mandated new requirements for the treatment of storm water discharged from the site. These requirements were in addition to normal erosion control measures contained in the City Approved Clearing and Grading permit issued for the project. The additional treatment program cost over \$400,000 and completely expended the authorized contingency. By Board Motion M2001-115, \$400,000

was added to the contract authorization to restore the contingency, for a new total authorized construction contract of \$4,793,400.

Additional Earthwork Added Cost:

During the course of the construction, a significant overrun in the quantities for earthwork excavation and filling became necessary. Topsoil and other unsuitable materials on the site were thicker than estimated. Sound Transit experienced a three-fold increase in the quantity of imported fill due to changed conditions, changed construction methodology due to the wet weather construction requirements, and building design modifications. For example, soils removed from the pond excavations could not be reused on the site as planned; added fill was required when building crawl spaces were replaced with slabs on grade to reduce building construction costs, and adjacent project construction changed the topography of the site after elevations were set. The increased quantities for topsoil removal, gravel borrow, crushed surfacing, crushed recycled concrete, and work related to removal or placement of these materials amounted to an approximate \$940,000 increase in the contract amount. Approximately \$400,000 of this added cost for earthwork was funded by the restored contingency on the construction contract.

Construction Delayed due to Permits:

When the Notice to Proceed was issued in August 2002 to Wilder to begin mobilization, clearing, and grading, it was anticipated that final approval of the plans from the City of Redmond would be in hand very shortly, before extensive site work began. Time required for review and approval of the balance of permits was significantly longer than expected. Sound Transit was forced to suspend critical path work pending release of City of Redmond approvals, which came on December 7, 2002. The impact of the delay resulted in added costs to Sound Transit totaling approximately \$140,000.

Added Cost for Acceleration of Construction once Plans were Approved:

Service planning for transit changes before construction began committed Sound Transit, King County Metro, the Microsoft Corporation, and the City of Redmond, to the transit center opening with the February 2, 2002, bus service change. In order to overcome the impacts of the delays described above, and to work through the winter weather months, Wilder was directed to accelerate its work to open the transit center by February 2, 2002. The contractor and the subcontractors worked overtime, often 10 to 12 hours per day, six days per week. Sound Transit agreed to compensate Wilder for the premium portion of the overtime wages for the prime and subs.

Also delayed by the final plan approvals was the traffic signal system required to allow bus and pedestrian access to the site from 156th Avenue. After the construction drawing approvals were finally obtained on December 7, 2002, the signal system could not be completed using customary ordering duration. In order to have the necessary signal in operation for the opening, Sound Transit had to accelerate the manufacture of signal poles, luminaries, and the controller incurring additional cost. The acceleration of the site work and the signal system cost approximately \$194,000 for labor, \$95,000 for expedited fabrication and delivery of equipment.

The added construction cost to address these new costs beyond the November 2001 construction contract authorization of \$4,793,400 is an additional \$970,000.

**Prior Board or Committee Actions
and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
M2001-133	Amended final design authorization by \$324,500 for a revised total of \$1,887,000.	12/20/01
M2001-115	Amended Construction Contract to Restore Contingency for a new total of \$4,793,400.	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 the Microsoft Corporation.	7/26/01
R2001-05	Executed Property Assignment, Option to Lease Agreement with the City of Redmond and MOA with the Microsoft Corporation.	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 the Microsoft Corporation, King County Metro, and the City of Redmond.	4/23/98

CONSEQUENCES OF DELAY

A delay in authorizing this contract amendment would result in terminating or suspending the contract without finishing the NE 40th Street Overlake Transit Center/Park-and-Ride Lot portion of the facility. Terminating or suspending the construction contract at this time would result in significant additional costs to the agency in terms of the cost of remobilization and pending claims.

REGIONAL PARTNERSHIP AND COOPERATION

The site has been planned and designed in close cooperation with the City of Redmond, King County Metro, WSDOT, and the 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.

If a decision is made to delay completion of the project due to cost, the partners and the public will need to be informed. The Microsoft Corporation, the City of Redmond, and the FTA would most likely require funds contributed to date to be reimbursed.

PUBLIC INVOLVEMENT

Design of the improvements to be constructed resulted from extensive work and consultation with the City of Redmond, King County Metro, WSDOT, the Microsoft Corporation, and the community. Sound Transit, the City of Redmond, and King County Metro have collaborated to keep the community informed about construction progress.

If a decision is made to delay completion of the project due to cost the community will need to be informed. Prior information has informed the public of the February opening for the transit center, spring opening for the park-and-ride lot and opening of the Shuttle Operations and Rider Services buildings by early 2003.

ALTERNATIVES

There are no good alternatives that will significantly reduce the cost to complete the facility. A delay in funding this contract amendment would result in terminating or suspending the contract without finishing the NE 40th Street Overlake Transit Center/Park-and-Ride Lot portion of the facility. Terminating or suspending this construction contract at this time would result in significant additional costs to the agency in terms of the cost of remobilization and pending claims.

RECOMMENDATION(S)

Increase the construction contract authorization with Wilder Construction Company to \$5,760,400 and add a construction contingency of \$97,000 to finish the construction work. The Construction Manager will work diligently with the contractor to minimize additional change orders and complete the project within this authorization.

LEGAL REVIEW

JB 2-12-02

SOUND TRANSIT

MOTION NO. M2002-21

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a construction contract amendment to increase Contract No. RTA/RE 38-01 with Wilder Construction Company by \$970,000 with a 10% contingency of \$97,000 for a new total authorized amount not to exceed \$5,860,400.

Background:

This construction contract amendment will amend Wilder Construction Company's contract to include:

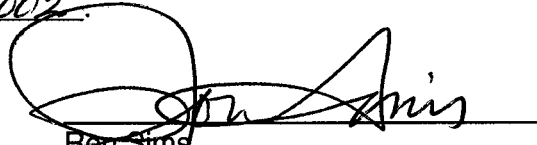
- (1) \$970,000 in added costs due to added structural fill needed on the site, delays in construction, and acceleration in construction required after the permit issuance delay to open the facility for the previously obligated February 2, 2002, bus service change.
- (2) \$97,000 in construction contingency to cover unforeseen costs.

This amendment is contingent on Board approval of Resolution No. R2002-01 to draw funds from the East King County Capital Program Reserve to this project to fund this construction contract amendment.


Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a construction contract amendment to increase Contract No. RTA/RE 38-01 with Wilder Construction Company by \$970,000 with a 10% contingency of \$97,000 for a new total authorized amount not to exceed \$5,860,400.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 14, 2002.


Ben Sims
Board Chair

ATTEST:


Marcia Walker
Board Administrator