



SOUND TRANSIT CAPITAL COMMITTEE MEETING
Summary Minutes
June 9, 2011

CALL TO ORDER

The meeting was called to order at 1:37 p.m. by Committee Chair Fred Butler, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

ROLL CALL

Chair

(P) *Fred Butler, Issaquah Deputy Council President*

Vice Chair

(P) *Julia Patterson, King County Councilmember*

Boardmembers

(P) *Claudia Balducci, Bellevue Councilmember*

(P) *Richard Conlin, Seattle Council President*

(P) *Jake Fey, Tacoma Councilmember*

(P) *Joe Marine, City of Mukilteo Mayor*

(P) *Joe McDermott, King County Councilmember*

(A) *Mike McGinn, City of Seattle Mayor*

(A) *Larry Phillips, King County Councilmember*

Mr. Alex Herzog, Board Coordinator, announced that a quorum of the Committee was present at roll call.

REPORT OF THE CHAIR

None.

CEO REPORT

CEO Joni Earl reported that the simplified fare structure approved by the Board last year went into effect on June 1, 2011. Adult fares on Link increased a quarter. The costs of trips are now between \$2 and \$2.75. King County became a one-zone structure, adult fares in one county are \$2.50, and trips that cross a county line are \$3.50.

Due to Sounder construction from South Tacoma to Lakewood, Pacific Avenue will be closed for 11 months. The final segment is 1.4-miles long and service will be delivered in 2012. There has been a lot of outreach already. During construction, Sound Transit will work closely with Dome District and Hillside Development Group merchants to promote downtown businesses. The contractor has built a bypass road on South Tacoma Way, made improvements to detour routes, and installed temporary traffic signals to minimize traffic disruption.

The arbitration hearing in connection with the claim asserted on the Rainier Valley project between Sound Transit and the RCI/Herzog Joint Venture concluded on May 5, 2011. RCI/Herzog Joint Venture asserted numerous claims against Sound Transit arising from allegations of differing site conditions such as unknown contaminated material, incomplete design, and improper construction management. The "omnibus" claim filed near the completion of the project sought almost \$140 million. Over three or four years, many attempts were made by the Agency to negotiate a settlement to resolve the claim, but the Joint Venture refused to accept the settlement amount that

Sound Transit deemed reasonable based on the evaluation. The Board authorized an agreement with the contractor to allow the implementation of an alternate dispute resolution process.

Under the alternate resolution process, the parties would resolve all disputes between them through binding arbitration. The former members of the project's Dispute Review Board would act as the arbitrators. The hearing would begin within 10 months of the execution of the agreement, and would conclude in no more than 8 weeks. The parties agreed to "brackets" which means the contractor's recovery could not exceed a specified amount (\$85 million), nor could it be less than a specified amount (\$40 million). Sound Transit has already paid \$17.44 million on the claim, which would be credited toward the amount awarded to the contractor.

The hearing was continued from October to March as a result of the contractor altering its claim. It began on March 14, 2011 and was to be completed within the 8-week timeframe; it concluded after 39 days. Tens of thousands of pages of exhibits were introduced and 58 witnesses testified live, through deposition transcripts or through declarations. The hearing concluded pursuant to the arbitration agreement and agreements with the arbitration panel, the arbitrators are required to issue their ruling within 45 days of the last day of the hearing, or by June 20. Once the award is issued, there may be post-hearing motions relating to such things as interest and attorneys' fees.

Staff will inform the Board of the result and any necessary Board actions once the award is received.

REPORTS TO THE COMMITTEE

East Link Update

Don Billen, Link Light Rail Project Manager, Tony Raben, Link Light Rail Deputy Construction Manager, and Sue Comis, Link Light Rail Project Manager, gave an update on risk analysis and design options on East Link.

The risk assessment included several key objectives: evaluate the preliminary engineering and schedule with the goal of identifying the risks as early as possible to eliminate, mitigate, and avoid them. Each risk was evaluated on probability, cost impact, and time impact. Each risk was modeled through the project schedule, which simulated multiple project outcomes depending on risk, probability, and time. The risk profile was compared to University Link. East Link's risk profile is slightly higher than University Link's profile at the same point, preliminary engineering. The overall corridor project faces risks from delay in schedule. The City of Bellevue permitting process has not been well defined and is a risk. Cost estimates are being done in a down market. When the economy recovers, costs may rise depending upon year of expenditure.

Segment A faces risks regarding construction of a train-ready passage on the Interstate 90 bridge. The design is currently under development, and costs are not yet known. The Mount Baker and Mercer Island Lid tunnel will have to be retrofitted to accommodate light rail. Segment B, the South Bellevue portion, faces risks associated with the continued controversy about the alignment. There may be additional scope enhancements requested which would add risks to the schedule. Stakeholders are concerned about construction in the area, which is a risk to the permitting requirements. Segment C through downtown Bellevue faces risks relating to utility relocations, construction traffic mitigation, and coordination with multiple stakeholders during construction (residents, services, utility providers, traffic, etc.).

Confidence level for the project is at 65-75%, which is expected at this stage. A number of risks identified are reflective of the current stage of design and are normal. Sound Transit's practice is

to baseline projects at around an 80% confidence level. Staff expects to reach the 80% confidence level about midway through final design. The current schedule includes approximately one year of delay. Revenue service to Overlake would begin in 2022 with an at-grade configuration and in 2023 with a tunnel configuration.

A third entrance at the Bellevue Transit Center tunnel station may better serve downtown, but will cost an additional \$48 million. The cost for the third entrance is high because there is an underground parking structure in the same proposed location as the entrance. The \$48 million for the third entrance is in addition to the \$300 million cost of the tunnel. A pedestrian walkway at the Overlake Hospital station will cost an additional \$1.5 million.

Positive Train Control

Eric Beckman, Project Director, described Positive Train Control (PTC); it is an integrated overlay safety system for controlling train movements. PTC protects against human frailties and monitors position and speed of trains. These systems have to be interoperable between all train systems. PTC was addressed in the Rail Safety Improvement Act was enacted by Congress in October 2008, as a result of a 2008 accident where an operator violated a red light and collided with another train.

PTC cost estimates are about \$35-45 million and include program development and payments to BNSF for various planning and implementation costs. Some costs will be allocated to subareas. PTC must be in service by 2015 according to federally established deadline.

BUSINESS ITEMS

Minutes of the May 12, 2011 Capital Committee Meeting

It was moved by Boardmember Marine, seconded by Boardmember Fey, and carried by the unanimous vote of all Boardmembers present that the May 12, 2011 Capital Committee Minutes be approved as presented.

Motion No. M2011-41 - Authorizing the chief executive officer to execute a three-year contract with one two-year option to extend with EGM Inc. dba MENG Analysis to provide on-call project review services for a total authorized contract amount not to exceed \$1,700,000.

Don Davis, Link Light Rail Deputy Director, Henry Cody, Link Light Rail Construction Manager, and Rae Bennett, Link Civil & Structural Design Civil Engineering Manager, presented Motion Nos. M2011- 41, 42, 43 and 44. The on-call contracts will allow technical expertise in specialty areas where in-house expertise is not available.

It was moved by Boardmember Marine, seconded by Boardmember Fey, and carried by the unanimous vote of all Boardmembers present that Motion No. M2011-41 be approved as presented.

Motion No. M2011-42 - Authorizing the chief executive officer to execute a three-year contract with one two-year option to extend with HNTB Corporation to provide on-call project review services for a total authorized contract amount not to exceed \$1,700,000.

It was moved by Committee Vice Chair Patterson, seconded by Boardmember Marine, and carried by the unanimous vote of all Boardmembers present that Motion No. M2011-42 be approved as presented.

Motion No. M2011-43 - Authorizing the chief executive officer to execute a three-year contract with one two-year option to extend with KPFF Consulting Engineers to provide on-call architectural and engineering services for a total authorized contract amount not to exceed \$1,500,000.

It was moved by Committee Vice Chair Patterson, seconded by Boardmember Balducci, and carried by the unanimous vote of all Boardmembers present that Motion No. M2011-43 be approved as presented.

Motion No. M2011-44 - Authorizing the chief executive officer to execute a three-year contract with two additional one-year options to extend with Kristen Betty Associates, Inc. to provide on-call construction management services for a total authorized contract amount not to exceed \$1,000,000.

It was moved by Committee Vice Chair Patterson, seconded by Boardmember Fey, and carried by the unanimous vote of all Boardmembers present that Motion No. M2011-44 be forwarded to the Board with a do-pass recommendation.

Motion No. M2011-45 - Authorizing the chief executive officer to execute a contract amendment with Environmental Science Associates to provide on-call environmental services on an as-needed basis in the amount of \$865,000 for a new total authorized contract amount not to exceed \$2,725,000.

Ellie Ziegler, Senior Environmental Analyst, and Kunjan Dayal, Director of Procurements & Contracts, presented the staff report.

It was moved by Committee Vice Chair Patterson, seconded by Boardmember Balducci, and carried by the unanimous vote of all Boardmembers present that Motion No. M2011-45 be forwarded to the Board with a do-pass recommendation.

Motion No. M2011-46 - Authorizing the chief executive officer to increase the contingency for the contract with Pellco Construction, Inc. for construction of the Edmonds Station project in the amount of \$500,000, for a new total authorized contract amount not to exceed \$3,934,200.

Jerry Dahl, Capital Projects Project Manager, and Eric Beckman presented the staff report.

Public Comment (Comments on file with the Board Administrator)
Paul W. Locke

Boardmember Butler asked staff to respond to Mr. Locke.

It was moved by Boardmember Marine, seconded by Boardmember Conlin, and carried by the unanimous vote of all Boardmembers present that Motion No. M2011-46 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2011-04 - Authorizing the chief executive officer (1) acquire, dispose, or lease certain real property by negotiated purchase, by condemnation (including settlement of condemnation litigation), or entering into administrative settlements, and to pay eligible relocation and re-establishment benefits to affected owners and tenants as necessary for property interests needed for construction of the Brooklyn and Roosevelt Stations and certain tunnel alignment within the North Link Project – UW Station to Northgate project and (2) acquire and dispose of property interests owned by public entities, including acquisition by condemnation to the extent permitted by law, between the University of Washington Station and Northgate in the City of Seattle which are needed for construction, maintenance and operation of the light rail tunnel and stations.

Roger Hansen, Link Light Rail Real Property Manager, presented the staff report.

It was moved by Boardmember Fey, seconded by Boardmember Balducci, and carried by the unanimous vote of all Boardmembers present that Resolution No. R2011-04 be forwarded to the Board with a do-pass recommendation.

EXECUTIVE SESSION

None.

OTHER BUSINESS


None.

NEXT MEETING

Thursday, July 14, 2011
1:30 to 4:00 p.m.
Ruth Fisher Boardroom

ADJOURN

The meeting was adjourned at 3:21 p.m.



Fred Butler
Capital Committee Chair

ATTEST:



Alex Herzog
Board Coordinator

APPROVED on July 14, 2011 AH