



## Motion No. M2019-74

### Design-Build Contract Award for the Downtown Redmond Link Extension

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Sound Transit Board	07/11/2019 07/25/2019	Recommend to Board Final Action	Ron Lewis, DECM Executive Director <b>Tony Raben, Executive Project Director – Downtown Redmond Link Extension</b> <b>Tom Finlayson, Construction Manager, Downtown Redmond Link Extension</b>

#### Proposed action

Authorizes 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 in the amount of \$729,266,000, with a \$75,256,600 base contingency, and authorizes an alternative concept allowance not to exceed \$50,000,000 to fund the maximum cost of any additional substantial added value improvements, for a total authorized contract amount not to exceed \$854,522,600.

#### Key features summary

- This design-build contract includes all work necessary to complete design and construction of 3.4 miles of light rail guideway connecting to the existing Redmond Technology Station and extending to Downtown Redmond.
- In addition to the light rail guideway, the contract also includes design and construction of two stations and one 1,400 stall parking garage, the overhead catenary system, traction power substations, train control and communications, special track-work, utilities, and street and trail improvements where defined by the project.
- The contract includes betterment work under betterment agreements with King County and the City of Redmond. The Board approved the King County agreement in June through Motion No. M2019-62. Board approval will be requested for the City of Redmond agreement in July 2019. The City of Redmond and King County will reimburse Sound Transit for the betterment work completed in the Downtown Redmond Link Extension (DRLE) design-build contract. The betterments include two trail improvements, a water pressure reduction valve, an extension of water service into Marymoor Park and two intersection improvements.
- The DRLE design-build contract also includes a contract option to add betterment work for a pedestrian undercrossing at NE 40<sup>th</sup> Street requested by Microsoft. The amount proposed for the option work is included as part of the contingency in this proposed Board action. Upon finalization of a betterment agreement that will include reimbursement to Sound Transit for the cost of the betterment, and subject to Board approval of the betterment agreement, Sound Transit may exercise the option to add this work to the DRLE Contract.
- Following contract award, the DRLE project team will review additional alternative concepts that may include proposed alternative technical concepts for project design improvements received during the procurement process, for potential enhancements and added value to the DRLE project elements.

This action requests an alternative concept allowance to fund alternative design elements that have added value but may increase cost to the DRLE Project if incorporated into the design-build contract, at the sole discretion of Sound Transit. With respect to the alternative concept allowance, Board or System Expansion Committee approval is required for expenditures that exceed \$5,000,000 to fund an individual improvement, and for all cumulative expenditures above \$20,000,000, and for substantial design modifications, or changes not currently within the baselined budget or schedule, or not within the project definition approved by the Board or consistent with ST3.

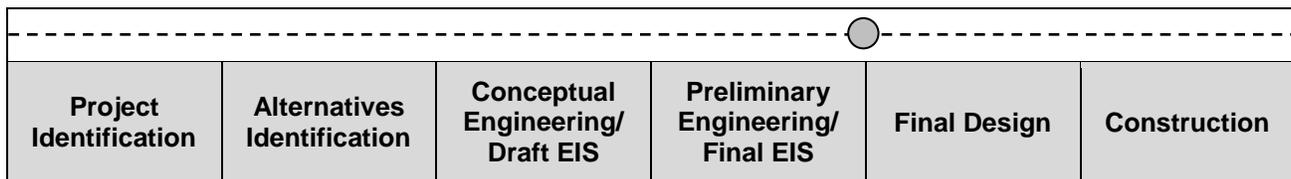
## Background

The Downtown Redmond Link Extension is a 3.4 mile light rail extension from the future Redmond Technology Center station at NE 40th Street in Redmond to the East Corridor terminus station at 166th Ave. 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. Service to Downtown Redmond is planned to begin in 2024.

In 2011, DRLE was funded through conceptual engineering. The Board selected the project to be built for East Link, including Segment E of the East Link Project. In June 2017, the Board identified proposed refinements to DRLE for further study, authorizing additional environmental review and preliminary engineering. Proposed refinements include the alignment and station profile in the downtown segment of Redmond from an at-grade profile from Bear Creek to Leary Way, to an elevated profile from Bear Creek to 164th Ave NE, including an elevated station and tail tracks. Additional environmental review was completed August 2018, and the Board approved refinements to the project to be built in September 2018.

Following contract award, the DRLE project team will review additional alternative concepts that may include proposed alternative technical concepts for project design improvements received during the procurement process, for potential enhancements and added value to the DRLE project elements. These alternative design concepts may add value to the project by improving customer experience, improving operation reliability or lifecycle costs. The concepts range from alignment adjustments and modifications to customer flow into and around the SE Redmond station and garage to more significant modifications that may involve providing some or full exclusive customer access to the SE Redmond station platform.

## Project status



Anticipated Notice to Proceed for design-build contract in Q3 2019.

Project scope, schedule, and budget summary located on page 69 of the April 2019 Link Light Rail Program Progress Report.

## Procurement information

This Contract was procured in accordance with Washington state requirements for Design-Build procurements and Sound Transit procedures. A Request for Qualifications (RFQ) was issued on July 31, 2018. On September 12, 2018, four Statements of Qualifications (SOQ) were received. The Request for Proposals (RFP) was issued to three finalists on November 30, 2018, after evaluation of responses to the Request for Qualifications. During the RFP period, Sound Transit held individual one-on-one meetings with each of the finalists. Offerors were encouraged to develop Alternative Technical

Concepts (ATCs) to promote innovative design concepts and efficient strategies for successful execution of the project. ATCs that were approved or conditionally approved by Sound Transit could subsequently be included in an offeror's proposal. In total 74 ATCs were reviewed by the project team and each offeror included some of the approved or conditionally approved ATCs in their proposals.

On April 22, 2019, Sound Transit received proposals from each of the three finalist offerors. An evaluation panel was convened to review technical proposals. Weighted evaluation criteria identified in the RFP included outreach efforts and commitments to small businesses; design-build team organization and personnel; project approach including schedule and risk elements; and design concept. Additional pass/fail criteria included financial capacity and capability to perform the work. The evaluation of these technical criteria was performed independent of any consideration of price, and the price proposals were not opened until technical evaluations were complete and technical scores were established for each offeror. Proposal prices were scored in accordance with the price scoring equation included in the RFP.

Based on the technical evaluation and the price score equation, Stacy and Witbeck/Kuney, a Joint Venture, was determined to be the highest-ranked responsive and responsible proposer. The proposal price is below Sound Transit's upset price of \$856,000,000 and is within the Board approved baseline budget for the Downtown Redmond Link Extension. The contingency requested is the sum of 10% of the proposed contract value, plus the price proposed for the contract option for the pedestrian undercrossing betterment. This action also requests an alternative concept allowance of up to \$50,000,000 for alternatives that have added value but may increase costs to the DRLE Project to be incorporated into the design-build contract.

## **Fiscal information**

This action is within the authorized project allocation to date and sufficient monies remain after approval of the action to fund the remaining work in the construction phase as contained in the current cost estimates.

The authorized project allocation to date of the Downtown Redmond Link Extension is \$1,530,000,000. Within the construction phase, \$991,715,000 has been allocated to the budget line item for DRLE D/B Contract. The proposed action would commit \$845,192,600 to this line item and leave a remaining budget balance of \$146,522,400.

The proposed action for a not to exceed amount of \$854,522,600, includes betterment work totaling \$9,330,000, that will be funded by King County and the City of Redmond. The remaining amount of \$845,192,600 Sound Transit's share of the design-build contract.

## Downtown Redmond Link Extension Project

(in thousands)

Project Phase	Baseline Budget	Board Approvals	This Action	Approved Plus Action	Uncommitted / (Shortfall)
Administration	\$77,000	\$6,265	\$	\$6,265	\$70,735
Preliminary Engineering	23,000	19,942		19,942	3,058
Final Design	4,500	119		119	4,381
Third Party	17,000	6,578		6,578	10,422
Right of Way	199,000	29,572		29,572	169,428
<b>Construction</b>	<b>1,151,500</b>		<b>845,193</b>	<b>845,193</b>	<b>306,307</b>
Construction Services	58,000	1,830		1,830	56,170
Vehicles					
Project Contingency					
<b>Total Current Budget</b>	<b>\$1,530,000</b>	<b>\$64,306</b>	<b>\$845,193</b>	<b>\$909,498</b>	<b>\$620,502</b>

### Phase Detail - Construction

DRLE D/B Contract	\$991,715	\$	\$845,193	\$845,193	\$146,522
Other Construction Phase	159,785				159,785
<b>Total Phase</b>	<b>\$1,151,500</b>	<b>\$</b>	<b>\$845,193</b>	<b>\$845,193</b>	<b>\$306,307</b>

Stacy and Witbeck / Kuney Construction (SWK)	Board Approvals to Date	Current Approved Contract Status	Proposed Total for Board Approval	Proposed Action
Contract Amount			\$729,266	729,266
Contingency Amount			75,257	75,257
<b>Total Contract Amount</b>			<b>\$804,523</b>	<b>\$804,523</b>
Percent Contingency			10%	10%
Alternative Concept Allowance			50,000	50,000
Less Betterments			9,330	9,330
<b>Sound Transit Share</b>			<b>\$845,193</b>	<b>\$845,193</b>

#### Notes:

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

\* Board Approvals = Commitment and PO Contingency Remaining as of 6/26/19.

For detailed project information, see page 177 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:

Disadvantaged and Small Business Goal	
Small Business Goal: 10%	Disadvantaged Business Goal: 5%

Stacey and Witbeck/Kuney, a Joint Venture has committed to:

Disadvantaged and Small Business Goal - Design	
Small Business Goal: 13.07%	Disadvantaged Business Goal: 6%
Disadvantaged and Small Business Goal - Construction	
Small Business Goal: 12%	Disadvantaged Business Goal: 6%

**Public involvement**

Sound Transit actively seeks public feedback at all project 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.

**Time constraints**

A one-month delay would not have a significant impact to the project schedule.

**Prior Board/Committee actions**

Motion No. M2019-62: Authorized the chief executive officer to execute an agreement with King County for the County to pay the cost of the design and construction of two betterments requested by the County to be delivered as part of Downtown Redmond Link Extension, for a total authorized agreement amount of \$7,839,000.

Motion No. M2018-119: Authorized the chief executive officer to execute stipend agreements with contractors selected to submit proposals for a design-build contract for the Downtown Redmond Link Extension for a total authorized amount not to exceed \$3,900,000, and contingent on Board approval of Resolution No. R2018-37 authorizing the Downtown Redmond Link Extension baseline schedule and budget.

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.

Resolution R2018-32: Refined the route, profiles, and station locations for the Downtown Redmond Link Extension and superseding a portion of the project selected under Resolution No. R2013-09 for the East Link Extension.

Motion No. M2017-92: Identified proposed refinements to the Downtown Redmond Link Extension project for further study.

Resolution No. R2016-05: (1) Restored funding for the preliminary engineering on light rail from Overlake to Redmond in the Sound Transit 2 Finance Plan, (2) amended the Adopted 2016 Budget to create the Downtown Redmond Link Extension Project by (a) establishing the Project Lifetime Budget through the completion of the Preliminary Engineering Phase in the amount of \$28,617,000 and (b) establishing the 2016 Annual Budget as \$4,120,000, and (3) approved Gates 1-3 within Sound Transit's Phase Gate Process.

Resolution No. R2013-09: Selected the route, profiles, and station locations for the East Link Light Rail Project, and superseded Resolution No. R2011-10.

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**Environmental review** – KF 7/3/19

**Legal review** – JA 7/9/19



## **Motion No. M2019-74**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing 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 in the amount of \$729,266,000, with a \$75,256,600 base contingency, and authorizes an alternative concept allowance not to exceed \$50,000,000 to fund the maximum cost of any additional substantial added value improvements, for a total authorized contract amount not to exceed \$854,522,600.

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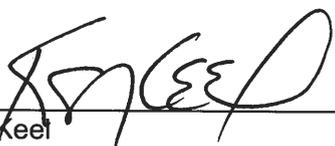
sole discretion of Sound Transit. With respect to the alternative concept allowance, Board or System Expansion Committee approval is required for expenditures that exceed \$5,000,000 to fund an individual improvement, and for all cumulative expenditures above \$20,000,000, and for substantial design modifications, or changes not currently within the baselined budget or schedule, or not within the project definition approved by the Board or consistent with ST3.

These alternative design concepts may add value to the project by improving customer experience, improving operation reliability or lifecycle costs. The concepts range from alignment adjustments and modifications to customer flow into and around the SE Redmond station and garage to more significant modifications that may involve providing some or full exclusive customer access to the SE Redmond station platform.

### **Motion**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized 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 in the amount of \$729,266,000, with a \$75,256,600 base contingency, and subject to Board or System Expansion Committee approval of expenditures that exceed \$5,000,000 to fund an individual improvement, and for all cumulative expenditures above \$20,000,000, and for substantial design modifications, or changes not currently within the baselined budget or schedule, or not within the project definition approved by the Board or consistent with ST3, authorizes an alternative concept allowance not to exceed \$50,000,000 to fund the maximum cost of any additional substantial added value concepts, for a total authorized contract amount not to exceed \$854,522,600.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on July 25, 2019.

  
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Kent Keel  
Board Vice Chair

**Attest:**

  
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Kathryn Flores  
Board Administrator