

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2007-07

Contingency Increase for C810 Construction Contract

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	1/4/07	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Director	(206) 398-5389
Board	1/11/07		Gordon Wellwood, Deputy Construction Manager	(206) 689-5512

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<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"/>
Real Estate	<input type="checkbox"/>	Property Acquisition	<input type="checkbox"/>

PROJECT NAME

Central Link Initial Segment

PROPOSED ACTION

Authorizes the chief executive officer to increase the contingency for the contract with Kiewit Pacific Company for the construction of the Central Link Operations and Maintenance Facility in the amount of \$2,000,000 for a new total authorized contract amount not to exceed \$63,997,800.

KEY FEATURES of PROPOSED ACTION

- The proposed action will increase the allocated contract contingency to address remaining potential changes associated with completion of construction of the C810 Central Link Operations and Maintenance 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. Additionally, there have been significant increases to the Project Labor Agreement Wage Rate Escalation costs.
- The proposed action enables completion of the C810 construction contract completion contract and reconciliation of the final amounts for the provisional sums and the change orders to be issued.

BUDGET IMPACT SUMMARY

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 proposed action would authorize an increase in the contingency for the contract with Kiewit Pacific Company for the construction of the Central Link Operations and Maintenance Facility in the amount of \$2,000,000 for a new total authorized contract amount not to exceed \$63,997,800.

The adopted 2007 budget for the Initial Segment is \$2.07 billion. Within the construction phase of the adopted project budget, \$65,053,800 has been set aside for the Operations and Maintenance Facility. The proposed action would increase the commitment against this budget line item to \$64,271,646, leaving a remaining budget balance of \$782,154 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 the contingency for the construction contract (C810) for the Central Link Operations and Maintenance Facility in the Initial Segment)

(Year of Expenditure \$000)

Initial Segment	Adopted 2007 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	214,780	119,077		119,077	95,703
2 Preliminary Engineering	33,357	33,310		33,310	46
3 Final Design	147,167	145,078		145,078	2,088
4 Right of Way	217,516	198,444		198,444	19,072
5 Construction	1,174,572	1,063,190	2,000	1,065,190	109,382
6 Construction Services	90,037	88,472		88,472	1,566
7 Third Party Agreements	60,264	59,531		59,531	733
8 Vehicles	132,307	131,799		131,799	508
9 Total Current Budget	2,070,000	1,838,900	2,000	1,840,900	229,100
Construction Phase Detail					
10 C810 O&M Facility	65,054	62,272	2,000	64,272	782
12 Other Construction	1,109,519	1,000,919	-	1,000,919	108,600
13 Total Phase	1,174,572	1,063,190	2,000	1,065,190	109,382
Contract Amount (TBA)					
	Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
14 Contract Amount	53,998	61,588	-	53,998	61,588
15 Contingency	8,000	410	2,000	10,000	2,410
16 Total Contract	61,998	61,998	2,000	63,998	63,998
17 Percent Contingency	15%	1%	0%	19%	4%

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of November 2006 + approved and pending board actions not recorded as of 11/30/06, or submitted after that date.

M/W/DBE – SMALL BUSINESS PARTICIPATION

Kiewit Pacific Construction Company, the prime contractor for this contract, committed to 18% Small Business participation, with 12% M/W/DBE participation. To date, Kiewit has achieved 23.65% Small Business participation, with 13.95% M/W/DBE participation.

EEO Commitment and Apprenticeship 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 October report, the total workforce has 27% People of Color and 6% Women. Although only 18% of the workforce is apprentices, 33% of the apprentices are People of Color and 12% are Women.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The C810 construction contract is comprised of the construction of the Central Link Operations and Maintenance Facility 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.

Construction is approximately 99% 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 addition, there have been significant increases to the Project Labor Agreement Wage Rate Escalation costs.

The Operations and Maintenance Facility was originally scheduled to be substantially completed by April 14, 2006. A Notice of Substantial Completion was issued to the Contractor effective November 3, 2006.

Prior Board/Committee Actions on this Project

Motion/Resolution Number and Date	Summary of Action
M2006-35 4/27/06	Authorized 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.
M2003-81 8/14/03	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.

CONSEQUENCES of DELAY

A delay in approval of this action beyond January 2007 could cause delays and inefficiencies in completion of the C810 Operations and Maintenance Facility.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI 12/08/06

LEGAL REVIEW

DLB 12/29/06

SOUND TRANSIT

MOTION NO. M2007-07

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 the Central Link Operations and Maintenance Facility in the amount of \$2,000,000 for a new total authorized contract amount not to exceed \$63,997,800.

Background:

The C810 construction contract is comprised of the construction of the Central Link Operations and Maintenance Facility 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.

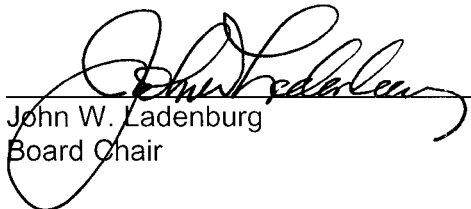
Construction is approximately 99% complete. Since the start of construction, various unforeseen conditions have arisen. Foremost among these changes to date are additional costs associated with on-site remediation and/or removal of unforeseen hazardous and contaminated material and the handling of unsuitable 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 addition, there have been significant increases to the Project Labor Agreement Wage Rate Escalation costs.

The Operations and Maintenance Facility was originally scheduled to be substantially completed by April 14, 2006. A Notice of Substantial Completion was issued to the Contractor effective November 3, 2006.

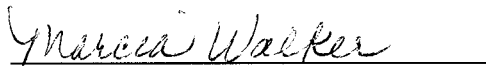
Motion:

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 the Central Link Operations and Maintenance Facility in the amount of \$2,000,000 for a new total authorized contract amount not to exceed \$63,997,800.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 11, 2007.


John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator