

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2007-33

Contract Amendment for the Mercer Island Park and Ride/N. Mercer Way Project

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	2/15/07	Discussion/Possible Action to Recommend to Board	Jim Edwards, Acting Director, Capital Projects	(206) 398-5037
Board	2/22/07	Action	Christine Engler, Construction Program Manager	(206) 398-5056

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	✓
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Mercer Island Park and Ride/N. Mercer Way

PROPOSED ACTION

Authorizes the chief executive officer to increase the contingency for the contract with Howard S. Wright Construction Co. for the Mercer Island Park and Ride/N. Mercer Way project in the amount of \$1,500,000, for a new total authorized contract amount not to exceed \$10,476,000.

KEY FEATURES of PROPOSED ACTION

- In September 2006, Sound Transit was informed by the contractor of an issue with one of the beams supporting the upper deck of the garage. In early October 2006, the designer of the facility became concerned that the beam posed a potential safety issue and the project site was shut down as a result. While concerns about safety on the job site were resolved immediately, the designer's investigations to determine why the beam cracked led the designer to re-evaluate the design of the facility. The designer proposed revisions to the designs of two other upper deck beams, and also proposed revisions to many other structural components of the facility.
- The contractor's schedule for the project has been impacted twice as a result of these issues. The first was one day in October for the safety issue; the direct and indirect costs paid to the contractor by change order were over \$19,000. The second impact was 64 days for the investigation and re-design of the two beams. The direct and indirect costs to be paid to the contractor by change order are about \$417,000. As a result of this last change order, construction contract contingency would be reduced to just over \$200,000.
- The remaining revisions proposed by the designer will require significant structural changes to the already completed portions of the garage. Given the fact that the contractor is in the

final stages of construction, these revisions will have a significant impact on both the schedule and cost to complete the project.

- Stop work orders and work directives to re-sequence construction activities have already been issued to the contractor for some parts of the work that would be impacted by the proposed revisions.
- The full impact on project schedule and cost will not be resolved for some time. However, taking immediate action to issue a work directive to incorporate the proposed revisions into the facility will save both time and cost. Therefore, staff is requesting that the construction contract contingency be increased by \$1,500,000 to cover the estimated cost of the work. This contingency will be drawn down as change orders are negotiated for the actual impacts of the work. Any unused contract contingency would be returned to the project budget at the completion of construction.

BUDGET IMPACT SUMMARY

Current Project Phase: Construction
 Projected Completion Date: 2007

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task		
Budget Amendment Required	✓	The budget amendment is proposed in Resolution No. R2007-03.

Key Financial Indicators:	✓	Comments on Checked Items
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 Mercer Island Park and Ride/N. Mercer Way project (#354) was included in the Adopted 2007 Budget with a total project budget of \$14,644,939. The construction phase budget is \$10,730,035. Total commitments against this project budget through February 12, 2007 are \$13,750,910.

The proposed action would authorize the chief executive officer to increase the contingency for the contract with Howard S. Wright Construction Co. for the Mercer Island Park and Ride/N. Mercer Way project in the amount of \$1,500,000, for a new total authorized contract amount not to exceed \$10,476,000.

Resolution No. R2007-03 proposes to move \$2,184,433 from the East King County Regional Express Program Reserve into the project budget. The construction phase would increase by \$2,000,000. This amount includes the addition of \$500,000 to the unallocated construction phase contingency, as well as the \$1,500,000 for the proposed action. The administration phase of the project would receive \$123,941 to cover the projected overhead commitment

shortfall due to the increased project budget. The preliminary engineering/EIS phase budget would be increased by \$60,492 to cover the phase level shortfall that currently exists.

The proposed action will result in a construction phase balance of \$743,494 and a project balance of \$1,578,462.

BUDGET TABLE

The Mercer Island Park and Ride/N. Mercer Way project (#354) was included on page 153 of the Proposed 2007 Budget book with a total project budget of \$14,644,939. Resolution No. R2007-03 would amend this budget to increase the total project budget by \$2,184,433. The impact of the proposed budget transfers and actions is illustrated below:

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

Project: 354 - Mercer Island Park-and-Ride/N. Mercer Way

	Adopted 2007 Budget ¹ (A)	Proposed Budget Amendment ² (B)	Revised 2007 Budget (C)	Committed To Date ³ (D)	This Action (E)	Total Committed & Action (F)	Uncommitted (Shortfall) (G)
1 Agency Administration	\$ 876	\$ 124	\$ 1,000	\$ 884	\$ -	\$ 884	\$ 116
2 Preliminary Engineering	\$ 1,423	\$ 60	\$ 1,483	\$ 1,483	\$ -	\$ 1,483	\$ -
3 Final Design	\$ 855	\$ -	\$ 855	\$ 660	\$ -	\$ 660	\$ 195
4 Right of Way	\$ 251	\$ -	\$ 251	\$ 237	\$ -	\$ 237	\$ 13
5 Construction	\$ 10,730	\$ 2,000	\$ 12,730	\$ 10,487	\$ 1,500	\$ 11,987	\$ 743
6 Contingency	\$ 511	\$ -	\$ 511	\$ -	\$ -	\$ -	\$ 511
7 Total Current Budget	\$ 14,645	\$ 2,184	\$ 16,829	\$ 13,751	\$ 1,500	\$ 15,251	\$ 1,578

Phase Budget Detail

8 Construction	\$ 10,730	\$ 2,000	\$ 12,730	\$ 10,487	\$ 1,500	\$ 11,987	\$ 743
9 Misc. Activity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10 Total Phase	\$ 10,730	\$ 2,000	\$ 12,730	\$ 10,487	\$ 1,500	\$ 11,987	\$ 743

Contract Budget	Current Approved Contract Value (H)	Spent to Date (I)	Proposed Action (J)	Proposed Total Contract Value (K)
11 Howard S. Wright	\$ 8,160	\$ 6,134	\$ -	\$ 8,160
12 Contingency	\$ 816	\$ 611	\$ 1,500	\$ 2,316
13 Total	\$ 8,976	\$ 6,745	\$ 1,500	\$ 10,476
14 Percent Contingency	10%		0%	28%

Notes:

¹ Project budget is located on page 153 of the Proposed 2007 Budget book. The Adopted 2007 Budget was approved by the Board on December 14, 2006.

² The proposed budget amendment would reallocate \$2,184,433 from the East King County Program Reserve.

³ Committed to date amount includes actual outlays and commitments through February 12, 2007.

SMALL BUSINESS PARTICIPATION

Not applicable for this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The Mercer Island Park and Ride/N. Mercer Way project will include a two-story parking garage and related passenger amenities at the existing Mercer Island Park and Ride lot. The garage will provide 450 parking stalls on two levels, increasing the capacity of the existing lot by approximately 200 stalls. Improvements to the bus boarding areas along N. Mercer Way will double their capacity, and provide new bus shelters, lighting, and signing. Additional amenities include CCTV surveillance, landscaping, and public art.

During 2004, the Federal Transit Administration issued the Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) under the National Environmental Policy Act (NEPA), and Sound Transit issued the Adoption of Existing Environmental Document and Determination of Nonsignificance (DNS) under the State Environmental Policy Act (SEPA) for the Mercer Island Park-and-Ride/N Mercer Way project. No appeals were received on the EA, or the DNS.

A construction contract was executed with Howard S Wright Construction Co. early in 2006.

Prior Board/Committee Actions on this Project

Motion or Resolution Number and Date	Summary of Action
M2006-10 1/26/06	Authorized execution of a contract with Howard S. Wright Construction Co. to construct a 450-stall parking garage and related transit amenities at the Mercer Island Park-and-Ride in the amount of \$8,160,000, with a 10% contingency of \$816,000, for a total authorized contract amount not to exceed \$8,976,000.
M2005-91 9/1/05	Executed a contract with Harris and Associates to provide construction management services for a parking garage at the Mercer Island Park-and-Ride.
M2004-119 12/2/04	Executed a contract with URS Corporation to provide final design services for the Mercer Island Park-and-Ride/N Mercer Way project in the amount of \$890,623, with a 10% contingency of \$89,062, for a total authorized contract amount not to exceed \$979,685.

CONSEQUENCES of DELAY

Time is of the essence. Any delay in obtaining the authority needed to undertake the proposed revisions will increase the cost of the work.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

SSK 2-14-07

LEGAL REVIEW

JN 2/14/07

SOUND TRANSIT

MOTION NO. M2007-33

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 Howard S. Wright Construction Co. for the Mercer Island Park and Ride/N. Mercer Way project in the amount of \$1,500,000, for a new total authorized contract amount not to exceed \$10,476,000.

Background:

The Mercer Island Park and Ride/N. Mercer Way project will include a two-story parking garage and related passenger amenities at the existing Mercer Island Park and Ride lot. The garage will provide 450 parking stalls on two levels, increasing the capacity of the existing lot by approximately 200 stalls. Improvements to the bus boarding areas along N. Mercer Way will double their capacity, and provide new bus shelters, lighting, and signing. Additional amenities include CCTV surveillance, landscaping, and public art.

During 2004, the Federal Transit Administration issued the Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) under the National Environmental Policy Act (NEPA), and Sound Transit issued the Adoption of Existing Environmental Document and Determination of Nonsignificance (DNS) under the State Environmental Policy Act (SEPA) for the Mercer Island Park-and-Ride/N Mercer Way project. No appeals were received on the EA, or the DNS.

A construction contract was executed with Howard S. Wright Construction Co. early in 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 Howard S. Wright Construction Co. for the Mercer Island Park and Ride/N. Mercer Way project in the amount of \$1,500,000, for a new total authorized contract amount not to exceed \$10,476,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 8, 2007.



John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator