

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-67

Link C705 Construction Contract – E-3 Busway

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	6/19/03	Discussion/Possible Action	Ahmad Fazel, Link Light Rail Director Joe Gildner, Deputy Director for Link Light Rail Tehnical Services	(206) 398-5389 (206) 689-3350

Contract/Agreement Type:		Requested Action:	
Competitive Procurement	3	Execute New Contract/Agreement	3
Sole Source	3	Amend Existing Contract/Agreement	3
Memorandum of Agreement		Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

4 Applicable to proposed transaction.

OBJECTIVE OF ACTION

Authorize additional construction contingency for Initial Link, Segment 705 (E-3 Busway Widening), in the amount of \$350,000.

ACTION

Authorize an additional \$350,000 to be added to the approved contingency amount for the contract with Gary Merlino Construction Company to provide additional construction services for Initial Link, Segment 705 (E-3 Busway Widening), for a new total authorized contract amount not to exceed \$2,621,818.

KEY FEATURES

Original contract:

- Modifies the E-3 Busway between South Massachusetts Street and South Forest Street in advance of construction work.
- Defines a scope of work for widening the west side of E-3 Busway, removing existing trackwork on the east side of E-3 Busway, relocating 20 Seattle City Light (SCL) poles (13 poles between South Massachusetts Street and South Forest Street and seven poles between South Forest Street and Diagonal Avenue), and replacing the 30-inch water main at Airport Way South.
- Includes SCL reimbursement to Sound Transit to relocate seven poles south of South Forest Street.
- Contains work included in the FTA Letter of No Prejudice (LONP), which Sound Transit received on September 24, 2002.

This contingency increase:

- Covers directives received from third parties (Seattle City Light, King County Metro, Seattle Public Utilities and Seattle Department of Transportation) to make changes to their facilities that are being modified/constructed under this contract.
 - Seattle Public Utilities required a change in procedure for the replacement of the 30” watermain. The contract originally permitted the contractor to close valves on either side of the section of water main being replaced and provide a temporary water service to the few building on that section of the line. The new procedure that was finalized after the contract was awarded required the contractor to cut the waterline, install massive thrust blocks and caps on the line while a 250’ section of line was being replaced.
 - Seattle City Light has made design changes to the depth of five pole bases for the 230kV transmission line. A portion of this additional work (approximately \$53,000) is associated with the seven relocated poles south of South Forest and expected to be reimbursable from Seattle City Light.
 - King County Metro has required modifications to the design at the west edge of the E-3 Busway pavement. These modifications include a guardrail/retaining wall in the vicinity of the bus stop at Holgate Street.
 - Seattle Department of Transportation, because of a conflict with new construction, has moved the traffic signal interconnect duct and cable.
- Is within the scope of the original contract.

BUDGET IMPACT SUMMARY

Project Description: Central Link Initial Segment

Current Status: Final Design

Projected Completion Date: 2009

Action Outside of Adopted Budget:	Y/N	Y Requires Comment
This Line of Business	N	
This Project	N	
This Phase	N	
This Task	Y	Requires transfer of budget from construction phase unallocated contingency
Budget amendment required	N	
Key Financial Indicators:	Y/N	Y Requires Comment
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

The action considered by this motion is to add \$350,000 of contingency to the contract budget for Gary Merlino Construction Company to provide additional construction services for Segment C705 (E-3 Busway Widening) for a revised total contract value of \$2,621,818.

The total adopted capital budget for the Initial Segment is \$2.07 billion. As authorized by Board Motion No. 2002-135, a line item budget of \$2,200,000 has been identified within the Construction phase for Segment C705, (E-3 Busway Widening).

Board Motion No. M2002-135 previously authorized a total contract value for Gary Merlino Construction Company of \$2,271,818. As this amount exceeded the line item budget for Segment C705, the motion also authorized a transfer of \$71,818 from unallocated contingency within the construction phase. Approval of this motion will authorize transfer of an additional \$350,000, and reduce the total amount for construction phase unallocated contingency from \$47,638,182 to \$47,288,182.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is covered by the current Board adopted budget, and is affordable within the agency's current long-term financial plan and sub-area financial capacity. The action will have no new revenue impacts on Sound Transit.

SUMMARY FOR BOARD ACTION

Action Item: Merlino (Add contingency to onstruction contract for Segment 705, E-3 Busway Widening)

(Year of Expenditure \$000)

Initial Segment	Current Board Adopted Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	226,780	107,397		107,397	119,383
2 Preliminary Engineering	35,000	33,392		33,392	1,608
3 Final Design	123,000	111,173		111,173	11,827
4 Right of Way	233,016	102,115		102,115	130,901
5 Construction	1,172,633	8,178	350	8,528	1,164,105
6 Construction Services	82,464	3,110		3,110	79,354
7 Third Party Agreements	58,800	16,264		16,264	42,536
8 Vehicles	138,307	-		-	138,307
9 Contingency	-			-	-
10 Total Current Budget	2,070,000	381,629	350	381,979	1,688,021

Phase Budget Detail

11 Segment 705	2,200	2,200	-	2,200	-
13 Other Segments	1,122,723	5,906	-	5,906	1,116,817
14 Unallocated Contingency	47,710	72	350	422	47,288
15 Total Phase	1,172,633	8,178	350	8,528	1,164,105

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
16 Contract Amount	2,065	915	-	2,065
17 Contingency	207	-	350	557
18 Total	2,272	915	350	2,622
19 Percent Contingency	10%	0%	100%	27%

(B) Committed to Date and (G) Spent to Date amounts are from the Link Program Cost Summary Report (HQ Reports) for May 2003

Budget Shortfall

Task Level	\$ (J)	Potential Resources (K)	Source (L)
20 Segment C705 Construction	350	47,638	Unallocated Construction Phase Contingency

M/W/DBE – SMALL BUSINESS PARTICIPATION

The small business participation goal for this contract is 35%. Gary Merlino Construction Company submitted a small business participation plan with a commitment of 27.69%. It was determined that Gary Merlino Construction Company made sufficient good faith efforts to be awarded the contract, and was required to work with staff to continue efforts to increase small business participation on the contract to meet the 35% small business goal. Sound Transit staff and Gary Merlino Construction Company continue to work to increase the small business participation levels for this contract. Approximately 37% of the work covered by the changes will be performed by small business firms.

HISTORY OF PROJECT

All of the work performed under the C705 contract involves either the relocation or the modification of existing facilities that are owned by Sound Transit's project partners (Seattle City Light, Seattle Public Utilities, Seattle Department of Transportation and King County Metro) and is time critical work that is necessary to clear obstacles from the light rail right of way along the E-3 Busway and to replace an easily damaged utility (old 30" lead joint cast iron water main) with resilient materials. Prior to the issuance of the Invitation to Bid all of the project partners had reviewed and approved the contract plans and specifications.

During the course of construction Sound Transit has received design modifications from project partners (Seattle City Light, King County Metro, Seattle Public Utilities and Seattle Department of Transportation) for their facilities that are being modified/constructed under this contract.

These modifications include:

- A change in procedures for replacement of a 30" water main owned by Seattle Public Utilities.
- A replacement of the traffic signal interconnect system owned by Seattle Department of Transportation along the E-3 Busway, and
- A change in the depth of several transmission line pole bases for Seattle City Light.
- The addition of a retaining wall/guardrail along the west side of a portion of the E-3 Busway north of Holgate Street.

Details of the changes are as follows:

Change in approved procedure for water main replacement

The water main replacement work contained in this contract is necessary due to the proximity of the old 30" water main to the aerial guideway foundation construction. Without this replacement the 30" water main could suffer a catastrophic failure during construction of the foundation and ground modifications. Work on this water main is time sensitive in that removal of this water main from service can only occur between February 1 and April 30 in any year. Due to the delay in the issuance of the Full Funding Grant Agreement and the anticipated construction schedule of the C700 contract, under which the aerial guideway foundation is being installed, replacement of this water main under the C705 contract was necessary to prevent a possible one year delay in the construction of a portion of the aerial guideway.

The contract documents, that had been reviewed and approved by Seattle Public Utilities, reflected the requirements for draining, disinfecting and flushing the water main and the

provision of temporary water services for extended outages of water mains, that were standard practice in the City of Seattle.

Just before the bid opening, Seattle Public Utilities made Sound Transit aware of directions that they received from the Washington State Department of Health concerning water mains that were drained and left empty. Discussions were held between Sound Transit and Seattle Public Utilities concerning these directions. Several options were reviewed and discussed. Consensus on the procedure to use was not reached until after the contractor had been given Notice to Proceed, and resulted in a significant change from the work anticipated by the contract documents. However at that time the estimated cost was within Sound Transit's authorized contingency amount. A cost proposal had been requested from the contractor, however none was received. As this work was time critical, a work directive was issued to the contractor for the estimated amount of the work. This work was completed at the end of April 2003. The contractor has recently submitted a cost proposal in excess of the estimated amount. A detailed review of their cost proposal is underway but has not yet been completed. However, the difference between the estimated cost and their cost proposal has been included in this request as a contingent cost.

A small business firm performed a portion of the work to install the thrust block.

Replacement of the traffic signal interconnect system

The existing 230 kV transmission line, that is owned by Seattle City Light and that is currently situated on the centerline of the southbound light rail track adjacent to the E-3 Busway, must be relocated approximately 13' to the west. This relocation would place the new pole line partially in the northbound lane on the Busway. Prior to the relocation of the transmission line the Busway must be widened to the west to allow the bus lanes to be shifted to the west and clear the location of the new transmission line bases.

In late February 2003, while excavating for the installation of drainage structures, the contractor encountered a previously unidentified conduit. Upon investigation this conduit was determined to house the Seattle Department of Transportation (SDOT) traffic signal interconnect for all intersections on the E-3 Busway. Initially the contractor was directed to expose the conduit and relocate it to the back side of the drainage structures.

Later it became apparent that this conduit would conflict with the excavation for the widening of the E-3. It was determined and SDOT concurred that the least expensive course of action was to install a new traffic signal conduit in the same trench as the street lighting conduit. To help Sound Transit minimize its cost exposure, SDOT is installing the conductor wire.

Change in depth of transmission line pole bases

The existing 230 kV transmission line, that is owned by Seattle City Light and that is currently situated on the centerline of the southbound light rail track adjacent to the E-3 Busway, must be relocated approximately 13' to the west. The replacement of the Seattle City Light transmission line is time critical, in that the line can only be taken out of service for an extended period of time in July and August of any year. In order to be ready for pole installation beginning July 1, 2003, it is necessary to have the foundations constructed prior to June 23, 2003.

The poles and foundations for this transmission line were designed by Seattle City Light and the design provided to Sound Transit for incorporation into the construction contract.

Shortly before the contractor was to begin drilling and installing the foundations for the Seattle City Light transmission line, Seattle City Light indicated that they had some lingering concerns about the quality of the soil at eight of the twenty pole locations and wanted to do additional soils testing at those locations to verify or change the depth of these foundations. Seattle City Light performed the soils testing at their expense. After testing, Seattle City Light stated that five foundations had to be extended. Three of these foundations were the first ones to be installed. The contractor was informed and additional foundation casing was immediately ordered to mitigate delays to the foundation installation. When the casing extensions were received, they were immediately welded onto the casings that had previously been installed and excavation proceeded to the revised design depth.

A small business firm has performed the installation of the pole bases for the transmission line.

Three of the five pole base extensions are associated with betterments for which reimbursement of approximately \$53,000 is expected from Seattle City Light.

Addition of a retaining wall/guard rail along the west side of a portion of the E-3 Busway

Prior to the relocation of the existing 230 kV transmission line, the Busway must be widened to the west to allow the bus lanes to be shifted to the west and clear the location of the new transmission line bases.

Along the west side of the E-3 Busway from S. Massachusetts south to a point approximately 300 feet north of Holgate Street, the contract requires the installation of a Jersey Barrier. South of that point the contract only requires a curb and gutter. In mid-May, after construction of the widening including the curb and gutter was complete, King County Metro expressed concern about the potential for a bus to jump the curb and end up on the Union Pacific Railroad tracks immediately adjacent to the E-3 Busway. They indicated that something would have to be done to remedy this safety problem. Sound Transit has had ongoing discussions about various options available and practical to construct. Agreement on scope is close. The probable scope of work has been estimated. Because the scope of work is not yet fully defined a contingency on that value has been included in this request. This work will be performed by a small business firm in support of Sound Transit's diversity goal.

Had it not been for these changes it is anticipated that about 65% of the original contingency amount would have been exhausted. This contingency increase is within the scope of the original contract.

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

Motion or Resolution Number	Summary of Action	Date of Action
R2001-16	Selected the initial segment of the Central Link Light Rail Project to be constructed and operated by 2009.	11/29/01
M2002-53	Authorized the Executive Director to execute a contract with Sabre Communications Corporation for the purchase of 21 steel poles and anchor bolt cages in the amount of \$958,000 with a 10% contingency of \$95,800 for a total authorized amount not to exceed \$1,053,800	6/6/02
M2002-135	Authorized the Executive Director to execute a contract with Gary Merlino Construction Company to provide construction services for Initial Link, Segment 705 (E-3 Busway Widening), in the amount of \$2,065,289 with a 10% contingency of \$206,529, for a total authorized contract amount not to exceed \$2,271,818.	12/5/02

CONSEQUENCES OF DELAY

Construction operations are underway. Sound Transit has received directives from third parties (Seattle City Light, King County Metro, Seattle Public Utilities and Seattle Department of Transportation) to make changes to their facilities that are being modified/constructed under this contract. Replenishment of the contingency will allow for handling of the outstanding issues mentioned above and other known issues of lesser significance and value, and will provide for handling of other unanticipated issues. A delay in the authorization of the additional contingency will impact the progress of the work and result in construction delay and further additional cost. Such delay will significantly impact other Link Light Rail projects associated with Segment 705. These projects include the line segment from Royal Brougham to Airport Way South (C700) and the Operations & Maintenance Base (C810).

REGIONAL PARTNERSHIP AND COOPERATION

Not applicable for this action.

PUBLIC INVOLVEMENT

Not applicable for this action.

LEGAL REVIEW

MB 6/5/03

SOUND TRANSIT

MOTION NO. M2003-67

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing an additional \$350,000 to be added to the approved contingency amount for the contract with Gary Merlino Construction Company to provide additional construction services for Initial Link, Segment 705 (E-3 Busway Widening), for a new total authorized contract amount not to exceed \$2,621,818.

Background:

All of the work performed under the 705 contract involves either the relocation or the modification of existing facilities that are owned by project partners (Seattle City Light, Seattle Public Utilities, Seattle Department of Transportation and King County Metro) and is time critical work that is necessary to clear obstacles from the light rail right of way along the E-3 Busway and to replace an easily damaged utility (old 30" lead joint cast iron water main) with resilient materials. Prior to the issuance of the invitation to bid all of Sound Transit's project partners had reviewed and approved the contract plans and specifications.

During the course of construction Sound Transit has received design modifications from the project partners (Seattle City Light, King County Metro, Seattle Public Utilities and Seattle Department of Transportation) for their facilities that are being modified/constructed under this contract.

These modifications include:

- A change in procedures for replacement of a 30" water main owned by Seattle Public Utilities.
- A replacement of the traffic signal interconnect system owned by Seattle Department of Transportation along the E-3 Busway, and
- A change in the depth of several transmission line pole bases for Seattle City Light.
- The addition of a retaining wall/guardrail along the west side of a portion of the E-3 Busway north of Holgate Street.

Had it not been for these changes it is anticipated that we would have only exhausted about 65% of original contingency amount. This contingency increase is within the scope of the original contract.

Motion:

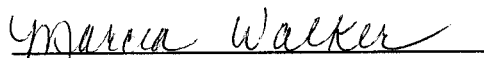
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that an additional \$350,000 is authorized to be added to the approved contingency amount for the contract with Gary Merlino Construction Company to provide additional construction services for Initial Link, Segment 705 (E-3 Busway Widening), for a new total authorized contract amount not to exceed \$2,621,818.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 19, 2003.



Kevin Phelps
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator