

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2009-25**

**Contingency Increase for Southcenter Boulevard Improvements Construction Contract**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	3/19/09	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	3/26/09		<b>Joe Gildner, Initial Segment Project Director</b>	(206) 689-3350

<b>Contract/Agreement Type:</b>	✓	<b>Requested Action:</b>	✓
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**

Central Link Initial Segment

**PROPOSED ACTION**

Authorizes the chief executive officer to increase the contingency for the contract with SCl Infrastructure, to provide construction services for Southcenter Boulevard Improvements (including an expanded Park-and-Ride facility within the Central Link Initial Segment) in the amount of \$2,606,443 for a total authorized contract amount not to exceed \$26,342,690, which includes costs reimbursable to Sound Transit from the City of SeaTac and other third parties for betterment work.

**KEY FEATURES of PROPOSED ACTION**

- This project includes the construction of street and utility improvements along Southcenter Boulevard in accordance with the terms of the Development and Transitway Agreement between Sound Transit and the City of Tukwila. The improvements include a supplemental park-and-ride with 162 parking spaces at the Tukwila International Boulevard Station, and a regional stormwater detention facility in Gilliam Creek, in lieu of an onsite underground stormwater detention vault in the Tukwila International Boulevard Station main parking lot.
- To date, the overall work in the project is approximately 90% complete. The major elements of work that are essentially complete include subsurface utilities, the supplemental park-and-ride facility, earthwork and initial roadway grading, all permanent retaining walls, and light-side concrete (sidewalks, curbs, and gutters).
- The proposed action will increase the contract contingency to address additional costs associated with both revised contract quantities beyond those originally anticipated and adjustments due to actual field conditions, including but not limited to differing site conditions. This contingency also address potential issues associated with the completion of the work. This remaining work includes the final paving, and the installation of landscaping, street lights and traffic signals.
- The contract was originally advertised, bid and awarded as a unit cost contract. The original quantities for earthwork, paving, utilities, and landscaping as a result of a number of unforeseen and differing site conditions related to subsurface utility and drainage facility work.

- The project completion date remains June 25, 2009. The proposed action addresses all claims or potential claims for inefficiencies, delays, and acceleration associated with this completion date, provided, however that Seattle City Light and other third party work is completed by April 6, 2009. Seattle City Light's performance to date on this infrastructure as well as other completed elements of the Initial Segment provides a high level of confidence that this interim milestone will be reached.
- The previously authorized contract amount of \$23,736,247 included costs reimbursable to Sound Transit from the City of SeaTac and other third parties in the amount of \$1,282,909 for betterment work. The proposed action will reduce this amount by \$72,129 for a revised total of \$1,210,780 for betterment work. The reduction in reimbursable costs reflects the difference between the reduced scope City of SeaTac work and an increased scope for Qwest betterment work.

**BUDGET IMPACT SUMMARY**

Current Project Phase: Construction  
 Projected Completion Date: 2009

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 in financial plan)	✓	Proposed action reduces the costs approved in prior actions for betterment work that will be reimbursed to Sound Transit by the City of SeaTac and other third parties.

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 Adopted 2009 Lifetime Capital Budget for the Central Link Initial Segment project is \$2.07 billion. Within that amount, \$22,453,338 has been set aside for Sound Transit's share of Southcenter Boulevard Improvements (C759 Tukwila Roadwork and Parking) in the construction phase. Since the budget for this line item is fully committed, the proposed action would increase commitments to a revised total commitment of \$25,131,910 and result in a shortfall of \$2,678,572, which will be funded from unallocated contingency within the construction phase.

Of the \$26,000,786 set aside for unallocated contingency within the construction phase, \$18,258,977 remains unutilized. If the proposed action is approved, that amount would be reduced by \$2,678,572, leaving a budget balance of \$15,580,405 for construction phase unallocated contingency.

The previous total authorized contract amount for SCI Infrastructure included costs for betterment work in the amount of \$1,282,909, for which Sound Transit will receive reimbursement from third parties. The proposed action will reduce these costs by \$72,129 to a revised total of \$1,210,780 for betterment work, which includes: \$919,659 from the City of SeaTac, \$62,382 from Water District No. 125, \$171,563 from Qwest, and \$57,176 from Comcast.

The proposed action is consistent within the current adopted lifetime 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:** SCI Infrastructure (increase contract contingency to provide construction services for Southcenter Boulevard Improvements (C759 Roadway and Parking) within the Central Link Initial Segment project)

(Year of Expenditure \$000)

<b>Initial Segment</b>	Adopted 2009 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	189,213	172,062		172,062	17,152
Preliminary Engineering	33,289	33,310		33,310	(21)
Final Design	147,208	146,901		146,901	307
Right of Way	207,171	203,927		203,927	3,244
Construction	1,194,991	1,161,008	2,679	1,163,686	31,305
Construction Services	102,960	101,743		101,743	1,217
Third Party Agreements	62,861	63,413		63,413	(552)
Vehicles	132,307	131,799		131,799	508
<b>Total Current Budget</b>	<b>2,070,000</b>	<b>2,014,162</b>	<b>2,679</b>	<b>2,016,841</b>	<b>53,159</b>

<b>Construction Phase Detail</b>					
C759 Roadwork and Parking	22,453	22,453	2,679	25,132	(2,679)
Other Construction	1,146,537	1,130,813		1,130,813	15,724
Construction Unalloc Contingency	26,001	7,742		7,742	18,259
<b>Total Phase</b>	<b>1,194,991</b>	<b>1,161,008</b>	<b>2,679</b>	<b>1,163,686</b>	<b>31,305</b>

<b>Contract Amount</b>	Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
Contract Amount	21,318	22,471	-	21,318	22,471
Contingency	2,419	1,265	2,606	5,025	3,872
<b>Total Contract</b>	<b>23,736</b>	<b>23,736</b>	<b>2,606</b>	<b>26,343</b>	<b>26,343</b>
Percent Contingency	11%	6%	0%	24%	17%
Less Betterments	1,283	1,283	(72)	1,211	1,211
<b>Total Sound Transit Share</b>	<b>22,453</b>	<b>22,453</b>	<b>2,679</b>	<b>25,132</b>	<b>25,132</b>

(A) ADOPTED 2009 BUDGET amounts as adopted by resolution of the Sound Transit Board (R2008-14, approved 12/11/08).

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of January 2009 + approved and pending board actions not recorded as of 1/31/09, or submitted after that date, and include allocated contingencies.

(1) "SHORTFALL" to the Adopted 2009 Budgets for Preliminary Engineering and Third Party phases: "Committed to Date" amounts shown here include contingencies allocated for preliminary engineering contracts and third party agreements that will not be used. Adjustments are in process.

<b>Budget Shortfall Task Level</b>	\$Shortfall (K)	Potential Resources (L)	Source (M)
C759 Roadwork and Parking	2,679	18,259	Construction phase unallocated contingency

**SMALL BUSINESS PARTICIPATION**

Prime Consultant/Contractor

For this project, SCI Infrastructure committed to 17.23% Small Business participation. To date, contract participation goal attainment is 16.4%. SCI is projected to meet or exceed its committed participation goal.

EEO Commitment

SCI's workforce demographics are 18.9% people of color and 16.5% women.

Apprentice Utilization Commitment

SCI committed to a 20% apprentice utilization goal. SCI has been able to attain 2.8% apprentice participation to date, 5.8% if students are included. 50.7% of the apprentice work hours have been performed by people of color and 12.5% of the apprentice work hours have been performed by women.

**PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

The Southcenter Boulevard Improvements contract includes the construction of street and utility improvements along Southcenter Boulevard in accordance with the terms of the Development and Transitway Agreement between Sound Transit and the City of Tukwila. The improvements include a supplemental park-and-ride with 162 parking spaces at the Tukwila International Boulevard Station, and a regional stormwater detention facility in Gilliam Creek, in lieu of an onsite underground stormwater detention vault in the Tukwila International Boulevard Station main parking lot. The scope also includes the undergrounding of a short section of existing overhead lines along International Boulevard. The cost of this work is being reimbursed an intergovernmental agreement approved by the SeaTac City Council and the Sound Transit Board.

The Southcenter Boulevard Improvements contract was originally advertised, bid and structured as a unit price contract in order to attract competition among qualified contractors that typically perform roadway and utility work for municipal improvement projects. Sound Transit advertised this project in November 2007 as a competitive bid through local and regional publications and received four bids. In January 2008, Motion No. M2008-12 awarded the contract to SCI Infrastructure.

This action addresses additional costs associated with revised contract quantities and quantity adjustments due to actual field conditions.

The primary potential risks associated with the remaining work include:

- The potential for encountering underground utility conflicts and unsuitable soils associated with pole base installation and grading of driveways.
- The potential for encountering further unforeseen and unforeseeable conditions in connection with private property restoration, including grading, fencing, cleanup, and repairs, and driveway complete.
- The potential for encountering unforeseen and unforeseeable conditions associated with paving some sections of Southcenter Boulevard. Southcenter Blvd. is an older road with varying pavement thicknesses; consequently there is still the possibility that areas designated for grinding and overlay may not hold up to the grinding process and will therefore require additional or alternative measures.
- The potential for additional requirements from third-party stakeholders (i.e. City of Tukwila, City of SeaTac, and WSDOT).
- The potential that Seattle City Light will not complete its work on this job by April 6, 2009.

**Prior Board/Committee Actions**

<b>Motion/Resolution Number &amp; Date</b>	<b>Summary of Action</b>
M2008-12 01/24/08	Authorized the chief executive officer to execute a contract with SCI Infrastructure, LLC to provide construction services for Southcenter Boulevard improvements and an expanded park-and-ride facility within the Central Link Initial Segment project in the amount of \$21,317,365, with a contingency of \$2,131,737, for a total authorized contract amount not to exceed \$23,449,102, which includes reimbursable costs to Sound Transit from the City of SeaTac and other third parties for betterments.
M2004-104 10/21/04	Executed a Development and Transitway Agreement with the City of Tukwila specifying the terms and conditions for development of the Tukwila Freeway Route (TFR) Project and to allow the use of City of Tukwila street right-of-way; and to execute all other subsequent agreements as may be necessary to implement this Agreement, subject to approval of the 2005 budget.

**CONSEQUENCES of DELAY**

A delay beyond March 2009 in approval of this action could cause delays and inefficiencies in completion of the C759 construction contract which could impact the City of Tukwila's approval of final occupancy permits.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**ENVIRONMENTAL COMPLIANCE**

Jl, 02/27/09

**LEGAL REVIEW**

JN, 3/13/09

## SOUND TRANSIT

### MOTION NO. M2009-25

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 SCI Infrastructure, to provide construction services for Southcenter Boulevard Improvements (including an expanded Park-and-Ride facility within the Central Link Initial Segment) in the amount of \$2,606,443 for a total authorized contract amount not to exceed \$26,342,690, which includes costs reimbursable to Sound Transit from the City of SeaTac and other third parties for betterment work.

#### **Background:**

The Southcenter Boulevard Improvements contract includes the construction of street and utility improvements along Southcenter Boulevard in accordance with the terms of the Development and Transitway Agreement between Sound Transit and the City of Tukwila. The improvements include a supplemental park-and-ride with 162 parking spaces at the Tukwila International Boulevard Station, and a regional stormwater detention facility in Gilliam Creek, in lieu of an onsite underground stormwater detention vault in the Tukwila International Boulevard Station main parking lot. The scope also includes the undergrounding of a short section of existing overhead lines along International Boulevard. The cost of this work is being reimbursed an intergovernmental agreement approved by the SeaTac City Council and the Sound Transit Board.

Sound Transit advertised this project in November 2007 as a competitive bid through local and regional publications and received four bids. In January 2008, Motion No. M2008-12 awarded the contract to SCI Infrastructure. The contract was originally advertised and structured as a unit price contract in order to attract competition among qualified contractors that typically perform roadway and utility work for municipal improvement projects. Due to a number of circumstances, including unforeseen and unforeseeable increases in quantities, differing site conditions and actual field and weather conditions, additional contingency is sought to cover the consequent costs.

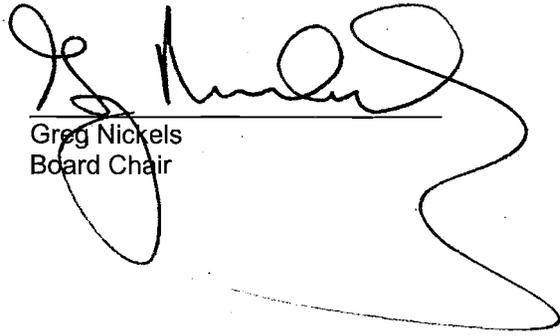
The primary potential risks associated with the remaining work include:

- The potential for encountering underground utility conflicts and unsuitable soils associated with pole base installation and grading of driveways.
- The potential for encountering further unforeseen and unforeseeable conditions in connection with private property restoration, including grading, fencing, cleanup, and repairs, and driveway complete.
- The potential for encountering unforeseen and unforeseeable conditions associated with paving some sections of Southcenter Boulevard. Southcenter Blvd. is an older road with varying pavement thicknesses; consequently there is still the possibility that areas designated for grinding and overlay may not hold up to the grinding process and will therefore require additional or alternative measures.
- The potential for additional requirements from third-party stakeholders (i.e. City of Tukwila, City of SeaTac, and WSDOT).
- The potential that Seattle City Light will not complete its work on this job by April 6, 2009.

**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 SCI Infrastructure, to provide construction services for Southcenter Boulevard Improvements (including an expanded Park-and-Ride facility within the Central Link Initial Segment) in the amount of \$2,606,443 for a total authorized contract amount not to exceed \$26,342,690, which includes costs reimbursable to Sound Transit from the City of SeaTac and other third parties for betterment work.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 26, 2009.



Greg Nickels  
Board Chair

ATTEST:



Marcia Walker  
Board Administrator