

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2005-126**

**Construction Contract Amendment for Everett Station Demolition and Remediation**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	11/17/05	Discussion/Possible Action	Jim Edwards, Deputy Director, Capital Projects Christine Engler, Construction Program Manager <b>Jerry Dahl, Construction Manager</b>	(206) 398-5436  (206) 398-5056  (206) 398-5284

<b>Contract/Agreement Type:</b>	<input checked="" type="checkbox"/>	<b>Requested Action:</b>	<input checked="" type="checkbox"/>
Competitive Procurement	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	<input type="checkbox"/>
Sole Source	<input type="checkbox"/>	Amend Existing Contract/Agreement	<input checked="" type="checkbox"/>
Agreement with Other Jurisdiction(s)	<input type="checkbox"/>	Budget Amendment	<input type="checkbox"/>

**PROJECT NAME**

Everett Multi-modal Station

**PROPOSED ACTION**

Authorizes the Chief Executive Officer to increase the contract contingency by \$260,000 with Clearcreek Contractors Inc., to provide for demolition and remediation for Everett Station, for a new total authorized contract amount not to exceed \$1,336,058.

**KEY FEATURES OF PROPOSED ACTION**

- The remaining earthwork to complete remediation at Everett Station is in excess of the estimated contingency amount, in accordance with the terms of the remediation contract. The additional contract contingency in the amount of \$260,000 will pay to complete the work.
- This action will allow removal and proper disposal of unsuitable soils that are contaminated with arsenic and/or petroleum hydrocarbons. The materials are currently stockpiled and covered on the jobsite.
- This action provides for the procurement of imported structurally sound general fill to replace contaminated soils removed in the tank farm area at a negotiated unit price significantly less than the bid unit price.
- The contractor is demobilized pending direction from Sound Transit. This action provides for remobilization costs of the contractor.

Project Name: Everett Multi-modal Station  
 Current Project Phase: Construction  
 Projected Completion Date: December 2006

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task		
Budget Amendment Required		

Key Financial Indicators:	✓	Comments on Checked Items
Contingency Funds Required		
Funding required from other parties (other than what is assumed in financial plan)		

Not checked = action is assumed in current Board-adopted budget. No budget action or adjustment to financial plan required.

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

**BUDGET and FINANCIAL PLAN DISCUSSION**

The Board-adopted budget for this project is \$26,872,034 with a construction phase Board-adopted budget of \$14,682,704. The proposed action is to amend the contract with Clearcreek Construction, Inc. for demolition and remediation services to increase the construction contract contingency in the amount of \$260,000, for a new total authorized contract amount not to exceed \$1,336,058. This leaves a remaining Construction phase balance of \$7,396,959. The remaining balance for the project is \$9,250,559.

There are sufficient funds to complete this action. Committing these funds will not endanger any other project elements that are to be funded out of the overall project.

## BUDGET TABLE

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

Action Item: Execute a contract amendment with Clearcreek Contractors, Inc. to increase the construction contract contingency for the Everett Multi-modal Station (#201)

	Current Board Adopted Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	\$ 1,672	\$ 782	\$ -	\$ 782	\$ 889
2 Preliminary Engineering	1,190	1,188	-	1,188	2
3 Final Design	1,171	1,241	-	1,241	(70)
4 Right of Way	7,402	7,125	-	7,125	277
5 Construction	14,683	7,026	260	7,286	7,397
7 Contingency	755	-	-	-	755
8 Total Current Budget	\$ 26,872	\$ 17,361	\$ 260	\$ 17,621	\$ 9,251

#### Phase Budget Detail

9 Remediation Services	\$ -	\$ 897	\$ 260	\$ 1,157	\$ (1,157)
11 Other Construction activity	-	6,129	-	6,129	(6,129)
12 Total Phase	\$ 14,683	\$ 7,026	\$ 260	\$ 7,286	\$ 7,397

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Amended Total Contract Value (I)
13 Clearcreek Contractors	\$ 897	\$ 663	\$ -	\$ 897
14 Contingency	179	-	260	439
15 Total	1,076	663	260	1,336
16 Percent Contingency	20%		100%	49%

#### Notes:

Committed to-date amount includes actual outlays and commitments through October 31, 2005.  
Project budget is located on page 94 of the Adopted 2005 Budget book.

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

### **Prime Consultant/Contractor**

83% of the original contract amount will be performed by a small business. Clearcreek Contractors is the prime contractor for this contract and is a small business, performing 70% of the work. Clearcreek Contractors has committed to an additional 13% M/W/DBE participation of the original contract amount. Since the increased quantities are contract bid item work, no new subcontracting opportunity is available. J Harper has completed its contract work. However, Penny Lee Trucking will continue to provide hauling services for the increased quantities. The following table shows utilization for the original contract amount. The dollar value for Penny Lee Trucking's work will exceed this value when the contact work is complete.

### **Utilization Breakdown Table**

<b>Prime Contractor</b>	<b>Business Type</b>	<b>% of Work</b>	<b>Dollar Value</b>
Clearcreek Contractors	Small Business	70%	\$623,636
<b>Sub-Total</b>		<b>70%</b>	<b>\$623,636</b>
<b>Subcontractors</b>	<b>Business Type</b>	<b>% of Work</b>	<b>Dollar Value</b>
J Harper Contractors	MBE/DBE	11%	\$98,000
Penny Lee Trucking	WBE/DBE	2%	\$18,000
<b>Sub-Total</b>		<b>13%</b>	<b>\$116,000</b>
<b>Total</b>		<b>83%</b>	<b>\$739,636</b>

### **EEO Commitment**

Clearcreek Contractors, Inc. workforce demographics are 18% women and 9% people of color.

## **PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

In June 2005, the Finance Committee authorized the Chief Executive Officer to execute a contract for demolition and remediation in support of the Everett Station Phase 2 project with Clearcreek Contractors in the amount of \$896,715 with a 20% contingency of \$179,343 for a total contract amount not to exceed \$1,076,058. Demolition and remediation is now approximately 95% complete.

The site of the Phase 2 demolition and remediation work is located east of the existing Everett Station on the east side of the Burlington Northern Santa Fe rail tracks. The site was formerly occupied by a variety of industries, including a commercial sandblast facility and a gasoline and diesel tank farm, which produced hazardous materials that leached into the soils on the site.

The contract plans and specifications for the demolition and remediation work were prepared based upon environmental site assessments performed during the real estate acquisition phase of the project and from geo-technical explorations performed during the design phase of the project. The design included the removal and disposal of prescribed volumes of material from several areas of the site. It anticipated that most of the soils excavated on site would be suitable (structurally sound and free of contamination above clean-up levels) as general fill on other areas of the site. What it didn't anticipate was the extent of contaminated materials underlying the large buildings and structures on the site, and the fact that much of the material excavated on site is not structurally sound and is contaminated with arsenic or petroleum

byproducts. Because the structurally unsound material is contaminated, it cannot be disposed of at the contract unit price for disposal of clean material and must be removed by rail to a proper disposal facility. Additional contingency is required to pay the contractor for quantity overruns for exported contaminated soil, exported and contaminated unsuitable material and imported general fill material.

The contractor has not filled an area of excavation at the site of the tank farm and has stockpiled the contaminated and unsuitable materials on site.

**Prior Board/Committee Actions on this Project and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
M2005-60	Authorized the Chief Executive Officer to execute a contract with Clearcreek Contractors, Inc. to provide demolition and remediation services for the Everett Commuter Rail Station projecting the amount of \$896,715, with a 20% contingency of \$179,343 for a total authorized contract amount not to exceed \$1,076,058.	6/16/05
M2004-31	Authorized acquisition of permanent property rights for Everett Station.	3/18/04

**CONSEQUENCES of DELAY**

Contract work has been suspended and the contractor has stopped work on the removal of contaminated soils and demobilized from the site. A significant delay in authorizing additional contingency will push the work further into the rainy season which increases the risk of possible erosion.

**PUBLIC INVOLVEMENT**

Not applicable for this action.

**ENVIRONMENTAL COMPLIANCE**

Not applicable for this action.

**LEGAL REVIEW**

JW

## **SOUND TRANSIT**

### **MOTION NO. M2005-126**

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to increase the contract contingency by \$260,000 with Clearcreek Contractors Inc., to provide for demolition and remediation for Everett Station, for a new total authorized contract amount not to exceed \$1,336,058.

#### **Background:**

In June 2005, the Finance Committee authorized the Chief Executive Officer to execute a contract for demolition and remediation in support of the Everett Station Phase 2 project with Clearcreek Contractors in the amount of \$896,715 with a 20% contingency of \$179,343 for a total contract amount not to exceed \$1,076,058. Demolition and remediation is now approximately 95% complete.

The site of the Phase 2 demolition and remediation work is located east of the existing Everett Station on the east side of the BNSF rail tracks. The site was formerly occupied by a variety of industries, including a commercial sandblast facility and a gasoline and diesel tank farm, which produced hazardous materials that leached into the soils on the site.

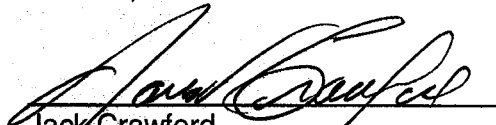
The contract plans and specifications for the demolition and remediation work were prepared based upon environmental site assessments performed during the real estate acquisition phase of the project and from geo-technical explorations performed during the design phase of the project. The design included the removal and disposal of prescribed volumes of material from several areas of the site. The design anticipated that most of the soils excavated on site would be suitable (structurally sound and free of contamination above clean-up levels) as general fill on other areas of the site. What the design didn't anticipate was the extent of contaminated materials underlying the large buildings and structures on the site, and the fact that much of the material excavated on site is not structurally sound and is contaminated with arsenic. Because the structurally unsound material is contaminated, it cannot be disposed of at the contract unit price but must be removed by rail to a proper disposal facility. Additional contingency is required to pay the contractor for quantity overruns for exported contaminated soil, exported and contaminated unsuitable material and imported general fill material.

The contractor has not filled a significant area of excavation at the site of the tank farm and has stockpiled the contaminated and unsuitable materials on site. The contractor is demobilized pending direction from Sound Transit.

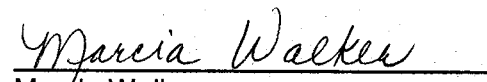
#### **Motion:**

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a contract amendment with Clearcreek Contractors Inc., to provide for demolition and remediation for Everett Station in the amount of \$260,000, for a new total authorized contract amount not to exceed \$1,336,058.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 17, 2005.

  
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Jack Crawford  
Finance Committee Chair

ATTEST:

  
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Marcia Walker  
Board Administrator