

RESOLUTION NO. R2014-10

**Amend Project Budget for the Initial Segment of the Light Rail System**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	05/08/2014	Recommendation to the Board	<b>Ahmad Fazel, DECM Executive Director</b> Joe Gildner, Executive Project Director – U-Link
Board	05/22/2014	Final Action	

PROPOSED ACTION

(1) Amends the Lifetime Budget for the Initial Segment of the Central Link light rail system from \$2,090,518,000 to \$2,091,768,000, and (2) amends the Adopted 2014 Annual budget for the project from \$287,384 to \$1,537,384.

KEY FEATURES SUMMARY

- Authorizes an increase to the Initial Segment construction phase budget to replenish funds committed to complete follow-on construction and required payment to cover the settlement of a claim.
- Payment was recently made to PCL, the prime contractor on the C755 Contract, Tukwila Freeway Segment, in settlement of its claim for additional compensation arising from a dispute regarding appropriate prevailing wage rates.
- Pursuant to the settlement agreement between Sound Transit and PCL, a payment of \$1,250,000 was made to PCL in late 2013. This payment to PCL concluded the contract.
- The amount of original board-authorized contract with PCL for the Tukwila Freeway Segment included adequate contingency to fund the settlement payment.
- Payment of the claim to PCL has not resulted in an over expenditure of the current adopted budget. This action would replenish the budget used for the payment of the claim in order to pay for continuing follow-on contract work and project closeout activities.

BACKGROUND

The Initial Segment of the light rail system is 13.9-miles of double-track light rail connecting downtown Seattle and South 154<sup>th</sup> Street in Tukwila. Revenue service for the light rail Initial Segment began on July 18, 2009.

This action will allow for the closure of the C755 contract. It has remained open due to the dispute with PCL regarding its right to additional compensation to pay prevailing wage rates in classifications different than those anticipated at the time of bid. This dispute has been resolved through mediation, with a settlement of \$1,250,000 paid to PCL.

The Initial Segment project budget reflects the estimate to complete follow-on work in 2014 and to close out the project.

FISCAL INFORMATION

The 2014 Transit Improvement Plan (TIP), endorsed by the Board when the 2014 Budget was adopted in December 2013, included \$5.1 million to be defunded from the project as additional budget savings. The PCL claim was settled and \$1.25 million paid in late 2013. The timing of the

settlement did not allow it to be reflected in the Proposed 2014 Transit Improvement Plan Lifetime Project and Annual Budget prior to adoption by the Board.

Initial Segment Phase	2014 Annual Budget			Lifetime Budget		
	Adopted 2014 Project Budget	Budget Transfer	Revised Project Budget	Adopted 2014 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 353	\$ -	\$ 353	\$ 186,330	\$ -	\$ 186,330
Preliminary Engineering	\$ -	\$ -	\$ -	\$ 33,268	\$ -	\$ 33,268
Final Design	\$ 82	\$ -	\$ 82	\$ 144,061	\$ -	\$ 144,061
Right of Way	\$ 51	\$ -	\$ 51	\$ 205,089	\$ -	\$ 205,089
Construction	\$ (318)	\$ 1,250	\$ 932	\$ 1,226,216	\$ 1,250	\$ 1,227,466
Construction Services	\$ 118	\$ -	\$ 118	\$ 102,654	\$ -	\$ 102,654
Third Party Agreements	\$ -	\$ -	\$ -	\$ 61,101	\$ -	\$ 61,101
Vehicles	\$ -	\$ -	\$ -	\$ 131,799	\$ -	\$ 131,799
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 287</b>	<b>\$ 1,250</b>	<b>\$ 1,537</b>	<b>\$ 2,090,518</b>	<b>\$ 1,250</b>	<b>\$ 2,091,768</b>

Notes:

Amounts are expressed in Year of Expenditure \$000.

The Initial Segment project budget is located on page 35 of the 2014 Transit Improvement Plan (TIP)

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

Not applicable to this action.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2013-33: Adopted an annual budget for the period from January 1 through December 31, 2014.

ENVIRONMENTAL REVIEW

JI 4/21/2014

LEGAL REVIEW

JW 05/01/2014



## **RESOLUTION NO. R2014-10**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) amending the lifetime budget for the Initial Segment of the Central Link light rail system from \$2,090,518,000 to \$2,091,768,000, and (2) amending the Adopted 2014 Annual budget for the project from \$287,384 to \$1,537,384.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Resolution No. R2001-16, adopted by the Sound Transit Board on November 29, 2001, selected the alignment, station locations, and maintenance base site to be constructed and operated for the initial segment of the Central Link Light Rail project; and

WHEREAS, revenue service on the 13.9-mile Initial Segment of the light rail system connecting downtown Seattle and South 154<sup>th</sup> Street in Tukwila began on July 18, 2009; and

WHEREAS, the lifetime capital budget for the Central Link Light Rail Initial segment Project is \$2.07 billion; and

WHEREAS, the lifetime budget was reduced by \$5.1 million to reflect savings anticipated at the time the 2014 Budget was adopted in December 2013; and

WHEREAS, an increase to the Initial Segment construction phase budget is needed to replenish funds needed to complete follow-on construction and project closeout activities that were used for the payment of a claim settlement; and

WHEREAS, the claim was settled and \$1.25 million was paid in late 2013; and

WHEREAS, the timing of the settlement did not allow it to be reflected in the Proposed 2014 Transit Improvement Plan Lifetime Project and Annual Budget prior to adoption by the Board; and

WHEREAS, the budget amendment amount reflects the estimate to complete follow-on work and close out the Initial Segment project in 2014; and

WHEREAS, by Resolution No. R2013-33, the Sound Transit Board adopted the 2014 Budget on December 19, 2013; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2014 Budget.

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


Section 1: The lifetime budget for the Initial Segment of the Central Link light rail system is amended from \$2,090,518,000 to \$2,091,768,000.

Section 2: The Adopted 2014 Annual budget for the project is amended from \$287,384 to \$1,537,384.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 22, 2014.

  
Paul Roberts  
Board Vice Chair

ATTEST:

  
Marcia Walker  
Board Administrator