



## Motion No. M2019-103

### Betterment Agreement with Microsoft for the Downtown Redmond Link Extension

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	10/10/2019	Final Action	Ron Lewis, DECM Executive Director Tony Raben, Executive Project Director – Downtown Redmond Link Extension <b>Becca Aue, Light Rail Development Manager</b>

### Proposed action

Authorizes the chief executive officer to execute a Betterment Agreement with Microsoft Corporation for the Downtown Redmond Link Extension in the amount of \$2,935,800.

### Key features summary

- Under the betterment agreement:
  - Sound Transit will construct a pedestrian underpass under NE 40<sup>th</sup> Street to provide a grade-separated shared use pedestrian and bicycle path connecting the Redmond Technology Station north plaza to the public sidewalk and the Microsoft campus on the north side of NE 40<sup>th</sup> Street (“the Underpass”).
  - Microsoft will reimburse Sound Transit’s costs for design, construction, administration, oversight and changes associated with the Underpass.
  - Operation and maintenance responsibilities for the Underpass will be delineated among Sound Transit, Microsoft and the City of Redmond before start of construction.
- The Underpass provides a benefit to Sound Transit customers and enhances the safety for accessing the Redmond Technology Station from NE 40<sup>th</sup> Street.
- The total agreement amount of \$2,935,800 includes: the contractor’s bid price for final design and construction of the Underpass, Sound Transit administrative costs, and contingency.
- In anticipation of this agreement, Sound Transit included the scope of this betterment in the Downtown Redmond Link Extension (DRLE) design-build contract as a contract option. If this agreement is approved by the Sound Transit Board, staff will exercise the contract option via change order.

### Background

The Downtown Redmond Link Extension is a 3.4 mile light rail extension from the future Redmond Technology Center at NE 40<sup>th</sup> Street in Redmond to the East Corridor terminus station at 166<sup>th</sup> Avenue NE in Downtown Redmond. The project includes two stations and a 1400-space parking garage. Funding for final design and construction was approved with the passage of ST3 in November 2016.

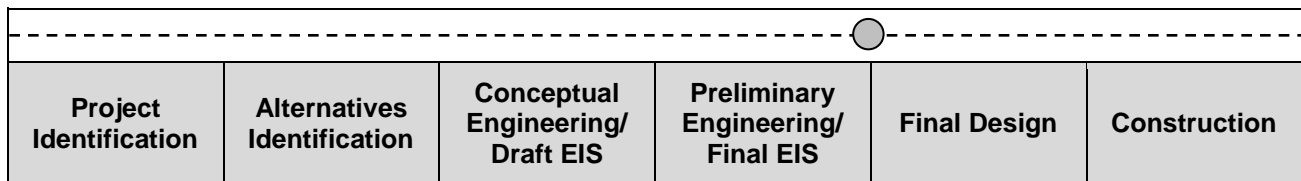
Notice to Proceed was issued to the design-build contractor in September 2019. Service to Downtown Redmond is planned to begin in 2024.

This agreement outlines the scope and cost of the Underpass, as well as the terms and conditions by which Sound Transit will design and deliver the betterment as part of DRLE. Microsoft agrees to reimburse Sound Transit for the costs of including the betterment in the DRLE contract and the oversight of the project by Sound Transit.

This betterment agreement is just one of several interfaces Sound Transit has with Microsoft on DRLE. Other interfaces include a property acquisition, the relocation of utilities, and the development of an operations and maintenance agreement for the Underpass

Notice to proceed for the DRLE design-build contract was issued on September 9, 2019. If this agreement is not approved, the option to include the betterment work as part of the DRLE design-build contract will not be exercised.

**Project status**



Project scope, schedule, and budget summary is located on page 73 of the July 2019 Link Light Rail Program Progress Report.

**Fiscal information**

The proposed action would authorize a betterment agreement with the Microsoft to reimburse Sound Transit for delivering betterment as part of the Downtown Redmond Link Extension. The agreement costs includes \$2,330,000 for work included in the design build contract associated with the betterments, plus Sound Transit administrative costs and contingency for a total agreement amount of \$2,935,800.

The scope and cost of these betterments was included in the contract with the design-build contractor approved by the Board this summer. However, the betterment costs will be isolated and not recorded as a project cost.

Neither the costs nor the funding for this scope of work has been included in the agency’s long term financial plan. Since the costs will be reimbursed to Sound Transit, this action should not impact either the agency’s long-term financial plan or subarea financial capacity. If the total cost to perform this work exceeds the estimated reimbursement amount, the agreement will be amended by a future action.

**Disadvantaged and small business participation**

Not applicable to this action.

**Public involvement**

Sound Transit will actively seek public feedback at all stages of the DRLE with the goal of fostering public trust through transparent communication, meaningful involvement, and being responsive to concerns and issues. King County, the City of Redmond, and Sound Transit are developing a

coordinated approach for reaching out to and connecting with the public, especially downtown businesses, Marymoor Park users, and nearby residents of the park and guideway.

### **Time constraints**

The cost of this betterment includes \$2,330,000 based on the design builder's proposal for the underpass. The design build contractor will only honor that price until November 1, 2019. A delay to the approval of this agreement could result in a changed, less favorable bid price for the betterment.

### **Prior Board/Committee actions.**

Motion M2019-74: Authorized the chief executive officer to execute a design-build contract with Stacy and Witbeck/Kuney, a Joint Venture, to complete final design and construction of the Downtown Redmond Link Extension (DRLE) in the amount of \$731,596,000 with a 10% contingency of \$73,159,600 for a total authorized contract amount not to exceed \$804,755,600.

Resolution R2018-37: Adopted the Downtown Redmond Link Extension baseline schedule and budget by increasing the authorized project allocation to date by \$1,351,974,000 from \$178,026,000 to \$1,530,000,000; and establishing a project revenue service date of December 31, 2024.

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**Environmental review** – LS 10/1/2019

**Legal review** – PM 10/03/2019



## Motion No. M2019-103

A motion of the System Expansion Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a Betterment Agreement with Microsoft Corporation for the Downtown Redmond Link Extension in the amount of \$2,935,800.

### Background

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Under the betterment agreement:

- Sound Transit will construct a pedestrian underpass under NE 40<sup>th</sup> Street to provide a grade-separated shared use pedestrian and bicycle path connecting the Redmond Technology Station north plaza to the public sidewalk and the Microsoft campus on the north side of NE 40<sup>th</sup> Street (“the Underpass”).
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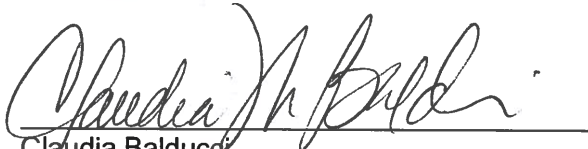
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**Motion**

It is hereby moved by the System Expansion Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a Betterment Agreement with Microsoft Corporation for the Downtown Redmond Link Extension in the amount of \$2,935,800.

APPROVED by the System Expansion Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 10, 2019.

  
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Claudia Balducci  
System Expansion Committee Chair

**Attest:**

  
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Kathryn Flores  
Board Administrator