

**MOTION NO. M2018-163**
**Increase Contingency for the Roosevelt Station Finishes Contract**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>
Capital Committee	12/13/2018	Recommend to Board	Ron Lewis, DECM Executive Director
Board	12/20/2018	Final Action	<b>Don Davis, Executive Project Director – Northgate Link Extension</b> <b>Rick Capka, Deputy Project Director</b>

**PROPOSED ACTION**

Authorizes the chief executive officer to increase the contract contingency with Hoffman Construction to construct the Roosevelt Station Finishes within the Northgate Link Extension in the amount of \$7,000,000, for a new total authorized contract amount not to exceed \$166,905,743.

**KEY FEATURES SUMMARY**

- The contract for Roosevelt Station Finishes was awarded to Hoffman Construction in November 2016 with a five percent contingency to cover unanticipated changes over the course of the work.
- Progress has been made over the past 21 months, with the project remaining on schedule and approximately 57 percent of the work completed to date. During this time, the following changes required the use of 94 percent of the current contingency:
  - Code, regulatory, or other new third party requirements such as the Washington State Sales Tax increase, Washington State Initiative 1433 for paid sick leave, energy recovery measures, and changes to locations of permanent utility services.
  - Interface requirements between Northgate contractors resulted in placing additional shotcrete for station walls to accommodate waterproofing and tie-backs for the wall shoring system. There was also extra work to remove buried debris that had not been identified in advance by the station contractor or the tunneling contractor.
  - Incomplete work definition in the contract documents that required further clarification and potential revisions to the scope of work.
  - Sound Transit initiated changes to improve station control systems resulting from the implementation of “lessons learned” on the U-Link Project. For example, the controls for the Emergency Ventilation System (EVS) were upgraded to gain efficiencies in the operation of the EVS fans.
- Estimates indicate that an increase in contingency in the amount of \$7,000,000 is necessary to cover projected remaining changes between now and completion of the contract in the fourth quarter 2019. This additional contingency will bring the total authorized contingency to \$14,614,559, or 9.6 percent of the original contract amount.

**BACKGROUND**

The Northgate Link Extension extends light rail approximately 4.3 miles from the University of Washington Station to the Northgate neighborhood. The Roosevelt Station is located on 12th Avenue NE and NE 65th Street and is one of two underground stations for the Northgate Link Extension. The Northgate Link Extension is scheduled to be completed in September 2021 and will

provide an interim terminus for Link light rail at Northgate until the Lynnwood Link Extension is operational.

The Roosevelt Station Finishes contractor, Hoffman Construction, began work on site in February 2017 and is currently 57 percent complete. Hoffman has completed the main structure for the underground station, is progressing with the buildout of the various subsurface levels, and is building the two above-ground head house structures.

**PROJECT STATUS**

<b>Project Identification</b>	<b>Alternatives Identification</b>	<b>Conceptual Engineering/ Draft EIS</b>	<b>Preliminary Engineering/ Final EIS</b>	<b>Final Design</b>	<b>Construction</b>
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Projected Completion Date for Construction is 4Q 2019.

Project scope, schedule, and budget summary located on page 28 of the September 2018 Agency Progress Report.

**PROCUREMENT INFORMATION**

The Roosevelt Station Finishes contract uses the GC/CM contracting method, an alternative method allowed under RCW 39.10 and previously utilized on three University Link contracts. The Project Review Committee of the State’s Capital Project Advisory Review Board approved the GC/CM method for this project in October 2012.

A Request for Qualifications was issued in April 2013 and five Statements of Qualifications (SOQs) were received. Following review and evaluation, three firms were invited for interviews. Based on scoring of the SOQs and the interviews, all three firms were asked to submit final proposals including price offers for specified work items. The price offers were opened publicly on August 14, 2013. Based on evaluation of SOQs, interviews, and price offers, Hoffman Construction was the highest ranked firm. Preconstruction Services commenced October 28, 2013.

Consistent with the GC/CM process, Sound Transit negotiated a Maximum Allowable Construction Cost (MACC) with the contractor, and subsequently a Total Construction Cost (TCC) of \$152,291,184 was established for the contract. This amount, plus a five percent contingency, was approved by the Sound Transit Board in November 2016.

**FISCAL INFORMATION**

This action is within the baseline budget and sufficient funds remain after approval of the action to fund the remaining work in the construction phase as contained in the current cost estimates of this project.

The baseline budget for the Northgate Link Extension is \$1,899,755,500. Within the construction phase, \$167,375,000 has been allocated to the budget line item for the Roosevelt Station Finishes. The proposed action would increase the contract contingency by \$7,000,000 for a revised total board approval amount of \$166,905,744, leaving a remaining budget balance of \$469,256.

## Northgate Link Extension

(in thousands)

	Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Administration	\$144,879	\$64,966	\$	\$64,966	\$79,913
Preliminary Engineering	15,077	15,077		15,077	
Final Design	132,167	125,236		125,236	6,931
Third Party	11,800	9,840		9,840	1,960
Right-of-way	112,300	100,521		100,521	11,779
<b>Construction</b>	<b>1,343,023</b>	<b>1,268,555</b>	<b>7,000</b>	<b>1,275,555</b>	<b>67,467</b>
Construction Services	118,310	105,096		105,096	13,213
Vehicles					
Project Contingency	22,200				22,200
<b>Total Current Budget</b>	<b>\$1,899,756</b>	<b>\$1,689,291</b>	<b>\$7,000</b>	<b>\$1,696,291</b>	<b>\$203,465</b>
<b>Phase Detail</b>					
<b>Construction</b>					
N150 Roosevelt Sta Finishes	\$167,375	\$159,906	\$7,000	\$166,906	\$469
Other Construction	1,175,648	1,108,649		1,108,649	66,998
<b>Total Phase</b>	<b>\$1,343,023</b>	<b>\$1,268,555</b>	<b>\$7,000</b>	<b>\$1,275,555</b>	<b>\$67,467</b>

<b>Contract Detail</b>	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
<b>Hoffman Construction</b>				
Contract Amount	\$152,291	\$156,410	\$	\$156,410
Contingency	7,615	3,495	7,000	10,495
<b>Total</b>	<b>\$159,906</b>	<b>\$159,906</b>	<b>\$7,000</b>	<b>\$166,906</b>
Percent Contingency	5%	2%	100%	7%

Notes:

Amounts are expressed in Year of Expenditure.

Board Approvals = Committed To-Date + Contingency as of Oct 2018 and includes pending Board actions.

For detailed project information, see page 24 of the Adopted 2018 Transit Improvement Plan (TIP).

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

### Participation by Small Businesses and Disadvantaged Business Enterprises (DBEs)

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Consistent with Sound Transit Policies and Federal Regulations, Sound Transit has established Small Business/DBE goals for this contract. These 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.

For this specific contract, the following goals were set and the successful Bidder/Proposer has committed to the following Small Business/DBE Participation:

#### Small Business Goals

Sound Transit Goal: 10%

Commitment: 10%

Performance to Date: 16.2%

Disadvantaged Business Enterprise Goals

Sound Transit Goal: 8%

Commitment: 8%

Performance to Date: 3.3% (DBE Contractors scheduled for later in project)

**TIME CONSTRAINTS**

A one-month would not create a significant delay to the overall project schedule.

**PRIOR BOARD/COMMITTEE ACTIONS**

Motion No. M2016-115: Authorized the chief executive officer to execute a contract with Hoffman Construction Company to construct the Roosevelt Station Finishes within the Northgate Link Extension in the amount of \$152,291,184 with a 5% contingency of \$7,614,559 for a total authorized contract amount not to exceed \$159,905,743.

**ENVIRONMENTAL REVIEW**

KH 12/4/18

**LEGAL REVIEW**

AJP 12/6/18

**MOTION NO. M2018-163**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contract contingency with Hoffman Construction to construct the Roosevelt Station Finishes within the Northgate Link Extension in the amount of \$7,000,000, for a new total authorized contract amount not to exceed \$166,905,743.

**BACKGROUND:**

The Northgate Link Extension extends light rail approximately 4.3 miles from the University of Washington Station to the Northgate neighborhood. The Roosevelt Station is located on 12th Avenue NE and NE 65th Street and is one of two underground stations for the Northgate Link Extension. The Northgate Link Extension is scheduled to be completed in September 2021 and will provide an interim terminus for Link light rail at Northgate until the Lynnwood Link Extension is operational.

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Hoffman has completed the main structure for the underground station, is progressing with the buildout of the various subsurface levels, and is building the two above-ground head house structures.

**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 contract contingency with Hoffman Construction to construct the Roosevelt Station Finishes within the Northgate Link Extension in the amount of \$7,000,000, for a new total authorized contract amount not to exceed \$166,905,743.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 20, 2018.



Dave Somers  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator