

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2002-70 AND RESOLUTION NO. R2002-11

**Construction Contract and Budget Amendment
for the NE 40th Street Overlake Transit Center Project**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	6/27/02	M2002-70: Discussion/ Possible Action	Agnes Govern, Director, Regional Express	(206) 398-5037
Finance Committee	6/27/02	R2002-11: Discussion/ Possible Action to Recommend Board Approval	Jim Edwards, Program Manager, Capital Projects, Regional Express	(206) 398-5436
Board	7/11/02	Discussion/Possible Action	Linda Smith, Project Manager, Capital Projects, Regional Express	(206) 689-4922

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<input checked="" type="checkbox"/>
Competitive Procurement	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	<input checked="" type="checkbox"/>
Sole Source	<input type="checkbox"/>	Amend Existing Contract/Agreement	<input type="checkbox"/>
Memorandum of Agreement	<input type="checkbox"/>	Contingency Funds Required	<input type="checkbox"/>
Purchase/Sale Agreement	<input type="checkbox"/>	Budget Amendment Required	<input checked="" type="checkbox"/>

✓ Applicable to proposed transaction.

OBJECTIVE OF ACTION

Resolution No. R2002-11:

- Amends project budget to include additional partner-funding contributions from Microsoft Corporation, King County Metro, and the City of Redmond.
- Allocates additional funding from the Regional Express East King County Capital Project Program Reserve for completion of the NE 40th Street Overlake Transit Center/Park-and-Ride Lot Project.
- This budget amendment requires a super-majority vote of the Sound Transit Board.

Motion No. M2002-70:

- Authorizes a construction contract for the NE 40th Street Overlake Transit Center Rider Services Building, contingent on approval of Board Resolution No. R2002-11, to the lowest responsive and responsible bidder on the project.

ACTION

- Authorizes a budget amendment, in the amount of \$1,421,000 to increase the NE 40th Street Overlake Transit Center/Park-and-Ride Lot project budget by incorporating \$465,400 in funding from the Microsoft Corporation (\$165,400), the City of Redmond (\$150,000), and King County Metro (\$150,000) and by transferring \$955,600 from the Regional Express East King County Capital Projects Program Reserve fund to the Overlake project.

- Authorizes the Executive Director to execute a contract for construction of the NE 40th Street Overlake Transit Center Rider Services Building, with Bayley Construction in the amount of \$932,700, with a 10% contingency of \$93,270 for a total authorized amount not to exceed \$1,025,970. This contract action is contingent on Board approval of Resolution No. R2002-11.

KEY FEATURES

- Amends the project budget to incorporate additional funding from project partners directly offsetting a portion of the costs incurred to complete the project.
- Transfers funds from the East King County Capital Program Projects Reserve to the project budget.
- Represents the Board actions required to complete construction of the project.

BUDGET IMPACT SUMMARY

Project Description: NE 40th Street Overlake Transit Center/Park-and-Ride Lot.

Current Status: The Transit Center and Park-and-Ride Lot are operational and the site was dedicated on May 14, 2002. Action on this motion and resolution will enable Sound Transit to complete the final phase of the project, the Rider Services Building.

Projected Completion Date: 1st Quarter 2003.

Action Outside of Adopted Budget:	Y/N	Y Requires Comment
This Line of Business	N	
This Project	Y	The proposed amendment to the project budget will allow for construction of Rider Services building and completion of the project.
This Phase	Y	Current budget for the construction phase of the project does not contain sufficient funds to construct the Rider Services building.
This Task	N	
Budget amendment required	Y	Budget will be amended to add \$465,400 from partners and to transfer \$955,600 from the Regional Express East King County Capital Projects Program Reserve.
Key Financial Indicators:	Y/N	Y Requires Comment
Contingency funds required	Y	Requesting \$955,600 from the Regional Express East King County Capital Projects Program Reserve.
Subarea impacts	N	
Funding required from other parties other than what is already assumed in financial plan	Y	Sound Transit will receive a total of \$465,400 in new contributions from partners; Microsoft (\$165,400), City of Redmond (\$150,000) and King County Metro (\$150,000).

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

BUDGET DISCUSSION

This staff report supports two Board actions, a Resolution and a Motion. The Resolution will enable Sound Transit to complete the project and fund construction of the Rider Services Building by (1) amending the Overlake project budget to include an increase in the amount of \$1,421,000 to be funded by \$465,400 contribution from partners (\$165,400 from Microsoft Corporation, \$150,000 from the City of Redmond and \$150,000 from King County Metro), (2) \$955,600 transfer from the East King County Capital Projects Program Reserve, and (3) decreasing the budget for the East King County Capital Projects Program Reserve from \$30,933,000 to \$29,977,400 due to the transfer of \$955,600 to the Overlake project.

The companion Motion will authorize Sound Transit to enter into a construction contract for the Rider Services Building. The Regional Express East King County Capital Projects Program Reserve was adopted in the 2002 Budget to provide Regional Express with the means to manage costs underestimated in Sound Move, such as experienced here.

The Board was previously advised in November and December of 2001 and in February 2002 (via Resolution No. R2002-01 which increased the budget by \$1,067,000 for unanticipated construction costs incurred during winter construction) of the need to further amend this project budget when construction bid amounts were known for the Rider Services Building.

Resolution No. R2002-11 and Motion No. M2002-70 will enable Sound Transit to complete the NE 40th Street Overlake Transit Center.

The proposed increase in the budget is related to:

- Approximately \$465,400 in added scope and fees for the Shuttle Operations Building, utility work, and the Rider Services Building, offset by \$465,400 in additional partner funding.
- \$400,000 required to construct the wet weather mitigation system to treat water runoff from the site during winter construction. In actions by the Finance Committee in the fall of 2001, the Wilder Construction Company contract was amended to include this work. Rather than amending the project budget at that time funds were reallocated from the Rider Services Building to cover the added cost of the wet weather mitigation system. This action will restore funding for the Rider Services Building.
- \$276,000 related to easement/utility work, and unanticipated permit and infrastructure connection fees paid to Redmond.
- \$90,000 for surface improvements near buildings.
- \$18,000 for red-tailed hawk mitigation work.
- \$122,000 in Rider Services Building costs above the initial projection.
- \$50,000 to provide a contingency to deal with additional unanticipated issues.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed Resolution increases the project budget, funded in part by contributions from partners and in part by a budget transfer from the East King County Capital Projects Program Reserve. The proposed Resolution is affordable within Sound Transit's long-term financial plan and the subarea financial capacity.

SUMMARY FOR BOARD ACTION

Table 1: Impact of this Action on Overlake Project Budget:

Current Overlake Total Project Budget	\$9,701,000
Budget increase funded by transfer from East King County Capital Projects Program Reserve	\$955,600
Budget increase funded by contribution from Partners	\$465,400
Revised Project Budget	\$11,122,000

Table 2: Impact of this Action on REX East King County Capital Projects Program Reserve:

2002 Adopted Budget – Original Program Reserve East King County	\$32,000,000
Less Previously authorized transfer of \$1,067,000 for Overlake Transit Center on 2/14/2002 via Board Resolution R2002-01	1,067,000
Current Available Balance – East King County Projects Program Reserve	\$30,933,000
This Action – Requested transfer from East King County Capital Projects Program Reserve	\$955,600
Revised Balance – East King County Program Reserve	\$29,977,400

Table 3: Impact of this Action on Contract Budget (Year of Expenditure \$000)

Budget Summary: This action would authorize xxx for contract for yyy. This

Action Item: Budget Amendment / Rider Services Building Contract

Project Budget	(2) Current Board Adopted Budget (A)	Committed To Date (B)	This Contract Action (C)	(3) Total Committed & Action (Revised Budget) (D)	Uncommitec (Shortfall) (E)
Agency Administration	524	524	-	524	-
Pre-Engineering	736	817	-	817	(81)
Final Design	1,392	1,664	-	1,664	(272)
Right of Way	66	239	-	239	(173)
Construction	6,647	6,802	1,026	7,828	(1,181)
Project Contingency	336	50	-	50	286
Total Current Budget	9,701	10,096	1,026	11,122	(1,421)

Phase Budget Detail - Construction

Construction Contract - Rider Services Bldg	-	-	1,026	1,026	(1,026)
Construction Management	353	363	-	363	(10)
Wildier Construction Contract	5,860	5,860	-	5,860	-
(1) Other Contracts	434	579	-	579	(145)
Total Phase	6,647	6,802	1,026	7,828	(1,181)

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
Construction Contractor - Rider Services Building	N/A	N/A	933	933
Contract Contingency	N/A	N/A	93	93
Total Bldg Contract	N/A	N/A	1,026	1,026
Percent Contingency	N/A	N/A	10%	10%

Budget Shortfall	Shortfall Amount (J)	Potential Revenues (K)	Funding Source (L)
Construction contract for rider services building	\$ 1,026	\$ -	\$465.4k from Microsoft, City of Redmond, King County Metro and \$955.6k from REX East King County Capital Projects Program Reserve, for a total of \$1,421k.
Completion of project	395		
Total	\$ 1,421	\$ 1,421	

Notes

- (1) Other contracts include: signage fabrication and installation, WSDOT construction, utility stub construction and environmental mitigation/miscellaneous expenses.
- (2) Column A reflects the Budget amount prior to this action, so does not include the proposed budget amendment of \$1,421k.
- (3) Column D includes the amount spent to-date, this action, plus the estimated amount left to go to complete the project. The amount shown will be the revised project budget.

M/W/DBE – SMALL BUSINESS PARTICIPATION

The original M/W/DBE or Small Business commitment stated in the solicitation document for the Rider Services Building is 18% and the actual contractual commitment by Bayley Construction is 19.98%.

HISTORY OF PROJECT

In May 2001, a construction contract for the Transit Center, Park-and-Ride Lot and Shuttle Operations and Rider Services Buildings was advertised. In June 2001, the bids received exceeded available resources and the engineer's cost estimates due to the cost of the buildings. However, the bids received for the basic Transit Center and Park-and-Ride Lot improvements were comparable or lower than the engineer's cost estimate. In an effort to control construction/project costs, the construction contract was re-advertised separating the basic project from the construction of the buildings. The basic project was successfully rebid and awarded to Wilder Construction who completed the Transit Center and Park-and-Ride Lot in May 2002.

The second phase, the construction of the two buildings, is now underway. The Microsoft Corporation began construction of the Shuttle Operations Building in April 2002. The second building, the 2,800 square foot Rider Services Building, will be constructed by Sound Transit. This building includes customer information, a bike station, a convenience vendor, the Greater Redmond Transportation Management Association (GRTMA), a City of Redmond police outpost, and driver restrooms.

The construction of the Rider Services Building was advertised May 24, 2002, in the Daily Journal of Commerce, and on the Sound Transit web site. Bids were opened on June 13, 2002. Bids were evaluated by Sound Transit in accordance with the competitive bidding process to determine the lowest responsive and responsible bidder.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2002-21	Amended Wilder Construction Company construction contract by \$970,000 with a 10% contingency of \$97,000 to a revised total of \$5,860,400.	2/14/02
R2002-01	Transfers \$1,067,000 in East King County Project Program Reserve funds into the project budget.	2/14/02
M2001-133	Amended design and construction management authorization by \$324,500.	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.	7/19/01

M2001-56	Executed construction contract and amended project budget to include funds from Microsoft.	7/26/01
R2001-05	Executed Property Assignment, Option to Lease Agreement with Redmond and MOA with Microsoft.	5/24/01
M2001-08	Executed construction management contract with HNTB for \$302,888, including contingency.	2/1/01
M99-45	Contract amendment with HNTB to include final design for \$907,500, including contingency.	7/1/99
M98-38	Executed contract with HNTB for preliminary engineering and environmental documentation for \$775,835, including contingency.	5/7/98
R98-21	Executed MOA with Microsoft, King County, and the City of Redmond.	4/23/98

ALTERNATIVES

There are two alternatives to these actions. One alternative would be to eliminate the Rider Services Building on the site as designed. With this alternative the building could be replaced with less costly, basic driver restrooms and a bus shelter. This alternative would save approximately \$600,000 in expense as these smaller structures are estimated to cost up to \$400,000. With this option Sound Transit would most likely be required to return \$400,000 in funds provided by the City of Redmond for the Rider Services Building and up to \$250,000 in FTA funding for the Bike Station. This alternative is not recommended because though it reduces budget expense it also reduces revenues and eliminates the added services, comfort, convenience and security provided by the bike station, police outpost and GRTMA at the site.

A second alternative would be to rebid the project in an effort to obtain lower bids for the building. This alternative would most likely mean that the building construction would be delayed until early 2003 in order to avoid the winter construction season. This alternative is not recommended because it may not yield lower bids and will mean customers and drivers are inconvenienced until the facility is completed.

CONSEQUENCES OF DELAY

Delaying the award of the contract for construction of the Rider Services Building would increase project costs due to such a contract/project schedule delay. It would also mean that the amenities located within this building for the City of Redmond, drivers, and public would not be available as soon.

REGIONAL PARTNERSHIP AND COOPERATION

The Transit Center, Park-and-Ride Lot, and its buildings have been planned and designed in close cooperation with the City of Redmond, Microsoft Corporation, GRTMA, King County Metro, and the community. The addition of the buildings on this site, in part 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. By authorizing this action, it enables Sound Transit to complete the improvements as designed and permitted in partnership with aforementioned parties.

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 are promptly addressed.

LEGAL REVIEW

JW 5-31-02

SOUND TRANSIT

MOTION NO. M2002-70

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority to authorize the Executive Director to execute a contract with Bayley Construction for construction of the NE 40th Street Overlake Transit Center Rider Services Building, in the amount of \$932,700, with a 10% contingency of \$93,270, for a new total authorized amount not to exceed \$1,025,970, funded through the East King County Capital Program Projects Reserve.

Background:

In May 2001, a construction contract for the Transit Center, Park-and-Ride Lot and Shuttle Operations and Rider Services Buildings was advertised. In June 2001, the bids received exceeded available resources and the engineer's cost estimates due to the cost of the buildings. However, the bids received for the basic Transit Center and Park-and-Ride Lot improvements were comparable or lower than the engineer's cost estimate. In an effort to control construction/project costs, the construction contract was re-advertised separating the basic project from the construction of the buildings. The basic project was successfully rebid and awarded to Wilder Construction who completed the Transit Center and Park-and-Ride Lot in May 2002. The second phase, the construction of two buildings is now underway. The Microsoft Corporation began construction of the Shuttle Operations Building in April 2002. The second building, the 2,800 square foot Rider Services Building, will be constructed by Sound Transit. It includes customer information, a bike station, a convenience vendor, the Greater Redmond Transportation Management Association (GRTMA), a City of Redmond police outpost, and driver restrooms.

A request for construction bids for the Rider Services Building was advertised on May 24, 2002, in the Daily Journal of Commerce, and on the Sound Transit web site. Bids were opened on June 12, 2002. Bids were evaluated by Sound Transit in accordance with the competitive bidding process to determine the lowest responsive and responsible bidder.

Funds are available within the East King County Capital Program Projects Reserve to authorize this contract. A budget amendment will be required at the next Board meeting where a super majority is in attendance to incorporate \$456,400 in new funding from project partners, and transfer \$955,600 from the East King County Capital Program Projects Reserve to the NE 40th Overlake Transit Center project budget.

Motion:


It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority to authorize the Executive Director to execute a contract with Bayley Construction for construction of the NE 40th Street Overlake Transit Center Rider Services Building, in the amount of \$932,700, with a 10% contingency of \$93,270, for a new total authorized amount not to exceed \$1,025,970, funded through the East King County Capital Program Projects Reserve.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 27, 2002.



Kevin Phelps
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator