

MOTION NO. M2015-27

Amendment to Cost Reimbursement Agreement for Point Defiance Bypass Project

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	04/09/15	Final Action	Ahmad Fazel, DECM Executive Director Mark Johnson, Project Director Jodi Mitchell, Project Manager

PROPOSED ACTION

Authorizes the chief executive officer to execute Amendment 2 of the Cost Reimbursement Agreement with the Washington State Department of Transportation for the Point Defiance Bypass Project in the amount of \$81,000 for a new total authorized agreement amount not to exceed \$280,000.

KEY FEATURES SUMMARY

- In 2013, a Cost Reimbursement Agreement was executed with the Washington State Department of Transportation (WSDOT) under the chief executive officer's authority in order to allow preliminary design work to begin while a Construction and Maintenance (C&M) agreement was negotiated.
- Under the Cost Reimbursement Agreement, Sound Transit is reimbursed for direct and indirect costs for design review services during the preliminary engineering and environmental documentation phases of the Point Defiance Bypass project.
- Execution of the C&M Agreement took longer than anticipated, resulting in more work being performed under the Cost Reimbursement Agreement. As a result, Sound Transit executed Amendment No. 1 to include design review work associated with final design.
- Sound Transit staff performed additional design review work in support of the final design that exceeded the amount authorized under both the original agreement and Amendment 1. Amendment No. 2 will allow WSDOT to reimburse Sound Transit for its additional work performed prior to the execution of the C&M Agreement.

BACKGROUND

WSDOT has obtained nearly \$800 million in funding through the Federal Railway Administration's (FRA) High-Speed Intercity Passenger Rail program. The WSDOT program goal is to improve Washington's Amtrak Cascades service between Portland, OR, and Vancouver, B.C., with specific outcomes to reduce travel time between Portland and Seattle, increase on-time performance to 88%, and add two additional daily roundtrips.

The Point Defiance Bypass project is a keystone project within the Cascade High Speed Rail program and will improve portions of the Sound Transit owned Lakeview Corridor in Pierce County. Passenger service will then be routed along the Lakeview Corridor between Nisqually and Tacoma, avoiding the slower congested route along Puget Sound. The Lakeview corridor route contributes substantially to the travel time savings and on-time reliability goals of WSDOT's program as the current route is both speed-restrictive and constrained by a single track tunnel and a moveable bridge.

The project will construct a second main line track adjacent to Sound Transit's existing main line between South Tacoma (66th Street Bridge) and Lakewood (Bridgeport Way) and install new rails, ties and ballast on Sound Transit's existing track between Lakewood and Nisqually. Improvements will be made at the connection to BNSF's main line near Nisqually and safety improvements will be

made at some existing at-grade crossings within the project corridor. The project also includes an extension of the existing DuPont Yard, re-construction of the Clover Creek Bridge, rehabilitation of the Pendleton Ave. Bridge, and both north and southbound track bridges over I-5.

Sound Transit currently operates along the rail corridor where these improvements will be built; Amtrak would shift its passenger operations to this corridor after the project is complete. BNSF would continue its freight operations around Point Defiance. As the owner of the corridor, Sound Transit has agreed to administer the construction of the project to help minimize impacts to our current service as well as complete the work effectively and efficiently.

The project is located within Sound Transit right-of-way and once the project is built, Sound Transit will own all improvements. Direct costs incurred for this project will be reimbursed by WSDOT through the FRA grant.

In 2013, a Cost Reimbursement Agreement was executed with the Washington State Department of Transportation (WSDOT) under the chief executive officer's authority. Under the Cost Reimbursement Agreement, Sound Transit is reimbursed for direct and indirect costs for design review services during the preliminary engineering and environmental documentation phases of the Point Defiance Bypass project.

Execution of the C&M Agreement took longer than anticipated, resulting in more work being performed under the Cost Reimbursement Agreement. As a result, Sound Transit executed Amendment No. 1 to include design review work associated with final design. The original agreement and Amendment No. 1 were within the chief executive officer's authority. Sound Transit staff performed additional design review work in support of the final design that exceeded the amount authorized under the agreement. Amendment No. 2 will allow WSDOT to reimburse Sound Transit for its additional work.

Staff will return to the Board to seek Gate 6 approval to allow the project to proceed to construction and for award of a construction contract. Future work will be reimbursed under the C&M agreement.

PROJECT STATUS

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Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction

Projected Completion Date for Final Design: April 2015

Project scope, schedule and budget summary located on page 119 of the December 2014 Agency Progress Report.

FISCAL INFORMATION

The Point Defiance Project is a project being performed in agreement with WSDOT. It is intended to be fully reimbursed by WSDOT. The adopted baseline budget for the Point Defiance Bypass Project is \$128,000,000. Sound Transit has two reimbursement agreements which total \$108,380,000 as follows:

- Cost reimbursement agreement for \$280,000 (including current action).
- Construction and Maintenance Agreement for \$108,100,000.

Under the Cost reimbursement agreement, Sound Transit has incurred approximately \$270,000 of costs eligible for reimbursement through November 2014. Only approximately \$31,035 has been submitted for and reimbursed by WSDOT. The balance of costs incurred will be submitted for reimbursement once this amendment has been executed. Sound Transit has not submitted for additional reimbursement to date pending confirmation that all costs are eligible based on federal guidelines.

All costs incurred after November 2014 will be reimbursed under the Construction and Maintenance agreement which took effect November 7, 2014.

Point Defiance Bypass

Cost Reimbursement Agreement	Authorized Amount	This Action	Authorized Plus Action	Actual (LTD Nov 2014)
Original (October 16, 2013 - Project Direct Approval)	37		37	37
Amendment 1 (August 19, 2014 - CCB Approval)	162		162	162
Amendment 2 (April 9, 2015 - Pending Cap Comm Approval)		81	81	71
Total	199	81	280	270

Construction and Maintenance Agreement	Authorized Amount	This Action	Authorized Plus Action	Actual (LTD Feb 2015)
Original (November 7, 2014, Board Approval)	108,100		108,100	319
Total	108,100		108,100	319

Grand Total	108,299	81	108,380	589
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Notes:

Amounts are expressed in Year of Expenditure \$000s.

This project is fully reimbursed by WSDOT.

Project budget page is located on page 55 of 210 of the Adopted 2015 Transit Improvement Plan (TIP).

SMALL BUSINESS/DBE PARTICIPATION, APPRENTICESHIP UTILIZATION

Not applicable to this action.

PUBLIC INVOLVEMENT

During the design phase, Sound Transit and WSDOT staff have coordinated on a number of public outreach activities; including stakeholder meetings and the environmental outreach process. A Technical Advisory Group comprised of representatives from affected jurisdictions met regularly during the environmental outreach process, starting in 2010. Sound Transit will assume public outreach responsibilities when the project enters the construction phase.

TIME CONSTRAINTS

A one month delay in approval of this action would not have a significant effect on the project schedule.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2015-01: (1) Adopted the Point Defiance Bypass Project baseline schedule and budget by (a) adopting March 2017 as the project completion milestone, (b) amending the lifetime baseline budget from \$6,400,000 million to \$128,000,000; and (c) amending the 2015 annual budget from \$1,571,000 to \$36,411,000; and (2) approved Gate 5 within Sound Transit's Phase Gate process.

Resolution No. R2014-03: (1) Amended the Adopted 2014 Budget to create the Point Defiance Bypass Project by (a) establishing a Project Lifetime Budget in the amount of \$6,400,000 and (b) establishing a 2014 Annual Project Budget of \$642,000 and (2) approved Gate 1 within Sound Transit's Phase Gate process.

Motion No. M2014-21: Authorized the chief executive officer to execute a Service Outcomes Agreement with the Washington State Department of Transportation (WSDOT) and the National Railroad Passenger Corporation (Amtrak) and a Construction and Maintenance Agreement with WSDOT to implement a portion of the Cascade High Speed Rail Program on Sound Transit owned rail corridor.

ENVIRONMENTAL REVIEW

JI 3/20/2015

LEGAL REVIEW

JW 4/3/2015

MOTION NO. M2015-27

A motion of the Capital Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute Amendment 2 of the Cost Reimbursement Agreement with the Washington State Department of Transportation for the Point Defiance Bypass Project in the amount of \$81,000 for a new total authorized agreement amount not to exceed \$280,000.

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MOTION:

It is hereby moved by the Capital Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute Amendment 2 of the Cost Reimbursement Agreement with the Washington State Department of Transportation for the Point Defiance Bypass Project in the amount of \$81,000 for a new total authorized agreement amount not to exceed \$280,000.

APPROVED by the Capital Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 9, 2015.



Fred Butler
Capital Committee Chair

ATTEST:



Kathryn Flores
Board Administrator