

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2002-123**

**Construction of the Final Phase of the Bellevue  
HOV Direct Access Project**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	11/21/02	Deferred	<b>Agnes Govern, Director, Regional Express</b> Bill Guenzler, Project Manager Jim Edwards, Chief Engineer, Capital Projects	<b>(206) 398-5037</b>
Finance Committee	12/5/02	Discussion/Possible Action to Recommend Board Approval		(206) 398-5041
Finance Committee	4/17/03	Discussion/Possible Action to Recommend Board Approval		(206) 398-5436
Board	4/24/03	Action		

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

✓ Applicable to proposed transaction.

**OBJECTIVE OF ACTION**

- Obtain funding commitments from the City of Bellevue and Washington State Department of Transportation (WSDOT) for constructing the final phase of the Bellevue HOV Direct Access Project.
- Commit funds for Sound Transit's share of constructing the third and final phase.

**ACTION**

Authorizes the Executive Director to execute an interlocal agreement with the City of Bellevue and the Washington State Department of Transportation to provide Sound Transit with funds for the construction of the 4th Street – 6th Street Phase of the Bellevue HOV Direct Access project in the amount of \$62,899,097, with a contingency of \$4,916,289, for a total authorized amount not to exceed \$67,815,386.

**KEY FEATURES**

Authorizes the Executive Director to execute an interlocal agreement with the City of Bellevue and WSDOT which:

- Secures financial commitments from Bellevue and WSDOT of \$3,344,227 and \$2,700,000, respectively;

- Commits \$67,815,386 from Sound Transit for its share of the project, including \$4,916,289 contingency controlled by Sound Transit;
- Includes \$175,000 STart funding to pay for premium finishes on concrete walls and columns;
- Authorizes WSDOT to award the construction contract;
- Provides 12% of the contract amount for WSDOT to administer the construction contract and inspect all materials and work by the contractor;
- Provides procedures to adjust the contract amounts, consistent with Board direction, after bids are opened;
- Commits Sound Transit to make an initial payment at the beginning of construction of \$2,000,000 to cover WSDOT's cost of working capital;
- Authorizes WSDOT to grant performance incentives to the contractor for completing the project early or for reducing the construction impacts to freeway users; and
- Requires WSDOT to honor a separate programmatic agreement ensuring the functionality of the HOV investment made for this project.

**BUDGET IMPACT SUMMARY**

**Project Description:** Construction Agreement with City of Bellevue and WSDOT.

**Current Status:** Final Design and Right of Way Acquisition.

**Projected Completion Date:** 4th quarter 2005.

<b>Action Outside of Adopted Budget:</b>	<b>Y/N</b>	<b>Y</b>	<b>Requires Comment</b>
This Line of Business	N		
This Project	N		
This Phase	N		
This Task	N		
Budget amendment required	N		
<b>Key Financial Indicators:</b>	<b>Y/N</b>	<b>Y</b>	<b>Requires Comment</b>
Contingency funds required	N		
Subarea impacts	N		
Funding required from other parties other than what is already assumed in financial plan	N		

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

**BUDGET DISCUSSION**

This agreement authorizes a Sound Transit expenditure of nearly \$68M, including the cost of landscaping the first phase of construction at SE 8th Street Interchange. The estimated total final cost for the Bellevue HOV Direct Access Project, at this time, is approximately \$92M to \$93M.

In the 2002 budget process, \$18M was allocated from East King County unanticipated revenues to this project to cover expected cost increases. Since then, WSDOT has made a number of project changes to reduce construction cost and to delay other costs until the I-405 corridor project moves forward. As a result of those changes, it appears that the Bellevue HOV Direct Access Project budget will be completed with an unspent Sound Transit balance of \$15M to \$16M.

The Board approved Motion No. M2002-56 on May 23, 2002, pledging to share potential risks of cost over-runs with Bellevue and WSDOT. In the unlikely event that the project cost exceeds the amount being committed at this time, Sound Transit is committed to a share of the cost overruns to a maximum Sound Transit expenditure for the project of \$108.3M. During the 2004 budget process, after construction is underway and the project is farther along, Regional Express will account for project costs and determine an accurate balance and make a recommendation regarding the disposition of the unallocated balance.

The project budget contains sufficient funds for this effort and committing these funds does not endanger any other project elements that are to be funded out of the overall project.

### **REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS**

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit's current long-term financial plan and the subarea financial capacity.

## SUMMARY FOR BOARD ACTION

Summary for Board Action (Year of Expenditure \$000)

Action Item: Construction Agreement with City of Bellevue and WSDOT

(1) Project Budget	Current Board		This Action (C)	Total	
	Adopted Budget (A)	Committed To Date (B)		Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	5,609	887	-	887	4,722
Pre-Engineering	1,555	1,960	-	1,960	(405)
Final Design	5,379	4,337	-	4,337	1,042
Right of Way	10,180	3,730	-	3,730	6,450
Construction	77,860	1,909	67,815	69,724	8,136
Contingency	7,319	-	-	-	7,319
<b>Total Project Budget</b>	<b>107,902</b>	<b>12,822</b>	<b>67,815</b>	<b>80,637</b>	<b>27,265</b>

### Phase Budget Detail - Construction

	(A)	(B)	(C)	(D)	(E)
NE 4th and NE 6th Constr & Constr Admin	74,632		67,815	67,815	6,817
(2) SE 8th Construction and Constr Admin; WSDOT interlocal agreement	1,798	1,909		1,909	(111)
(3) NE 8th/NE 116th and NE 112th Constr and Constr Admin	1,430			-	1,430
<b>Total Phase</b>	<b>77,860</b>	<b>1,909</b>	<b>67,815</b>	<b>69,724</b>	<b>8,136</b>

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract (I)
Construction	-	-	62,047	62,047
Contingency	-	-	5,768	5,768
<b>Total</b>	<b>-</b>	<b>-</b>	<b>67,815</b>	<b>67,815</b>
Percent Contingency			9%	9%

Budget Shortfall	\$ (J)	Potential Revenues (K)	Funding Source (L)
NA	-	-	NA

### Notes:

- (1) Budget amounts shown are based on the 2002 Adopted budget. The total project budget amount (\$107.9M) does not include \$175k for STart. The STart effort was budgeted separately.
- (2) The construction phase budget shown does not include contingency. Construction contingency was budgeted in the Contingency phase of the project.
- (3) This amount represents Sound Transit's 20% local match to the City of Bellevue's grant funds.

**M/W/DBE – SMALL BUSINESS PARTICIPATION**

WSDOT conforms to the requirements of Federal Highway Administration with respect to M/W/DBE requirements. The construction contractor will be required to meet a 15% M/W/DBE goal as a condition of awarding the contract. In addition the contractor will be required to provide a minimum of 6000 hours of training (apprenticeship).

WSDOT will use its existing personnel to administer the construction contract consistent with its current employment practices.

**HISTORY OF PROJECT**

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

<b>Motion or Resolution Number</b>	<b>Summary of Action</b>	<b>Date of Action</b>
M2002-56	Risk sharing agreement between Sound Transit, Bellevue and WSDOT.	May 2002
M2001-90	Amendments to the SE 8th Street design agreement between WSDOT and Sound Transit providing funds to respond to the appeal of a shoreline development permit.	April 2001
M2001-29	Cooperative agreement between Bellevue and Sound Transit for acquiring and transferring rights-of-way.	April 2001
M2001-27	Provides 20% of the funds needed by WSDOT to design the second and third phases.	April 2001
M2001-26	Provided 20% of the funds needed by WSDOT to construct modifications to the SE 8th Street Interchange—Phase 1.	April 2001
Discussion paper	Project briefing and upcoming events.	March 2001
R2001-02	Authorized acquisition of property rights.	January 2001
M2000-76	Provided funds to WSDOT for the Final Design of 8th Street Interchange improvements—Phase 1.	October 2000
R98-32	Provided funds to WSDOT for Design File services.	August 1998
M99-74	Conveyed \$3.2M to Bellevue in return for a portion of 6th Street right-of-way.	October 1999

This proposed action by the Board is a major milestone in a five-year effort by the partner agencies to bring this project into being.

- SE 8th Interchange – Phase 1 was opened to traffic on February 28, 2003.
- The NE 8th Street Bridge – Phase 2 is under construction to make way for the final phase.

- The proposed agreement provides the construction funding for reconstructing existing interchanges at NE 4th Street and NE 8th Street and providing the new HOV ramp connection to the Bellevue Transit Center on NE 6th Street.
- The three phases result in a project that provides as much compatibility as possible with future improvements to I-405.

### **CONSEQUENCES OF DELAY**

Delay in approving this agreement would delay the project and potentially stretch the construction schedule into 2006.

The current schedule is to advertise bids in March. The proposed funding agreement includes financial incentives for the contractor to minimize impact on traffic and to complete construction before the end of 2005.

### **REGIONAL PARTNERSHIP AND COOPERATION**

The Bellevue HOV Direct Access project is a cooperative project between King County, Bellevue, WSDOT, and Sound Transit. Funding the first two construction phases was heavily weighted toward Bellevue and WSDOT. Sound Transit's primary interest is in the portion of the project, which creates the new freeway connection to the Bellevue Transit Center, located on NE 6th Street. Thusly, funding of the final phase is weighted toward Sound Transit.

This project has required extensive relocation and construction by private utilities. Much has been done and much needs to be done. Private utility companies, and in particular Puget Sound Energy Services and Qwest have undertaken relocation and re-routing to accommodate this project.

### **PUBLIC INVOLVEMENT**

There have been numerous public meetings and workshops plus two public hearings during the development phase of this project. The partners are committed to an extensive outreach program during the construction phase including:

- Semi annual and annual report inserts in newspapers reaching 50,000 households
- AccessDowntown.com website
- Regular press releases
- Coverage on Bellevue Television
- Information kiosks
- Speaker bureau
- Utility fliers
- City of Bellevue Newsletter
- Reader boards

### **LEGAL REVIEW**

JW 10-17-02

## SOUND TRANSIT

### MOTION NO. M2002-123

A motion of the Board of Directors of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute an interlocal agreement with the City of Bellevue and the Washington State Department of Transportation to provide Sound Transit with funds for the construction of the 4th Street – 6th Street Phase of the Bellevue HOV Direct Access project in the amount of \$62,899,097, with a contingency of \$4,916,289, for a total authorized amount not to exceed \$67,815,386.

#### Background:

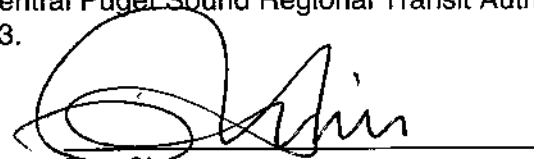
The three construction phases of the Bellevue HOV Direct Access Project are as follows:

- SE 8th Interchange – Phase 1 was opened to traffic on February 28, 2003.
- The NE 8th Street Bridge – Phase 2 is under construction to make way for the final phase.
- The proposed agreement provides funding for re-constructing existing interchanges at NE 4th Street and constructing a new HOV ramp connection to the Bellevue Transit Center on NE 6th Street
- The proposed agreement commits WSDOT, City of Bellevue, and Sound Transit to fund the final phase of construction consistent with the Risk Sharing agreement approved by the Board of Directors on May 2002 (Motion No. M2002-56).

#### Motion:

It is hereby moved by the Board of Directors of the Central Puget Sound Regional Transit Authority to authorize the Executive Director to execute an interlocal agreement with the City of Bellevue and the Washington State Department of Transportation to provide Sound Transit with funds for the construction of the 4th Street – 6th Street Phase of the Bellevue HOV Direct Access project in the amount of \$62,899,097, with a contingency of \$4,916,289, for a total authorized amount not to exceed \$67,815,386.

APPROVED by the Board of Directors of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 24, 2003.



Ron Sims  
Board Chair

ATTEST:



Marcia Walker  
Board Administrator