

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2008-03

**Amending the Adopted 2008 Budget for the
Totem Lake Freeway Station/NE 128th Project**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	2/21/08	Discussion/Possible Action to Recommend Board Approval	Jim Edwards, Director, Capital Projects	206-398-5436
Board	2/28/08	Action	Hank Howard, Project Manager,	206-398-5078

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

PROJECT NAME

Totem Lake Freeway Station/NE 128th

PROPOSED ACTION

Amend the Adopted 2008 Budget to: (a) increase the Totem Lake Freeway Station/NE 128th Project lifetime budget from \$76,262,591 to \$80,338,777, and to adopt revised phase level budgets consistent with the project budget increase; (b) increase the Totem Lake Freeway Station/NE 128th Project Adopted 2008 Annual Budget from \$110,433 to \$3,175,522 and (c) amend the Adopted 2008 Lifetime Budget for the Regional Express East King County Program Reserve from \$22,801,958 to \$18,725,772.

KEY FEATURES of PROPOSED ACTION

- In December 2006, the contractor removed the forms and temporary structures supporting the concrete direct access ramps to and from the north on I-405. They discovered longitudinal cracks in the concrete paving and settlement of the concrete paving in the bus stop areas of the ramps overhanging the freeway.
- WSDOT Bridge and Structures Office was the designer of the ramps and determined that the cracking and settlement were due to a design error, which underestimated the steel reinforcing required in the concrete slabs.
- In order to mitigate delay and cost impacts to the project, and with the Board's approval, Sound Transit agreed to fund the costs to rectify this error up front, while pursuing full reimbursement of those costs from WSDOT.

- Based on a review of the change orders or potential change orders and/or outstanding issues that could become change orders and any anticipated bid item overruns/underruns, WSDOT and Sound Transit predict that an additional \$3.8 million is needed to ensure there is adequate funding available for the replacement of the failed portion of the northern direct access ramps and completion of the project.
- This action amends the Adopted 2008 Budget to reflect the expected demolition and repair costs related to WSDOT design errors and resolves the estimated funding shortfall for Totem Lake Freeway Station/NE 128th.
- The Governor's 2008 Proposed Budget includes \$6 million for WSDOT, in order to fully reimburse Sound Transit for the expected demolition and repair costs related to the WSDOT design error.

BUDGET IMPACT SUMMARY

Current Project Phase: Construction
 Projected Completion Date: 2008

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project	✓	
This Phase		
This Task		
Budget Amendment Required	✓	\$4.1 million will be transferred from the East King County Program Reserve.

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 proposed resolution would amend the Adopted 2008 Budget for the Totem Lake Freeway Station project to reflect a transfer from the Regional Express East King County Program Reserve in the amount of \$4,076,186. As shown in the tables below, the transfer would make the Adopted 2008 lifetime budget for the project \$80,338,777 and the Adopted 2008 annual budget \$3,175,522. The remaining East King County Regional Express Program Reserve balance will be \$18,725,772. There would be no change in the total lifetime Regional Express East King County Program, but it will increase the 2008 spending plan for the program and the East King County subarea by \$3.1 million.

The description of the basis for this budget amendment is included in the staff report of Motion M2008-24, which will be considered by the Board concurrently with this action.

BUDGET TABLE

BUDGET AMENDMENT

2008 LIFETIME BUDGET

	Adopted 2008 Budget ¹	Proposed Budget Amendment ²	Revised 2008 Budget
140 - Totem Lake Freeway Station	(A)	(B)	(C)
1 Agency Administration	\$ 4,329,295	\$ 221,615	\$ 4,550,910
2 Preliminary Engineering	\$ 6,283,051	\$ -	\$ 6,283,051
3 Final Design	\$ 4,563,900	\$ 183	\$ 4,564,083
4 Right of Way	\$ 2,046,518	\$ -	\$ 2,046,518
5 Construction	\$ 59,029,044	\$ 3,865,171	\$ 62,894,215
6 Contingency	\$ 10,783	\$ (10,783)	\$ -
7 Total Current Budget	\$ 76,262,591	\$ 4,076,186	\$ 80,338,777
8 East King County Program Reserves	\$ 22,801,958	\$ (4,076,186)	\$ 18,725,772

2008 ANNUAL BUDGET

	Adopted 2008 Annual Budget	Proposed Budget Amendment	Revised 2008 Annual Budget
140 - Totem Lake Freeway Station			
Agency Administration	\$ 8,207	\$ 166,211	\$ 174,418
Preliminary Engineering	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -
Right of Way	\$ -	\$ -	\$ -
Construction	\$ 102,225	\$ 2,898,878	\$ 3,001,104
Contingency	\$ -	\$ -	\$ -
Total Current Budget	\$ 110,433	\$ 3,065,089	\$ 3,175,522

Notes:

¹ The Totem Lake Freeway Station project budget is located on page 142 of the Proposed 2008 Budget book and the East King County Program reserve budget is on page 173. The Adopted 2008 Budget was approved by the Board on November 29, 2007.

² The proposed budget amendment would reallocate \$4,076,186 from the East King County Regional Express Program Reserve.

SMALL BUSINESS PARTICIPATION

Not applicable for this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The Totem Lake Freeway Station Project connects NE 128th Street across I-405 and provides direct access to the Totem Lake area of Kirkland from the north and southbound HOV lanes on I-405, including the Kingsgate Park-and-Ride Lot and the Totem Lake Transit Center to be located on the Evergreen Hospital campus.

The project is funded by Sound Transit and a grant from the Federal Transit Administration. WSDOT performed the engineering design work and is the construction manager for the project.

Construction of the project has been underway since June 2005 by Max J. Kuney Company. In December 2006, the contractor removed the forms and temporary structures supporting the concrete direct access ramps to and from the north on I-405. Both the contractor and construction inspectors discovered long cracks in the concrete paving and settlement of the concrete paving in the bus stop areas of the ramps overhanging the freeway. The WSDOT Bridge and Structures Office was the designer of the concrete paving for the ramps and performed an investigation that determined the cracking and settlement were due to design errors. During the course of alternatives development, independent review, and discussions with the contractor, the Bridge and Structures Office and Sound Transit jointly determined that the only real option to ensure long-term performance, durability, and safety of the ramps structure was to remove and replace the defective portions of the concrete.

Sound Transit agreed to provide the initial funding necessary to complete the project while WSDOT sought the funding needed to reimburse Sound Transit from the Legislature. WSDOT predicts the final cost to demolish and replace the ramps structure will be approximately \$6 million. In accordance with a WSDOT commitment to Sound Transit, the Governor's 2008 Proposed Budget includes \$6 million for WSDOT, in order to fully reimburse Sound Transit for the expected cost to demolish and replace the failed portion of the northern direct access ramps.

The budget amendment is needed to ensure that adequate funding is available to complete the project.

An Environmental Assessment (EA) was prepared for the Totem Lake Freeway Station and Totem Lake Transit Center projects in compliance with the National Environmental Policy Act (NEPA). The EA was issued in May 2002 and the Federal Highway Administration and Federal Transit Administration issued a Finding of No Significant Impact (FONSI) on November 13, 2002. The EA and FONSI were adopted under the Washington State Environmental Policy Act (SEPA) and the Determination of Nonsignificant was issued on November 13, 2002. There are no changes in the project requiring further environmental documentation.

Prior Board/Committee Actions

Motion/Resolution Number and Date	Summary of Action
M2007-39 3/22/07	Authorized the chief executive officer to (1) increase the contingency for GCA 3361 Task Order Agreement A-5 with the Washington State Department of Transportation for the Totem Lake Freeway Station/NE 128 th project in the amount of \$2,178,519, for the purpose of funding corrective work required because of design errors, for a new total authorized agreement amount not to exceed \$57,221,094, and (2) seek reimbursement of the repair costs through the established contractual process in accord with Federal Transit Administration grant requirements.
M2005-35 4/28/05	Authorized the Chief Executive Officer to execute Agreement GCA 3361 Task Order A-5 with the Washington State Department of Transportation to provide construction and construction management of the Totem Lake Freeway Station Project in the amount of \$52,421,500, with a 5% contingency of \$2,621,075, for a total authorized Task Order amount not to exceed \$55,042,575.

CONSEQUENCES of DELAY

A delay in obtaining the additional project budget authority may delay payment of project invoices from WSDOT.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

SSK 1-29-08

LEGAL REVIEW

JW 2/11/08

SOUND TRANSIT

RESOLUTION NO. R2008-03

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2008 Budget to: (a) increase the Totem Lake Freeway Station/NE 128th Project lifetime budget from \$76,262,591 to \$80,338,777, and to adopt revised phase level budgets consistent with the project budget increase; (b) increase the Totem Lake Freeway Station/NE 128th Project Adopted 2008 Annual Budget from \$110,433 to \$3,175,522 and (c) amend the Adopted 2008 Lifetime Budget for the Regional Express East King County Program Reserve from \$22,801,958 to \$18,725,772.

WHEREAS, a Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, on November 5, 1996, at a general election held within the Central Puget Sound Regional Transit Authority district, the voters approved local funding for high capacity transit in the Central Puget Sound Region; and

WHEREAS, by Resolution No. R2007-25, the Sound Transit Board adopted the 2008 budget on November 29, 2007; and

WHEREAS, on April 28, 2005, through Motion No. M2005-35, the Sound Transit Board authorized a task order with the Washington State Department of Transportation in accordance with the Board approved "Umbrella Agreement," GCA-3361, to provide construction and construction management of the Totem Lake Freeway Station Project; and

WHEREAS, the need has arisen to amend Sound Transit's construction task order agreement with the Washington State Department of Transportation (WSDOT) for WSDOT's actual costs to complete the project; and

WHEREAS, there is insufficient budget to fund the additional costs of WSDOT's payments to Max J. Kuney Company and the additional costs for WSDOT to administer the contract and the closeout process; and

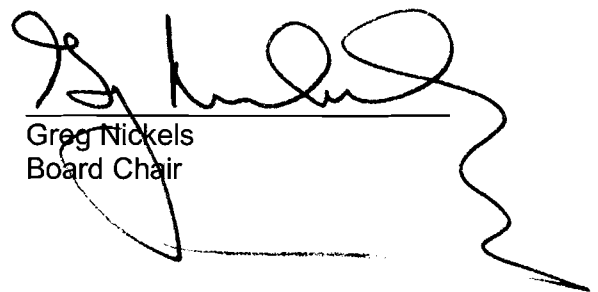
WHEREAS, said budget amendment is consistent with and affordable under Board-adopted financial policies as established by Resolution No. R72-1; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2008 Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

Section 1. The Adopted 2008 Budget is hereby amended to: (a) increase the Totem Lake Freeway Station/NE 128th Project lifetime budget from \$76,262,591 to \$80,338,777, and to adopt revised phase level budgets consistent with the project budget increase; (b) increase the Totem Lake Freeway Station/NE 128th Project Adopted 2008 Annual Budget from \$110,433 to \$3,175,522; and (c) amend the Adopted 2008 Lifetime Budget for the Regional Express East King County Program Reserve from \$22,801,958 to \$18,725,772.

ADOPTED by a 2/3 majority of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 28, 2008.



Greg Nickels
Board Chair

ATTEST:

Marcia Walker
Marcia Walker
Board Administrator