



Resolution No. R2019-24

Lynnwood Link Extension Budget Transfer

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	08/08/2019 08/22/2019	Recommend to Board Final action	Ron Lewis, DECM Executive Director Joe Gildner, Acting Executive Project Director – Lynnwood Link Extension

Proposed action

Amending the Adopted 2019 Budget to transfer \$170,162,000 from the Project Contingency phase to the Construction phase for the Lynnwood Link Extension, while maintaining the baseline budget of \$2,771,622,000.

Key features summary

- This action seeks Board approval to transfer \$170,162,000 from the project contingency phase to the construction phase of the Lynnwood Link Extension baseline budget. There is no change to the project baseline budget of \$2,771,622,000 or the annual project budget total.
- The current project budget includes a total contingency of \$504.2 million, including \$170.6 million of project contingency provided by the Board, in part to account for construction market pressures which have now been realized. After this action, a total of \$273.0 million (11.5% of the remaining work) will remain within the project budget as contingency amounts.
- This budget transfer will provide the funding needed for two separate actions, Motion No. M2019-92 and Motion No. M2019-93, to execute two planned construction contract modifications to proceed with heavy civil construction of the guideway, stations, track, and parking facilities.

Background

The Lynnwood Link Extension is an 8.5 mile light rail extension from Northgate to Lynnwood with service to the cities of Shoreline, Mountlake Terrace, and Lynnwood. The extension will travel primarily along I-5 and include four stations: two in the City of Shoreline at NE 145th Street and NE 185th Street, one at the Mountlake Terrace Transit Center, and one at the Lynnwood Transit Center. The project began final design in 2016, started early construction work in 2019, and is scheduled to open for service in mid-2024.

The Lynnwood Link Extension Final Environmental Impact Statement was issued April 1, 2015, pursuant to the State Environmental Policy Act (SEPA) and the National Environmental Policy Act (NEPA), respectively. The Sound Transit Board selected the project route, profile, and stations on April 23, 2015. The Federal Transit Administration (FTA) issued a Record of Decision on July 10, 2015, and the Federal Highway Administration issued a Record of Decision 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.

In December 2018 and February 2019, the Board authorized construction contracts with Stacy & Witbeck/Kiewit/Hoffman JV (SKH) and Skanska L300 JV (Skanska) for early work packages to perform demolition, utility relocation, tree removal and site preparation for the Lynnwood Link Extension. These

two contract awards were part of a phased execution plan and allowed the project to capitalize on the 2019 summer construction season.

In the second quarter of 2019, staff negotiated with SKH and Skanska for the remainder of their contract scopes, including construction of guideway, trackwork, civil works, stations, and parking garages. Continued market pressures have increased the cost of these planned contract modifications above their respective baselined line item budgets. Staff employed a range of efforts, including design refinements, to further reduce the cost of these two contracts while maintaining design criteria, quality, and schedule expectations. In part to account for these construction market pressures, which have now been realized, the Board previously provided a project contingency in the baseline budget. Transfer of funds from the project contingency to the construction phase will allow these two planned contract modifications to proceed without impacting the overall project schedule.

Project status

Project Identification	Alternatives Identification	Conceptual Engineering/ Draft EIS	Preliminary Engineering/ Final EIS	Final Design	Construction

Projected completion date for Construction: 3Q 2024

Project scope, schedule and budget summary are located on page 29 of the May 2019 Link Light Rail Program Progress Report.

Fiscal information

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

The baseline budget for the Lynnwood Link Extension is \$2,771,622,000. The proposed action would shift \$170,162,000 from project contingency phase to construction phase to complete execution of critical construction contract modifications and maintain an adequate level of unallocated contingency within the construction phase. There will be no increase to the annual project budget or the project baseline budget of \$2,771,622,000.

Lynnwood Link Extension

(in thousands)

Project Phase	Annual Project Budget			Authorized Project Allocation to Date		
	Adopted 2019 Annual Project Budget	Budget Revision	Revised 2019 Annual Project Budget	Authorized Project Allocation to Date	Allocation Change	Authorized Project Allocation to Date (New)
Agency Administration	\$10,414		\$10,414	\$98,164		\$98,164
Preliminary Engineering				39,054		39,054
Final Design	31,029		31,029	164,162		164,162
Third Party Agreements	3,646		3,646	14,600		14,600
Right of Way	114,100		114,100	235,660		235,660
Construction	268,407	170,162	438,569	1,921,391	170,162	2,091,553
Construction Services	15,997		15,997	128,429		128,429
System Testing and Startup						
Project Contingency				170,162	(170,162)	
Total	\$443,593	\$170,162	\$613,755	\$2,771,622	\$	\$2,771,622

Disadvantaged and small business participation

Not applicable to this action.

Time constraints

Approval of this action and the related contract modifications for heavy civil construction in August will allow the project to commence critical path guideway construction activities in the 2019 dry-weather construction season, helping maintain project schedule.

Prior Board/Committee actions

Motion No. M2019-13: Authorized the chief executive officer to execute a construction contract with Skanska Constructors L300, a Joint Venture between Skanska USA Civil West California District, Inc., and Skanska USA Buildings, Inc., to provide Heavy Civil General Contractor/Construction Manager construction services for early work on the NE 200th Street to Lynnwood Transit Center segment early construction work within the Lynnwood Link Extension in the amount of \$56,886,631, with a 7% contingency of \$3,982,064, for a total authorized contract amount not to exceed \$60,868,695.

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.

Resolution No. R2018-16: (1) Adopted the Lynnwood Link Extension baseline schedule and budget by (a) increasing the authorized project allocation to date from \$667,337,500 to \$2,771,622,000, which includes a project contingency of \$170,162,000 requiring board approval for use of this contingency; (b) lowering the 2018 annual budget from \$251,679,968 to \$229,256,177; and (c) establishing a project revenue service date of July 17, 2024; and (2) changed the location of the 185th Station parking garage from the west side of I-5 to Sound Transit-owned property on the east side of I-5 adjacent to the station, eliminating the requirement to improve pedestrian connections on or adjacent to the existing NE 185th Street bridge over I-5.

Environmental review – KH 7/29/19

Legal review – AJP 8/1/19



Resolution No. R2019-24

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2019 Budget to transfer \$170,162,000 from the Project Contingency phase to the Construction phase for the Lynnwood Link Extension, while maintaining the baseline budget of \$2,771,622,000.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, in December 2018, the Board approved Resolution No. R2018-44, adopting an annual budget for the period from January 1 through December 31, 2019, and adopting the 2019 Transit Improvement Plan; and

WHEREAS, the Sound Transit Board selected the project route, profile, and stations on April 23, 2015. The Federal Transit Administration (FTA) issued a Record of Decision on July 10, 2015, and the Federal Highway Administration issued a Record of Decision on August 31, 2015, and;

WHEREAS, in December 2018 and February 2019, the Board authorized construction contracts with Stacy & Witbeck/Kiewit/Hoffman JV (SKH) and Skanska L300 JV (Skanska) for early work packages to perform demolition, utility relocation, tree removal and site preparation for the Lynnwood Link Extension. These two contract awards were part of a phased execution plan, and;

WHEREAS, the current project budget includes a total contingency of \$504.2 million, including \$170.6 million of project contingency provided by the Board, in part to account for construction market pressures which have now been realized. After this action, a total of \$273.0 million (11.5% of the remaining work) will remain within the project budget as contingency amounts, and;

WHEREAS, this budget transfer will provide the funding needed for two separate actions, Motion No. M2019-92 and Motion No. M2019-93, to execute two planned construction contract modifications to proceed with heavy civil construction of the guideway, stations, track, and parking facilities, and;

WHEREAS, contingency for the construction contract was less than 5 percent, and another is requested to be added to contingency, for a new contract total of \$1,015,000; and

WHEREAS, total annual budget for this project was \$1,121,131 and therefore an additional \$230,000 is needed to cover the above costs. The new total annual budget will be \$1,350,131.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Adopted 2019 Annual Budget is amended to transfer \$170,162,000 from the Project Contingency phase to the Construction phase for the Lynnwood Link Extension, while maintaining the baseline budget of \$2,771,622,000.

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



John Marchione
Board Chair

Attest:



Kathryn Flores
Board Administrator