

**SOUND TRANSIT  
STAFF REPORT**

**RESOLUTION NO. R2007-03**

**Budget Amendment for the Mercer Island Park and Ride/N. Mercer Way Project**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	2/15/07	Discussion/Possible Action to Recommend to Board	Jim Edwards, Acting Director, Capital Projects	(206) 398-5037
Board	2/22/07	Action	<b>Christine Engler, Construction Program Manager</b>	<b>(206) 398-5056</b>

<b>Contract/Agreement Type:</b>	✓	<b>Requested Action:</b>	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	✓
Real Estate		Property Acquisition	

**PROJECT NAME**

Mercer Island Park and Ride/N. Mercer Way

**PROPOSED ACTION**

Amends the Adopted 2007 Budget for the Mercer Island Park and Ride/N. Mercer Way project to reflect a transfer from the Regional Express East King County Program Reserve in the amount of \$2,184,433.

**KEY FEATURES of PROPOSED ACTION**

- This action amends the Adopted 2007 Budget to reflect the transfer from the Regional Express East King County Program Reserve to the project.
- This action does not change the total East King County subarea program budget.
- Resolves the estimated funding shortfall for the Mercer Island Park and Ride/N. Mercer Way project.

## **BUDGET IMPACT SUMMARY**

Current Project Phase: Construction  
Projected Completion Date: 2007

<b>Action Outside of Adopted Budget:</b>	<b>✓</b>	<b>Comments on Checked Items</b>
This Project		
This Phase		
This Task		
Budget Amendment Required	✓	\$2.2 million will be transferred from the East King County Program Reserve.

<b>Key Financial Indicators:</b>	<b>✓</b>	<b>Comments on Checked Items</b>
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)		

Not checked = action is assumed in current Board-adopted budget. No budget action or adjustment to financial plan required.

## **BUDGET and FINANCIAL PLAN DISCUSSION**

The proposed resolution would amend the Adopted 2007 Budget for the Mercer Island Park and Ride/N. Mercer Way project to reflect a transfer from the Regional Express East King County Program Reserve in the amount of \$2,184,433. As shown in the table below, the transfer would make the Adopted 2007 Budget for the Mercer Island Park and Ride/N. Mercer Way project (#354) equal to \$16,829,372. The remaining East King County Regional Express Program Reserve would be approximately \$20,573,840. There would be no change in the total Regional Express East King County Program.

The description of the basis for this budget amendment is included in the staff report of Motion No. M2007-33, which will be considered by the Board concurrently with this action.

## **BUDGET TABLE**

Summary for Board Action (Year of Expenditure \$000)

Project: 354 - Mercer Island Park-and-Ride/N. Mercer Way

	Adopted 2007 Budget: (A)	Proposed Budget Amendment <sup>2</sup> (B)	Revised 2007 Budget (C)
1 Agency Administration	\$ 876	\$ 124	\$ 1,000
2 Preliminary Engineering	\$ 1,423	\$ 60	\$ 1,483
3 Final Design	\$ 855	\$ -	\$ 855
4 Right of Way	\$ 251	\$ -	\$ 251
5 Construction	\$ 10,730	\$ 2,000	\$ 12,730
6 Contingency	\$ 511	\$ -	\$ 511
7 Total Current Budget	\$ 14,645	\$ 2,184	\$ 16,829
8 East King County Program Reserve <sup>3</sup>	\$ 22,758	\$ (2,184)	\$ 20,574
9 All Other East King County Projects	\$ 490,678	\$ -	\$ 490,678
10 Total Regional Express East King County Program	\$ 528,081	\$ -	\$ 528,081

### **Notes:**

<sup>1</sup> Project budget is located on page 153 of the Proposed 2007 budget book. The Adopted 2007 Budget was approved by the Board on December 14, 2006.

<sup>2</sup> The proposed budget amendment would reallocate \$2,184,433 from the East King County Regional Express Program Reserve.

<sup>3</sup> The East King County Program Reserve balance in the 2007 budget is \$24,133,690. There is a pending action to move \$1,375,417 to the I-90 Two-way Transit & HOV Operations, Stage 1 project from the program reserve. This action would result in a new balance of \$22,758,273 which is the figure used in this table and the budget amount on line 8.

## **SMALL BUSINESS PARTICIPATION**

Not applicable for this action.

## **PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

The Mercer Island Park and Ride/N. Mercer Way project will include a two-story parking garage and related passenger amenities at the existing Mercer Island Park and Ride lot. The garage will provide 450 parking stalls on two levels, increasing the capacity of the existing lot by approximately 200 stalls. Improvements to the bus boarding areas along N. Mercer Way will double their capacity and provide new bus shelters, lighting, and signing. Additional amenities include CCTV surveillance, landscaping, and public art.

During 2004, the Federal Transit Administration issued the Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) under the National Environmental Policy Act (NEPA), and Sound Transit issued the Adoption of Existing Environmental Document and Determination of Nonsignificance (DNS) under the State Environmental Policy Act (SEPA) for the Mercer Island Park and Ride/N. Mercer Way project. No appeals were received on the EA, or the DNS.

A construction contract was executed with Howard S. Wright Construction Co. early in 2006. In September 2006, Sound Transit was informed by the contractor of an issue with one of the beams supporting the upper deck of the garage. In early October 2006, the designer of the facility became concerned that the beam posed a potential safety issue and the project site was

shut down as a result. While concerns about safety on the job site were resolved immediately, the designer's investigations to determine why the beam cracked led the designer to re-evaluate the design of the facility. The designer proposed revisions to the designs of two other upper deck beams, and also proposed revisions to many other structural components of the facility.

The contractor's schedule for the project has been impacted two times as a result of these issues. The first impact was one day in October for the safety issue; the direct and indirect costs paid to the contractor by change order were over \$19,000. The second impact was 64 days for the investigation and re-design of the two beams. The direct and indirect costs to be paid to the contractor by change order are about \$417,000. As a result of this last change order, construction contract contingency is reduced to just over \$200,000.

The remaining revisions proposed by the designer will require significant structural changes to the already completed portions of the garage and given the fact that the contractor is in the final stages of construction, they will have a significant impact on both the schedule and cost to complete the project.

Stop work orders and work directives to re-sequence construction activities have already been issued to the contractor for some parts of the work that would be impacted by the proposed revisions.

The full impact of these changes on project schedule and cost will not be resolved for some time. However, taking immediate action to issue a work directive to incorporate the proposed revisions into the facility will save both time and cost. Therefore, by separate action, staff is requesting that the construction contract contingency be increased by \$1,500,000 to cover the estimated cost of the work. This contingency will be drawn down as change orders are negotiated for the actual impacts of the work. Any unused contract contingency would be returned to the project budget at the completion of construction. Staff is also requesting that the construction phase budget be increased by \$500,000 in unallocated construction phase contingency, for a total phase increase of \$2,000,000.

The estimated shortfall in the project budget as a result of these actions and to fund a resulting shortfall in the project administration phase is \$2,184,433.

**Prior Board/Committee Actions on this Project**

<b>Motion or Resolution Number and Date</b>	<b>Summary of Action</b>
M2006-10 1/26/06	Authorized execution of a contract with Howard S. Wright Construction Co. to construct a 450-stall parking garage and related transit amenities at the Mercer Island Park and Ride in the amount of \$8,160,000, with a 10% contingency of \$816,000, for a total authorized contract amount not to exceed \$8,976,000.
M2005-91 9/1/05	Executed a contract with Harris and Associates to provide construction management services for a parking garage at the Mercer Island Park and Ride.
M2004-119 12/2/04	Executed a contract with URS Corporation to provide final design services for the Mercer Island Park-and-Ride/N Mercer Way project in the amount of \$890,623, with a 10% contingency of \$89,062, for a total authorized contract amount not to exceed \$979,685.

**CONSEQUENCES of DELAY**

Time is of the essence. Any delay in obtaining the authority needed to undertake the proposed revisions will increase the cost of the work.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**ENVIRONMENTAL COMPLIANCE**

SSK 2-14-07

**LEGAL REVIEW**

JN 2/14/07