

**MOTION NO. M2015-92**
**Allocate Contingency Funds to Active University Link Extension Contracts**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>
Capital Committee	09/10/2015	Recommendation to Board	Ahmad Fazel, DECM Executive Director
Board	09/24/2015	Final Action	<b>Joe Gildner, Executive Project Director – University Link</b>

**PROPOSED ACTION**

Authorizes the chief executive officer to increase and allocate contract contingency, as necessary, for certain active University Link Extension contracts using contingency funds available within the University Link Extension Baseline budget, for total authorized cumulative contingency increase not to exceed \$7,000,000, or approximately 1.2% of previously authorized cumulative amount for these contracts, while not exceeding 5% of the current authorized contract amount for any individual contract.

**KEY FEATURES SUMMARY**

- The proposed action authorizes the chief executive officer to increase contract contingency for certain active University Link contracts listed below, using contingency funds available within the University Link Extension Baseline budget in order to achieve the timely opening of the University Link Extension in the first quarter of 2016.
- The work will be within approved scope of the contracts and may include but not be limited to safety certification, owner requested changes, and changes by Authorities having jurisdiction (i.e. Seattle Fire Department, Seattle Department of Planning and Development, and Washington State Department of Labor and Industries).
- Use of these contingencies for individual contracts will not exceed 5% of the current authorized contract amount.
- Staff will return in the third quarter of 2016 to provide a full accounting of contingency used and the reconciliation of any contracts to which these funds were applied.
- This contingency will be funded from unallocated contingency within the University Link Extension Baseline budget.

**BACKGROUND**

University Link Extension (U-Link) is a 3.15-mile light rail extension located entirely underground with tunnels traveling east from Pine Street, under the I-5 freeway to an underground station at Capitol Hill, continuing north beneath SR 520 and the Lake Washington Ship Canal to an underground station on the University of Washington campus, near Husky Stadium.

Final design for U-Link was completed in 2009, and construction began shortly thereafter. Currently, the construction phase of the project is approaching 96% complete with the extension scheduled to commence revenue service in the first quarter of 2016.

This action authorizes contingency increases with the following active final design, construction management, and construction contracts:

- Civil facilities and architectural final design services by Northlink Transit Partners (NTP).
- Systems engineering final design services by LTK Engineering for systems elements (communications, signals, track work, and traction power).

- Civil construction management consultant, Seattle Tunnel and Rail Team (START), supporting Sound Transit’s construction management team to manage all elements of civil facilities construction.
- Systems construction management consultant, Hatch Mott MacDonald, supporting Sound Transit’s construction management team to manage all elements of systems construction.
- Capitol Hill Station Finishes (U240) pre-construction services contract and General Contractor/Construction Management contract by Turner Construction Company.
- University of Washington Station Finishes (U250) pre-construction services contract and General Contractor/Construction Management contract by Hoffman Construction.
- University Link Systems (U830) pre-construction services contract and General Contractor/Construction Management contract by Stacy and Witbeck, Inc.

As Sound Transit learned from the Initial Segment, as revenue service commencement date draws near, unanticipated additional work can arise. Most often this work is the result of directives from governing authorities such as for example the Seattle Fire Department, which has in the past ordered staff to perform work or conduct additional testing not previously ordered or anticipated.

To ensure timely opening of the extension, this action will authorize the chief executive officer to allocate funds on construction contracts (U240, U250, and U830), design contracts (NTP and LTK Engineering), the construction management (START and Hatch Mott MacDonald).

Potential use of these funds will be to mitigate schedule risks associated with safety certification, civil/systems interfaces and civil/systems integrated testing and commissioning, code compliance adjustment directed by governing Authorities such as the Seattle Fire Department, Labor and Industries, City of Seattle DOT, and other work critical to start-up of revenue operations.

Additionally, recent federal legislation imposes new and additional safety oversight responsibilities on the FTA. To fulfill these responsibilities, FTA has informed Sound Transit that it will send representatives to perform a “readiness review” of the entire U-Link alignment at a time of FTA’s choosing. These funds will be used to address issues that may be raised during that process.

In third quarter 2016, staff will return to the Board to provide a full accounting of contingency used and reconcile any contracts to which contingency was allocated.

**PROJECT STATUS**

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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Projected Completion Date for Construction: 3Q 2015  
 Project scope, schedule and budget summary located on page 9 of the June 2015 Agency Progress Report.

**FISCAL INFORMATION**

The lifetime budget in the 2015 Transportation Improvement Plan (TIP) for the University Link Extension is \$1.756 billion. Within that amount, \$128,291,686 has been set aside for unallocated contingency in the Construction phase. The proposed action would encumber \$7,000,000 of this amount a leave a remaining available budget balance of \$121,291,686 for Construction phase unallocated contingency.

However, where available, the CEO may authorize using Other Construction phase uncommitted budget in lieu of Construction phase unallocated contingency to fund additional contract commitments as described in the proposed action. Changes to contracts approved by the CEO as authorized by the action and respective budget funding sources will be separately tracked to ensure the cumulative value does not exceed the \$7,000,000 authorized by this action.

This action is within the adopted budget and sufficient monies remain after approval of this action to fund the remaining work in the Construction phase of the University Link Extension as contained in the current cost estimates.

**University Link Extension**

	2015 TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	113,554	75,094		75,094	38,460
Preliminary Engineering	24,261	24,261		24,261	-
Final Design	89,308	87,156		87,156	2,152
Right of Way	152,332	125,630		125,630	26,702
Construction	1,158,183	999,206	7,000	1,006,206	151,977
Construction Services	95,814	84,862		84,862	10,952
Third Party Agreements	18,646	12,588		12,588	6,058
Vehicles	103,909	99,206		99,206	4,703
<b>Total Current Budget</b>	<b>1,756,007</b>	<b>1,508,003</b>	<b>7,000</b>	<b>1,515,003</b>	<b>241,004</b>

**Phase Detail**

**Construction**

Construction Unallocated Contingency	128,292	-	7,000	7,000	121,292
Other Construction	1,029,891	999,206		999,206	30,685
<b>Total Phase</b>	<b>1,158,183</b>	<b>999,206</b>	<b>7,000</b>	<b>1,006,206</b>	<b>151,977</b>

**Contract Detail**

Active Contracts within the University Link Extension	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	-	-	-	-
Contingency	-	-	7,000	7,000
<b>Total</b>	-	-	<b>7,000</b>	<b>7,000</b>
Percent Contingency	0%	0%	100%	100%

Notes:

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

Board Approvals = Committed To-Date + Contingency, and includes pending Board actions.

2015 TIP = Project budget located on page 39 of the 2015 Transit Improvement Plan (TIP).

**SMALL BUSINESS/DBE PARTICIPATION, APPRENTICESHIP UTILIZATION, AND TITLE VI COMPLIANCE**

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that Small Business and DBE subcontracting opportunities are infeasible or improbable based upon the work described in this contract, so Small Business/DBE goals were not established or required.

## **PUBLIC INVOLVEMENT**

Not applicable to this action.

## **TIME CONSTRAINTS**

Not applicable to this action.

## **PRIOR BOARD/COMMITTEE ACTIONS**

Motion No. M2015-79: Authorized the chief executive officer to increase the contract contingency with Turner Construction Company for the construction of the Capitol Hill Station, within the University Link Extension, in the amount of \$1,500,000, for a new total authorized contract amount not to exceed \$116,592,790.

Motion No. M2014-91: Authorized the chief executive officer to add contingency to the contract with Northlink Transit Partners, Joint Venture to provide additional design services during construction for the University Link Extension in the amount of \$1,548,989, for a new total authorized contract amount not to exceed \$64,616,668.

Motion No. M2014-26: Authorized the chief executive officer to execute a contract amendment with Seattle Tunnel And Rail Team, Joint Venture, to provide additional construction management services for the University Link Extension in the amount of \$2,185,000, for a new total authorized contract amount not to exceed \$68,889,000.

Motion No. M2012-73: Authorized the chief executive officer to execute a contract amendment with Stacy and Witbeck, Inc., to provide General Contractor/Construction Manager construction services for the University Link Extension systems construction in the amount of \$112,028,265, with a 5% contingency of \$5,958,372, totaling \$117,986,637, for a new total authorized contract amount not to exceed \$125,125,806.

Motion No. M2011-28: Authorized the chief executive officer to execute a contract with Hatch Mott MacDonald, Inc. to provide systems construction management services for the University Link Project in the amount of \$13,218,955, with a 5% contingency of \$660,948, for a total authorized contract amount not to exceed \$13,879,903.

Motion No. M2011-11: Authorized the chief executive officer to execute a contract with Hoffman Construction Company of Washington to provide General Contractor/Construction Manager construction services for the University of Washington Station, within the University Link project in the amount of \$141,745,898, with a 5% contingency of \$7,087,295 for a total authorized contract amount not to exceed \$148,833,193.

Motion No. M2010-96: Authorized the chief executive officer to execute a contract amendment with LTK Engineering Services, LLC to (1) provide additional systems engineering final design services for the University Link project and (2) exercise an option for design services during construction in the amount of \$5,360,000, with a 10% contingency of \$536,000, totaling \$5,896,000, for a new total authorized contract amount not to exceed \$22,681,872.

Motion No. M2011-10: Authorized the chief executive officer to execute a contract with Hoffman Construction Company of Washington to provide General Contractor / Construction Manager construction services for the University of Washington Station within the University Link project in the amount of \$141,745,898, with a 5% contingency of \$7,087,295 for a total authorized contract amount not to exceed \$148,833,193.

Motion No. M2010-96: Authorized the chief executive officer to execute a contract amendment with LTK Engineering Services, LLC to (1) provide additional systems engineering final design services for the University Link project and (2) exercise an option for design services during construction in the amount of \$5,360,000, with a 10% contingency of \$536,000, totaling \$5,896,000, for a new total authorized contract amount not to exceed \$22,681,872.

**ENVIRONMENTAL REVIEW**

JI 8/21/2015

**LEGAL REVIEW**

JN 9/04/2015

## **MOTION NO. M2015-92**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase and allocate contract contingency, as necessary, for certain active University Link Extension contracts using contingency funds available within the University Link Extension Baseline budget, for total authorized cumulative contingency increase not to exceed \$7,000,000, or approximately 1.2% of previously authorized cumulative amount for these contracts, while not exceeding 5% of the current authorized contract amount for any individual contract.

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**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 and allocate contract contingency, as necessary, for certain active University Link Extension contracts using contingency funds available within the University Link Extension Baseline budget, for total authorized cumulative contingency increase not to exceed \$7,000,000, or approximately 1.2% of previously authorized cumulative amount for these contracts, while not exceeding 5% of the current authorized contract amount for any individual contract.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 24, 2015.



Dow Constantine  
Board Chair

ATTEST:

  
Kathryn Flores  
Board Administrator