



## Motion No. M2019-92

### Contract Modification for Northgate Station to NE 200th Street Construction within the Lynnwood Link Extension

| Meeting:                         | Date:                    | Type of action:                    | Staff contact:  |
|----------------------------------|--------------------------|------------------------------------|---|
| System Expansion Committee Board | 08/08/2019<br>08/22/2019 | Recommend to Board<br>Final action | Ron Lewis, DECM Executive Director<br><b>Joe Gildner, Acting Executive Project Director - Lynnwood Link Extension</b><br><b>Randy Harlow, Deputy Project Director - Lynnwood Link Extension</b> |

### Proposed action

Authorizes the chief executive officer to execute a contract modification with Stacy and Witbeck-Kiewit-Hoffman, a Joint Venture, to provide construction services for the Northgate Station to NE 200th Street segment within the Lynnwood Link Extension in the amount of \$751,851,006, with a 5 percent contingency of \$37,592,550, totaling \$789,443,556, for a new authorized contract amount not to exceed \$883,761,156.

### Key features summary

- In December 2018, the Board authorized a Heavy Civil GC/CM construction contract with Stacy and Witbeck-Kiewit-Hoffman (SKH) for the Northgate Station to NE 200th Street segment through Motion No. M2018-166. At that time, the design of portions of the work needed to progress to further refine project scope and costs. To maintain the overall project schedule, a phased contracting approach was employed, authorizing an early work package of schedule-critical work elements.
- This action represents the next phase of the procurement and incorporates the remaining elements of the contract scope including construction of guideways, track, stations, and parking garages.
- The proposed action maintains the contract schedule, inclusive of the contract substantial completion milestone of May 2023, and also maintains the anticipated revenue service date of summer 2024.

### Background

The Lynnwood Link Extension extends light rail 8.5 miles from Northgate Station in Seattle through Shoreline and Mountlake Terrace to the Lynnwood Transit Center in Lynnwood. The project is primarily along I-5, with stations at NE 145th Street, NE 185th Street, Mountlake Terrace Transit Center, and Lynnwood Transit Center. The alignment includes elevated and at-grade retained cut/fill portions. On November 19, 2015, through Resolution No. R2015-30, the Sound Transit Board authorized the chief executive officer to advance the Lynnwood Link Extension project to final design. In May 2018, the Sound Transit Board established the baseline budget and schedule for the project. Revenue service is forecasted to begin in summer 2024.

The Lynnwood Link Extension Final Environmental Impact Statement was issued in April 2015, in compliance with the State Environmental Policy Act (SEPA) and the National Environmental Policy Act (NEPA). The Sound Transit Board selected the project route, profile, and stations on April 23, 2015. The Federal Transit Administration issued a NEPA Record of Decision (ROD) for the project on July 10, 2015, and the Federal Highway Administration issued a ROD on August 31, 2015. Sound Transit issued a SEPA Addendum on May 3, 2018, which includes additional environmental information related to project refinements proposed since the Final EIS was issued.

The Northgate Station to NE 200th Street contract is one of three major construction contracts for the Lynnwood Link Extension. The contract includes construction of approximately 1.5 miles of elevated guideway, three miles of at-grade retained cut/fill guideway, a station and parking garage at NE 145th Street, a station and parking garage at NE 185th Street, track work, and civil/system infrastructure.

The Heavy Civil GC/CM contracting method, as allowed under RCW 39.10, was selected based on certain project characteristics including complex scheduling and phasing requirements necessary to minimize impacts to the traveling public and neighboring communities.

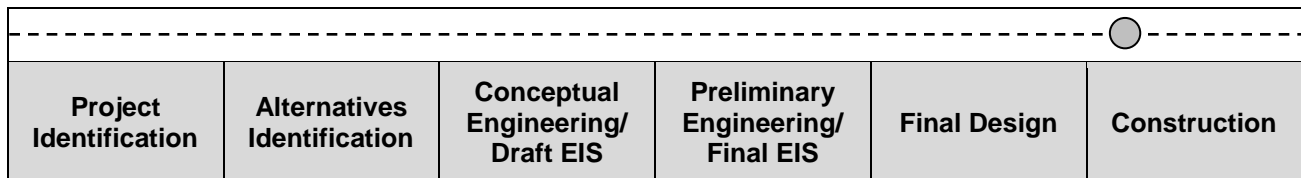
This work was competitively procured via the qualifications based Heavy/Civil GC/CM alternative public works procurement process. SKH was selected as the most qualified team. The Sound Transit Board authorized a contract with SKH for preconstruction services in May 2016. The scope of services included constructability reviews, value engineering reviews, risk assessments, schedule development, estimating, and coordination of construction activities and sequencing with WSDOT, cities of Seattle and Shoreline, transit agencies, utilities, private properties, and other Sound Transit contractors. SKH successfully completed the preconstruction services phase.

To maintain the overall project schedule, a phased contracting approach was employed. The previously approved early work package included utility relocation, construction access, traffic control on I-5, demolition of residential structures, demolition of WSDOT noise walls, construction of temporary noise barriers, and wetland mitigation at Ronald Bog Park with associated demolition, grading, erosion control, traffic control/modifications, and temporary restoration.

Consistent with the Heavy Civil GC/CM process and RCW 39.10, following completion of pre-construction services, Sound Transit entered into negotiations for a Maximum Allowable Construction Cost (MACC) with SKH. This MACC included procurement of subcontracts advertised to the public as nine Invitations for Bid (IFBs), as well as negotiation of direct construction, management, oversight, and support services to be performed by SKH.

Subcontract bid solicitation for remaining scopes of work, including subcontract procurements for stations and garage scopes, continues to progress. However, the negotiated MACC amount requested herein incorporates the maximum exposure to the remaining bid package pricing, with any overrun capped at the MACC limit. Should the remaining bid package pricing result in a lower total, savings will be realized and returned to Sound Transit.

**Project status**



Projected completion date for the Construction Phase: Q3 2024

Project scope, schedule and budget summary are located on page 29 of the May 2019 Agency Progress Report.

## **Procurement information**

The Lynnwood Link Extension/ Northgate to NE 200th contract uses the GC/CM contracting method, an alternative method allowed under Chapter 39.10 of the Revised Code of Washington (RCW). The Project Review Committee of the State's Capital Project Advisory Review Board certified Sound Transit to use the GC/CM procurement method in March 2013 and this project was procured under that certification.

A Request for Qualifications was issued in November 2015 and six Statements of Qualifications (SOQs) were received. Following review and evaluation, four firms were invited for interviews. Based on scoring of the SOQs and the interviews, two firms were asked to submit final proposals including price offers for specified work items. The price offers were opened publicly on March 21, 2016. Based on evaluation of SOQs, interviews, and price offers, SKH was the highest ranked firm. Preconstruction Services commenced June 2016.

Consistent with the Heavy Civil GC/CM process and Chapter 39.10 RCW, Sound Transit commenced negotiation of a Maximum Allowable Construction Cost (MACC) with SKH in April of 2019 to expand the scope of the original early work construction contract to encompass remaining main package scopes. The MACC includes subcontract work to be competitively bid, the work to be self-performed by SKH, negotiated support services and risk contingency. The costs included in this action are consistent with the independent cost estimate and are considered fair and reasonable.

In December 2018, the Board authorized a Heavy Civil GC/CM construction contract with SKH for the Northgate Station to NE 200th Street segment through Motion No. M2018-166. The scope of work included in the December action authorized early demolition, utility, and clearing activities.

## **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. After this action, a total of \$273.0 million (11.5% of remaining work) will remain within the project as contingency amounts (allocated, unallocated, and design allowances).

The baseline budget for the Lynnwood Link Extension project is \$2,771,622,000. Within that amount, \$2,091,553,000 has been set aside for the construction phase. Within the construction phase, \$883,761,156 has been allocated to the budget line item for Northgate to NE 200th. The proposed action would commit \$789,443,556 to this line item and leave no remaining budget in the line item.

## Lynnwood Link Extension

(in thousands)

| Project Phase               | Baseline Budget    | Board Approvals    | This Action      | Board Approved Plus Action | Uncommitted / (Shortfall) |
|-----------------------------|--------------------|--------------------|------------------|----------------------------|---------------------------|
| Administration              | \$98,164           | \$32,479           | \$               | \$32,479                   | \$65,685                  |
| Preliminary Engineering     | 39,054             | 39,053             |                  | 39,053                     | 1                         |
| Final Design                | 164,162            | 145,459            |                  | 145,459                    | 18,703                    |
| Third Party Agreements      | 14,600             | 11,255             |                  | 11,255                     | 3,345                     |
| Right of Way                | 235,660            | 153,172            |                  | 153,172                    | 82,488                    |
| Construction                | 2,091,553          | 1,006,254          | 789,444          | 1,795,697                  | 295,856                   |
| Construction Services       | 128,429            | 98,023             |                  | 98,023                     | 30,406                    |
| Vehicles                    |                    |                    |                  |                            |                           |
| Project Contingency         |                    |                    |                  |                            |                           |
| <b>Total Current Budget</b> | <b>\$2,771,622</b> | <b>\$1,485,695</b> | <b>\$789,444</b> | <b>\$2,275,139</b>         | <b>\$496,483</b>          |
| <b>Phase Detail</b>         |                    |                    |                  |                            |                           |
| <b>Construction</b>         |                    |                    |                  |                            |                           |
| L200 Northgate to NE 200th  | \$883,761          | \$94,318           | \$789,444        | \$883,761                  | \$                        |
| Other Construction          | 1,207,792          | 911,936            |                  | 911,936                    | 295,856                   |
| <b>Total Phase</b>          | <b>\$2,091,553</b> | <b>\$1,006,254</b> | <b>\$789,444</b> | <b>\$1,795,697</b>         | <b>\$295,856</b>          |

| Contract Detail                               | Board Approvals to Date | Current Approved Contract Status | Proposed Action | Proposed Total for Board Approval |
|---|-------------------------|----------------------------------|-----------------|-----------------------------------|
| <b>Stacy and Witbeck/Kiewit/Hoffman (SKH)</b> |                         |                                  |                 |                                   |
| Contract Amount                               | \$88,147                | \$88,647                         | \$751,851       | \$839,998                         |
| Contingency                                   | 6,170                   | 5,670                            | 37,593          | 43,763                            |
| <b>Total</b>                                  | <b>\$94,318</b>         | <b>\$94,318</b>                  | <b>789,444</b>  | <b>\$883,761</b>                  |
| Percent Contingency                           | 7%                      | 6%                               | 5%              | 5%                                |

Notes:

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

\* Board Approvals = Commitment and PO Contingency Remaining as of 7/22/19.

For detailed project information, see page 171 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 the construction 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 the subcontract package, SKH included specific small and disadvantaged business goals. These goals were established based on the type of work and the availability of small and disadvantaged businesses to perform that particular work.

| Small business and disadvantaged business enterprise (DBE) goals |                                  |
|--|----------------------------------|
| Sound Transit small business goal: 12%                           | Small business commitment: 12.0% |
| DBE goal: 4%   | DBE commitment: 5.0%             |

## **Public involvement**

Sound Transit is committed to public involvement throughout the design for the Lynnwood Link Extension light rail project. Staff has met with communities, businesses, stakeholders, property owners, and other agencies to help shape the project by asking questions, talking with project staff, and providing ideas and comments as the project moved through planning, environmental review and design. Public input for final design included six open houses with over 1,200 attendees and an online open house website with over 7,500 visits. Public outreach will continue through construction.

## **Time constraints**

Approval of this action in August will allow the project to commence critical path guideway construction activities in the 2019 dry-weather construction season, helping maintain project schedule and avoid impacting the turnover of station and guideway areas to the future Systems construction contractor.

## **Prior Board/Committee actions**

Motion No. M2018-166: Authorized the chief executive officer to execute a construction contract with Stacy and Witbeck-Kiewit-Hoffman, a Joint Venture, to provide Heavy Civil General Contractor/Construction Manager construction services for the Northgate Station to NE 200th Street segment within the Lynnwood Link Extension in the amount of \$88,147,300, with a 7% contingency of \$6,170,300, for a total authorized contract amount not to exceed \$94,317,600.

Motion No. M2016-51: Authorized the chief executive officer to execute a contract with Stacy and Witbeck-Kiewit-Hoffman, a Joint Venture, to provide pre-construction services for the Northgate Station to NE 200th Street contract within the Lynnwood Link Extension in the amount of \$5,114,580, with a 10% contingency of \$511,458, for a total authorized amount not to exceed \$5,626,038.

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**Environmental review** – KH 7/29/19

**Legal review** – JEN 08/05/2019





## Motion No. M2019-92

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract modification with Stacy and Witbeck-Kiewit-Hoffman, a Joint Venture, to provide construction services for the Northgate Station to NE 200th Street segment within the Lynnwood Link Extension in the amount of \$751,851,006, with a 5 percent contingency of \$37,592,550, totaling \$789,443,556, for a new authorized contract amount not to exceed \$883,761,156.

### Background

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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 execute a contract modification with Stacy and Witbeck-Kiewit-Hoffman, a Joint Venture, to provide construction services for the Northgate Station to NE 200th Street segment within the Lynnwood Link Extension in the amount of \$751,851,006, with a 5 percent contingency of \$37,592,550, totaling \$789,443,556, for a new authorized contract amount not to exceed \$883,761,156.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 22, 2019.

  
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John Marchione  
Board Chair

**Attest:**

  
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Kathryn Flores  
Board Administrator