



## Motion No. M2024-64

### Increase Contingency Funds for East Link Extension Agreements and Contracts

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	10/10/2024 10/24/2024	Recommend to Board Final action	Terri Mestas, Deputy CEO, Capital Delivery  Michael Morgan, Executive Director – Capital Delivery Joe Gildner, Deputy Executive Director – Capital Delivery <b>Randy Harlow, Executive Project Director – East Link</b>

### Proposed action

Authorizes the chief executive officer to increase certain East Link Extension contract and/or agreement amounts as necessary, for a total authorized cumulative increase not to exceed \$50,000,000, contingent upon approval of Resolution No. R2024-23.

### Key features summary

- Sound Transit’s experience with the Initial Segment, University Link Extension, Northgate Link Extension, and Lynnwood Link Extension projects indicates that opening a new light rail line can require significant unanticipated work to meet a multitude of jurisdictional and operational requirements that arise during the final stages of the project.
- The proposed action authorizes the chief executive officer to increase authorized contract amounts for open East Link contracts and inter-agency agreements, by using contingency funds added in Resolution No. R2024-23 to the East Link Extension approved baseline budget to fund work necessary to achieve the timely opening of the East Link Extension by the end of 2025.
- The work will be within the approved scope of the contracts and may include but not be limited to safety certification, agency requested changes, and changes required by Authorities having jurisdiction (e.g., Seattle Fire Department, Mercer Island Building Department, and/or the Washington State Department of Transportation).
- This action will allow for funds to be allocated to individual contracts or agreements such that the contingency amounts used will not exceed \$50,000,000 in cumulative increases.
- Staff will report to the CEO no later than the second quarter of 2026 to provide a full reconciliation of any contracts and/or agreements to which these funds were applied.
- This authorization will be applied to contracts and agreements within the administration, final design, construction services, third party, and construction phases of the East Link Extension approved baseline budget, as amended by Resolution No. R2024-23.

### Background

East Link extends light rail 14 miles, with 10 stations from Seattle's International District to Judkins Park, across I-90 to Mercer Island and South Bellevue, through downtown Bellevue and the Bel-Red area to

Redmond Technology Station. Revenue service commenced in April 2024 between the South Bellevue and Redmond Technology Stations. Revenue service for the full East Link Extension is anticipated to begin in late 2025.

This action authorizes increases to active inter-governmental agreements and final design, construction management, and construction contracts, including the following:

Within the Final Design phase:

- Civil facilities and architectural final design services by WSP.
- Systems engineering final design services by Hatch (formerly LTK Engineering) for systems elements (communications, signals, track work, and traction power).

Within the Third Party phase:

- Construction Services Task Order(s) with the City of Seattle
- Construction Services Task Order(s) with the Washington State Department of Transportation.

Within the Construction phase:

- Seattle to South Bellevue Heavy Civil General Contractor/Construction Management contract by Kiewit – Hoffman, a JV.
- Systems Construction Heavy Civil General Contractor/Construction Management contract by Mass Electric Construction Company.
- Follow-on construction contractor Balfour Beatty dba H.S. Wright.
- Follow-on construction contractor Combined Construction, Inc.
- Follow-on construction contractor Titan Earthwork, LLC
- Wheel Flat Detection and Monitoring by International Electronic Machines.

Within the Construction Services phase:

- Civil construction management consultant, Jacobs Engineering, supporting Sound Transit's construction management team to manage elements of I-90 civil facilities construction.
- Systems construction management consultant, Northwest Transit Systems Partners, supporting Sound Transit's construction management team to manage all elements of systems construction.

Experience from the Initial Segment and University Link, Northgate Link, and Lynnwood Link Extension projects indicates that opening a new light rail line can require significant unanticipated work to meet a multitude of jurisdictional and operational requirements. With limited time remaining to procure resources to address such needs, this approach will help to ensure that the forecast revenue service date can be achieved.

To ensure timely opening of the extension, this action will authorize the chief executive officer to allocate funds within the East Link budget to inter-governmental agreements, construction contracts, design contracts, and construction management consultant contracts, increasing contractual not-to-exceed amounts as necessary, within the cumulative total increase of \$50,000,000.

Authorization for the increases in existing contract and agreement amounts will mitigate schedule risks associated with safety certification, civil/systems interfaces and civil/systems integrated testing and commissioning, code compliance adjustment directed by governing authorities such as the Washington State Department of Transportation, Washington State Department of Labor and Industries, City of Mercer Island Building Department, and others for work critical to start-up of revenue operations.

In second quarter 2026, staff will return to the CEO to provide a full reconciliation of any contracts or agreements for which not-to-exceed amounts were increased under this action.

## Project status

Project Identification	Alternatives Identification	Conceptual Engineering/ Draft EIS	Preliminary Engineering/ Final EIS	Final Design	Construction
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Projected completion date for Construction: Q4 2025

Project scope, schedule and budget summary are located on page 33 of the June 2024 Agency Progress Report.

## Fiscal information

This is a concurrent action with Motion No. M2024-63: Contract Modification with Mass Electric Construction Company for the East Link Extension Systems Construction Contract and contingent upon Board approval of the East Link budget amendment outlined in Resolution No. R2024-23.

The baseline budget for the East Link Extension project is \$3,757,150,000. The proposed action does not commit any new funds but will allow for contract contingencies and agreement amounts to be increased as necessary, using funds from existing budgetary line items, of up to \$50,000,000, contingent upon approval of Resolution No. R2024-23.

### East Link Extension

(in thousands)

Project Phase	Total Baseline Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Administration	\$181,100	\$157,285	\$5,000	\$162,285	\$18,815
Preliminary Engineering	54,776	54,776	-	54,776	-
Final Design	267,468	263,473	3,000	266,473	995
Third Parties	48,650	41,454	2,000	43,454	5,196
Right of Way	283,516	281,043	-	281,043	2,473
Construction	2,607,942	2,533,457	20,000	2,553,457	54,485
Construction Services	313,697	292,035	20,000	312,035	1,663
<b>Total Current Budget</b>	<b>\$3,757,150</b>	<b>\$3,623,523</b>	<b>\$50,000</b>	<b>\$3,673,523</b>	<b>\$83,627</b>

#### Notes:

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

For detailed project information, see page 115 of 224 of the 2024 Financial Plan & Adopted Budget.

\* Board Approvals = Commitment and PO Contingency Remaining as of 8/31/2024.

## Disadvantaged and small business participation

### Participation by small businesses and disadvantaged business enterprises (DBEs)

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.

Below is the current DBE and Small Business performance on the associated contracts:

<b>RTA/CN 0004-15C (Construction Contract with Kiewit Hoffman, East Link Constructors)</b>			
DBE Goal:	5%	Small Business Goal:	10%
DBE Commitment:	5%	Small Business Commitment:	10%
Current DBE Attainment:	8.0%	Current Small Business Attainment:	10.9%

<b>RTA/CN 0063-15 (Construction Contract with Shimmick-Parsons, Joint Venture)</b>			
DBE Goal:	7%	Small Business Goal:	10%
DBE Commitment:	7%	Small Business Commitment:	10%
Current DBE Attainment:	13.9%	Current Small Business Attainment:	16.5%

<b>RTA/CN 0115-14C (Construction Contract with Mass Electric Construction Company)</b>			
DBE Goal:	3%	Small Business Goal:	6%
DBE Commitment:	3%	Small Business Commitment:	6%
Current DBE Attainment:	5.5%	Current Small Business Attainment:	7.5%

<b>AE 0007-15 (Construction Management Consultant Contract with Jacobs Project Management Company)</b>			
DBE Goal:	12%	Small Business Goal:	20%
DBE Commitment:	12%	Small Business Commitment:	20%
Current DBE Attainment:	7.4%	Current Small Business Attainment:	13.1%

<b>AE 0073-12 (Design Services Contract with WSP USA, Inc (formerly Parsons Brinkerhoff, Inc.))</b>			
DBE Goal:	9%	Small Business Goal:	16%
DBE Commitment:	9%	Small Business Commitment:	16%
Current DBE Attainment:	9.5%	Current Small Business Attainment:	10.8%

<b>AE 0040-15A (Construction Management Consultant Contract with Northwest Transit Systems Partners)</b>			
DBE Goal:	6%	Small Business Goal:	11%
DBE Commitment:	6%	Small Business Commitment:	11%
Current DBE Attainment:	7.5%	Current Small Business Attainment:	17.9%

### **Public involvement**

Not applicable to this action.

### **Time constraints**

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

## **Prior Board/Committee actions**

Motion No. M2024-28: Authorized the chief executive officer to execute a contract modification with Jacobs Project Management Company to provide ongoing construction management consultant services for the Seattle to South Bellevue segment of the East Link Extension project in the amount of \$10,909,000, with a 10% contingency of \$1,091,000, for a new total authorized contract amount not to exceed \$92,919,350, all within the Board approved project budget.

Motion No. M2024-27: Authorized the chief executive officer to increase the contract contingency with Kiewit-Hoffman, East Link Constructors, for the construction of the Seattle to South Bellevue segment of the East Link Extension project in the amount of \$15,000,000, for a new total authorized contract amount not to exceed \$750,660,541, all within the Board approved project budget.

Motion No. M2024-26: Authorized the chief executive officer to increase the contract contingency for the East Link Systems Construction Management Consultant Services contract with Northwest Transit Systems Partners in the amount of \$5,000,000 for a new authorized contract amount not to exceed \$77,661,124, with \$41,721,160 allocated from the East Link Extension project, all within the Board approved project budget.

Motion No. M2024-25: Authorized the chief executive officer to increase the contract contingency with Mass Electric Construction Company for the East Link Systems Construction contract in the amount of \$5,000,000 for a new total authorized contract amount not to exceed \$438,450,000, with \$326,556,534 allocated from the East Link Extension project, all within the Board approved project budget.

Motion No. M2024-24: Authorized the chief executive officer to increase the contingency for the design service contract with WSP USA, Inc (formerly Parsons Brinkerhoff, Inc.) for design services during construction for the International District Station to South Bellevue segment of the East Link Extension, in the amount of \$4,000,000 for a new total authorized contract amount not to exceed \$73,039,782, contingent upon approval of Resolution No. R2024-13.

Motion No. M2023-102: Authorized the chief executive officer to increase the contingency for the Follow-On Package 1 contract with Balfour Beatty Construction LLC dba Howard S. Wright for the East Link Extension project to perform additional follow-on and closeout work, including additional tile repair work, in the amount of \$10,000,000 for a new total authorized contract amount not to exceed \$16,010,460.

Motion No. M2022-38: Authorized the chief executive officer to execute a contract modification with International Electronic Machines Corporation to fund the contract through 2026 for maintenance and support of the Electromagnetic Interference and vibration wheel detection system in the amount of \$3,013,658, for a new total authorized contract amount not to exceed \$12,220,038 to provide for the optional Northgate Link Extension technical field support period of five years.

Motion No. M2020-19: Authorized contingency for the East Link Systems Final Design contract with LTK Engineering Services to provide increased design support during construction services for the East Link Extension in the amount of \$3,000,000, for a new total authorized contract amount not to exceed \$27,361,805.

Resolution R2015-14: (1) Adopted the East Link Extension baseline schedule and budget, which constitutes Board approval of Gate 5 within Sound Transit's Phase Gate process by (a) amending the project Lifetime Budget from \$798,346,894 to \$3,677,150,000, and (b) amending the project 2015 Annual Budget from \$142,944,766 to \$165,636,000; (2) approved Gate 6 within Sound Transit's Phase Gate process to allow the project to proceed to construction; (3) confirmed that the alignment selected by the Board in 2013 includes a 120th Avenue Station in a retained cut; (4) incorporated the Overlake Village Bridge project into the East Link Extension by (a) amending the Lifetime budget from \$5,185,585 to \$0 and (b) amending the annual budget from \$1,163,000 to \$0 to reflect the transfer of budget to the East Link Extension; and (5) established a project revenue service date of June 2023.

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**Environmental review – EG 9/20/24**

**Legal review – JEN 10/01/24**



## Motion No. M2024-64

A motion of the of Board the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase certain East Link Extension contract and/or agreement amounts as necessary, for a total authorized cumulative increase not to exceed \$50,000,000, contingent upon approval of Resolution No. R2024-23.

### 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 increase certain East Link Extension contract and/or agreement amounts as necessary, for a total authorized cumulative increase not to exceed \$50,000,000, contingent upon approval of Resolution No. R2024-23.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 24, 2024.



Dow Constantine  
Board Chair

**Attest:**



Kathryn Flores  
Board Administrator