

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2006-35**

**Contingency Increase for C810 Construction Contract**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	4/20/06	Discussion/Possible Action to Recommend Board Approval	Ahmad Fazel, Link Director	(206) 398-5389
Board	4/27/06	Discussion/Possible Action		

<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	
Sole Source		Amend Existing Contract/Agreement	<input checked="" type="checkbox"/>
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

**PROJECT NAME**

Central Link Initial Segment

**PROPOSED ACTION**

Authorize the Chief Executive Officer to increase the contingency for the contract with Kiewit Pacific Company for the construction of Contract C810 (Central Link Operations and Maintenance Facility) in the amount of \$2,600,000 for a new total authorized contract amount not to exceed \$61,997,800.

**KEY FEATURES of PROPOSED ACTION**

- This contract comprises the construction of the Operations and Maintenance (O & M) Facility for Central Link on a 25-acre site west of Airport Way South and south of South Forest Street. The facility includes an administrative building, maintenance facilities with a capacity to maintain over 100 light rail vehicles and a rail yard with a storage capacity for 40 light rail vehicles. The yard can accommodate a future expansion for a fleet of up to 108 light rail vehicles.
- The proposed action will increase the allocated contract contingency to address remaining potential changes associated with completion of construction of the O & M Facility and rail yard.
- The proposed action will replenish the original contract contingency that has been drawn down to deal with a number of unforeseen conditions, especially the on-site remediation and/or removal of unknown hazardous and contaminated material and unsuitable material generated during earthwork activity associated with this contract.
- The proposed action enables C810 construction work to continue moving in the most efficient and cost-effective manner.

## **BUDGET IMPACT SUMMARY**

Current Project Phase: Construction  
Projected Completion Date: 2009

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

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

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

## **BUDGET and FINANCIAL PLAN DISCUSSION**

The proposed action would authorize an increase in the authorized contingency for the contract with Kiewit Pacific Company for the construction of the Central Link Operations and Maintenance Facility (Contract C810) in the amount of \$2,600,000 for a new total authorized contract amount not to exceed \$61,997,800.

The adopted budget for the Initial Segment is \$2.07 billion. Within the construction phase of the adopted project budget, \$62,053,800 has been set aside for the Operations and Maintenance Facility (Contract C810). The proposed action would increase the commitment against this budget line item to \$62,009,595, leaving a remaining budget balance of \$44,205 for this budget line item.

The proposed action is consistent with the current adopted budget and is affordable within the agency's long-term financial plan and subarea financial capacity. The action will have no new revenue impact on Sound Transit.

## **BUDGET TABLE**

**Action Item:** Kiewit Pacific Company (increase contingency for the C810 contract for construction of the Central Link Operations and Maintenance Facility)

(Year of Expenditure \$000)

<b>Initial Segment</b>	<b>Adopted 2006 Budget (A)</b>	<b>Committed To Date (B)</b>	<b>This Action (C)</b>	<b>Total Committed &amp; Action (D)</b>	<b>Uncommitted (Shortfall) (E)</b>
1 Agency Administration	216,780	115,195		115,195	101,585
2 Preliminary Engineering	34,000	33,611		33,611	389
3 Final Design	145,523	140,837		140,837	4,687
4 Right of Way	223,516	191,692		191,692	31,824
5 Construction	1,170,439	1,055,019	2,600	1,057,619	112,820
6 Construction Services	86,875	84,437		84,437	2,438
7 Third Party Agreements	59,560	58,690		58,690	870
8 Vehicles	133,307	131,799		131,799	1,508
9 <b>Total Current Budget</b>	<b>2,070,000</b>	<b>1,811,280</b>	<b>2,600</b>	<b>1,813,880</b>	<b>256,120</b>

### **Construction Phase Detail**

10 C810 O&M Facility	62,054	59,410	2,600	62,010	44
13 Other Construction	1,108,385	995,609		995,609	112,776
14 <b>Total Phase</b>	<b>1,170,439</b>	<b>1,055,019</b>	<b>2,600</b>	<b>1,057,619</b>	<b>112,820</b>

<b>Contract Amount</b>	<b>Board Approvals to Date (K)</b>	<b>Current Approved Contract Value (L)</b>	<b>Proposed Action (M)</b>	<b>Proposed Total for Board Approval (N)</b>	<b>Proposed Contract Value (O)</b>
15 Contract Amount - Initial Segment	53,998	57,879	-	53,998	57,879
16 Contingency - Initial Segment	5,400	1,489	2,600	8,000	4,089
17 <b>Total</b>	<b>59,398</b>	<b>59,368</b>	<b>2,600</b>	<b>61,998</b>	<b>61,968</b>
18 Percent Contingency	10%	3%	0%	15%	7%

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

The Small Business (SB) participation for this contract is 18%, with a 12% M/W/DBE goal. Based on the original scope of work, Kiewit Pacific Construction Company, the prime contractor for this contract, submitted a small business participation plan with a SB commitment of 18% and an M/W/DBE goal of 12%.

Through 2005, Kiewit Pacific's performance has been 27.5% Small Business participation, and 9.4% M/W/DBE participation. They have projected to meet if not exceed the goals with over 21% Small Business participation, and 13% M/W/DBE participation, EEO Commitment and Apprentice Utilization Commitment.

Kiewit Pacific Construction Company is a voluntary participant under the Project Labor Agreement and has committed to EEO Goals of 21% People of Color and 12% Women, and to a 20% Apprenticeship Goal.

As of its March report, the total workforce has 29% People of Color and 6% Women. Although only 18% of the workforce is apprentices, 45% of the apprentices are People of Color and 17% are Women.

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

The C810 contract comprises the construction of the Operations and Maintenance Facility for Central Link on a 25-acre site west of Airport Way South and south of South Forest Street. The

facility includes an administrative building, maintenance facilities with a capacity to maintain over 100 light rail vehicles and a rail yard with a storage capacity for 40 light rail vehicles. The yard can accommodate a future storage expansion for a fleet of up to 108 light rail vehicles.

The Operations and Maintenance Facility was originally scheduled to be substantially completed by April 14, 2006. The latest schedule update from the contractor indicates a substantial completion date of October 11, 2006.

Construction of this contract is approximately 75% complete. Since the start of construction, various unforeseen conditions have arisen. Foremost among these changes to date are additional costs associated with on-site remediation and/or removal of unforeseen hazardous and contaminated material and the handling of unsuitable material generated from earthwork activities at the site. To date, costs associated with these unforeseen earthwork conditions have drawn down more than half of the original contract contingency.

In order to complete this segment in a timely and efficient manner, additional contingency is required to deal with potential changes that may still arise. These potential change issues include any necessary facility modifications, coordination issues with the follow-on systems contractors and additional unsuitable materials associated with remaining earthwork.

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

<b>Motion or Resolution Number</b>	<b>Summary of Action</b>	<b>Date of Action</b>
M2003-81	Authorized the Chief Executive Officer to execute a contract with Kiewit Pacific Company for the construction of Contract C810 (Central Link Operations and Maintenance Facility) in the amount of \$53,998,000 with a 10% contingency of \$5,399,800 for a total authorized contract amount not to exceed \$59,397,800, subject to the execution of the Full Funding Grant Agreement.	8/14/03

**CONSEQUENCES of DELAY**

A delay beyond April 2006 in approval of this action could cause delays and inefficiencies in completion of the C810 Operations and Maintenance Facility Contract.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**ENVIRONMENTAL COMPLIANCE**

JI 4/14/06

**LEGAL REVIEW**

JDW 4/14/06

## **SOUND TRANSIT**

### **MOTION NO. M2006-35**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to increase the contingency for the contract with Kiewit Pacific Company for the construction of Central Link Operations and Maintenance Facility (Contract C810) in the amount of \$2,600,000 for a new total authorized contract amount not to exceed \$61,997,800.

#### **Background:**

The C810 contract comprises the construction of the Operations and Maintenance Facility for Central Link on a 25-acre site west of Airport Way South and south of South Forest Street. The facility includes an administrative building, maintenance facilities with a capacity to maintain over 100 light rail vehicles and a rail yard with a storage capacity for 40 light rail vehicles. The yard can accommodate a future storage expansion for a fleet of up to 108 light rail vehicles.

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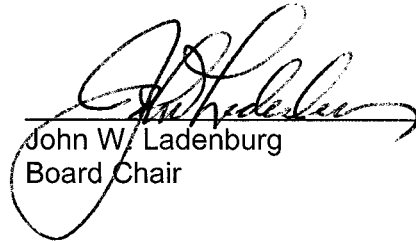
Construction of this contract is approximately 75% complete. Since the start of construction, various unforeseen conditions have arisen. Foremost among these changes to date are additional costs associated with on-site remediation and/or removal of unforeseen hazardous and contaminated material and the handling of unsuitable material generated from earthwork activities at the site. To date, costs associated with these unforeseen earthwork conditions have drawn down more than half of the original contract contingency.

In order to complete this segment in a timely and efficient manner, additional contingency is required to deal with potential changes that may still arise. These potential change issues include any necessary facility modifications, coordination issues with the follow-on systems contractors and additional unsuitable materials associated with remaining earthwork.

#### **Motion:**

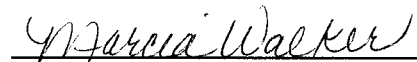
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to increase the contingency for the contract with Kiewit Pacific Company for the construction of Central Link Operations and Maintenance Facility (Contract C810) in the amount of \$2,600,000 for a new total authorized contract amount not to exceed \$61,997,800.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 27, 2006.



John W. Ladenburg  
Board Chair

ATTEST:



Marcia Walker  
Board Administrator