



Motion No. M2019-101

Increase Contingency for U District Station Finishes Contract

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	09/12/2019 09/26/2019	Recommend to Board Final action	Ron Lewis, DECM Executive Director Don Davis, Executive Project Director – Northgate Link Extension Rick Capka, Deputy Project Director – Northgate Link Extension

Proposed action

Authorizes the chief executive officer to increase the contract contingency for the U District Station Finishes contract with Hoffman Construction for the Northgate Link Extension in the amount of \$7,500,000, for a new total authorized contract amount not to exceed \$175,328,522.

Key features summary

- The contract for U District Station Finishes is progressing on schedule and approximately 78 percent of the work completed to date. Over the first 29 months of the contract, changes were required that used approximately 90 percent of the initial contract contingency. The largest changes included:
 - Addition of a public stairway to the platform level to enhance pedestrian access and circulation.
 - New code, regulatory, or other third party requirements such as the 2017 sales tax increase and energy recovery measures.
 - Changes initiated by Sound Transit to improve station control and monitoring systems including emergency ventilation systems and fire life safety resulting from “lessons learned” on the operation of the U-Link alignment.
- Estimates to complete the contract indicate that additional funds in the amount of \$7,500,000 are necessary to fund the changes that are anticipated through contract completion.
- This additional contingency will bring the total authorized contingency to \$15,491,834, or 9.7 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 U District 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.

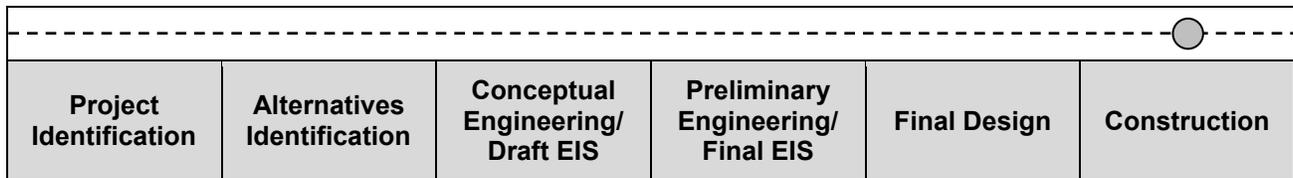
The U District Station Finishes contractor, Hoffman Construction, began work on site in July 2017 and is currently 78 percent complete. Hoffman has completed the main structure for the underground station

and is progressing with the buildout of the various subsurface levels and the two above ground head house entrance structures.

The addition of the public staircase from the mezzanine level to the platform level at the station will enable passengers to access the station platform all the way from the surface without having to use escalators or elevators. In addition to the added public staircase, other changes required to-date have included the following:

- New code, regulatory, or other third party requirements such as the 2017 Sales Tax increase and energy recovery measures associated with escalators.
- Changes initiated by Sound Transit to improve station control and monitoring systems, including the Emergency Ventilation System.
- Site access constraints resulting from the tunnel contractor’s delays in accommodating the station contractor unrestricted use of work areas.

Project status



Projected completion date for construction: 2Q 2020

Project scope, schedule and budget summary are located on page 17 of the June 2019 Agency Progress Report.

Procurement information

The U District Station Finishes contract uses the GC/CM contracting method, an alternative method allowed under RCW 39.10. The Project Review Committee of the State’s Capital Project Advisory Review Board approved the GC/CM method for this project in 2012.

A Request for Qualifications was issued in October 2013 and four 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 March 10, 2014. Based on evaluation of SOQs, interviews, and price offers, Hoffman Construction was the highest ranked firm. Preconstruction Services commenced July 2014.

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 \$159,836,688 was established for the contract. This amount, plus a five percent contingency, was approved by the Sound Transit Board in March 2017.

Fiscal information

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

The baseline budget for the Northgate Link Extension is \$1,899,755,500. Within the construction phase, \$175,500,000 has been allocated to the budget line item for N140 U District Station Finishes. The

proposed action would commit an additional \$7,500,000 to this line item and leave a remaining budget balance of \$171,478.

Northgate Link Extension

(in thousands)

Project Phase	Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Administration	\$144,879	\$74,786	\$	\$74,786	\$70,093
Preliminary Engineering	15,077	15,077		15,077	
Final Design	132,167	129,933		129,933	2,234
Third Party	11,800	8,383		8,383	3,417
Right-of-way	112,300	100,862		100,862	11,438
Construction	1,343,023	1,277,362	7,500	1,284,862	58,160
Construction Services	118,310	104,989		104,989	13,321
Project Contingency	22,200				22,200
Total Current Budget	\$1,899,756	\$1,711,392	\$7,500	\$1,718,892	\$180,864
Phase Detail					
Construction					
N140 U District Sta Finishes	\$175,500	\$167,829	7,500	\$175,329	\$171
Other Construction	1,167,523	1,109,534		1,109,534	57,989
Total Phase	\$1,343,023	\$1,277,362	\$7,500	\$1,284,862	\$58,160
Contract Detail					
Hoffman Construction Company - U Dist Stn	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval	
Contract Amount	\$159,837	\$159,796		\$159,796	
Contingency	7,992	8,032	7,500	15,532	
Total Contract	\$167,829	\$167,829	\$7,500	\$175,329	
Percent Contingency	5%	5%	100%	10%	

Notes:

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

* Board Approvals = Commitment and PO Contingency Remaining as of 7/31/19.

For detailed project information, see page 170 of the 2019 Financial Plan & Adopted Budget.

Disadvantaged and small business participation

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 Hoffman Construction Company has committed to the following Disadvantaged and Small Business participation:

Small business and disadvantaged business enterprise (DBE) goals	
Sound Transit small business goal: 10%	Small business commitment: 10%
DBE goal: 8%	DBE commitment: 8%

Public involvement

The Northgate Link Extension maintains an active public involvement program to keep affected communities informed about facility design and construction plans.

Project staff meet with affected neighborhood and business groups, property owners, businesses and individuals as needed to provide project updates and respond to questions and concerns about the project. Additional meetings are also held with third party stakeholders to keep them informed on project progress. An electronic project newsletter is sent out to over 3,000 people on the project e-mail list to keep the interested public informed about project activities and upcoming community meetings.

Time constraints

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

Prior Board/Committee actions

Motion No. M2017-31: Authorized the chief executive officer to execute a construction contract with Hoffman Construction Company to construct the U District Station Finishes within the Northgate Link Extension in the amount of \$159,836,688 with a 5% contingency of \$7,991,834 for a total authorized contract amount not to exceed \$167,828,522.

Motion No. M2014-41: Authorized the chief executive officer to execute a contract with Hoffman Construction Company to provide pre-construction services for U District Station Finishes within the Northgate Link Extension in the amount of \$1,475,335, with a contingency of \$100,000, for a total authorized contract amount not to exceed \$1,575,335.

Environmental review – KH 8/28/19

Legal review – JEN 09/06/19

Motion No. M2019-101

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contract contingency for the U District Station Finishes contract with Hoffman Construction for the Northgate Link Extension in the amount of \$7,500,000, for a new total authorized contract amount not to exceed \$175,328,522.

Background

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Estimates to complete the contract indicate that additional funds in the amount of \$7,500,000 are necessary to fund the changes that are anticipated through contract completion. This additional contingency will bring the total authorized contingency to \$15,491,834, or 9.7 percent of the original contract amount.

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 for the U District Station Finishes contract with Hoffman Construction for the Northgate Link Extension in the amount of \$7,500,000, for a new total authorized contract amount not to exceed \$175,328,522.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 26, 2019.



John Marchione
Board Chair

Attest:



Kathryn Flores
Board Administrator