

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2005-03

**South Everett Freeway Station PS&E
Contract with the Washington State Department of Transportation**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	1/6/05	Deferred	Jim Edwards, Deputy Director,	(206) 398-5436
Finance Committee	1/20/05	Discussion/Possible Action	Capital Projects Sounder & Regional Express Christine Engler, Construction Program Manager, Capital Projects Hank Howard, Project Manager, Capital Projects	(206) 398-5056 (206) 398-5078

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
Interlocal Agreement		Contingency Funds (Budget) Required	
Purchase/Sale Agreement		Budget Amendment Required	

✓ *Applicable to proposed transaction.*

ACTION

Authorizes the Chief Executive Officer to execute Agreement GCA 3536 Task Order #11 with the Washington State Department of Transportation for the final design services for the South Everett Freeway Station/112th SE Project, in the amount of \$3,113,993 with a 10% contingency of \$311,399, for a total authorized amount not to exceed \$3,425,392, pending a Board-authorized budget transfer of \$4.2 million from Snohomish County program reserves.

KEY FEATURES

- Authorizes a task order with the Washington State Department of Transportation (WSDOT) to perform final design services to continue advancing the South Everett Freeway Station/ 112th SE Project, per Board direction.
- The task order authorizes WSDOT to enter into separate consultant agreements for professional support services to complete the final design effort.
- Approval of this request to execute a task order agreement is predicated on Board approval of a budget transfer of \$4.2 million from Snohomish County program reserves to fund projected budget shortfalls on this project.

BUDGET IMPACT SUMMARY

Project Description: South Everett Freeway Station/112th SE Project

Current Status: PE/ED

Projected Completion Date: December 2008

Action Outside of Adopted Budget:	Y/N	Y Requires Comment
This Line of Business	N	
This Project	Y	Board approval of budget amendment is required.
This Phase	Y	This contract would make the commitments exceed the phase budget by \$1.2 million. The projected shortfall will be addressed by the proposed budget transfer.
Budget amendment required	Y	Staff is proposing a budget transfer of \$4.2 million to fund this phase shortfall and to address other projected budget shortfalls.
Key Financial Indicators:	Y/N	Y Requires Comment
Contingency funds required	N	
Subarea impacts	N	
Funding required from other parties other than what is already assumed in financial plan	Y	The City of Everett is obtaining funding for its share of the project. A financial plan will be presented to the Board during the 2006 budget process reflecting the funding obtained by the City and the resulting cost-sharing agreement with the City. The financial plan also will reflect funding to be provided by WSDOT.

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan.

BUDGET DISCUSSION

This project is included in the 2005 budget, with a total budget of \$26.1 million. Of this amount, \$4.4 million has been committed to date. The project has a phase budget for final design of \$2.2 million. Combined with previous commitments, this action will put the final design phase over budget by approximately \$1.2 million. This phase-level shortfall can be funded out of unallocated project contingency, but the overall project budget will be increased to \$30.3 million by a Board-authorized budget transfer to reflect the total estimated Sound Transit share of this project.

As discussed with the Executive and Finance Committees on May 6, 2004, the estimated funding shortfall for Sound Transit's portion of this project is \$4.2 million. The total project budget ultimately will need to be increased by this amount plus partner funding contributions estimated at \$9.1 million, for a total project budget increase of \$13.3 million. Sound Transit has received commitments in principle of funding from WSDOT and the City of Everett. These amounts will be specified in the 2006 budget process later this year and will be added to the Snohomish County program reserves. They will then be transferred to the project to bring the total project budget to \$39.4 million.

On May 27, 2004, the Board authorized staff to continue advancing the project and to resolve the funding shortfalls following completion of preliminary engineering and environmental documentation, final design, and further negotiations with the City of Everett.

Final design work will provide the information necessary to determine the appropriate funding shares (Sound Transit, the City of Everett, and WSDOT) for the project. The adopted 2005 budget was prepared to reflect the Sound Transit funding for the project only. Future cost-sharing agreements with the City of Everett and WSDOT will provide funding for certain elements of the project, including the final design phase. Until cost sharing is finalized later this year, Sound Transit will be acting as the lead agency on the project and initially will provide the funding for final design.

Based on direction received from the Finance Committee on January 6, 2005, staff is proposing a budget transfer of \$4.2 million from the Snohomish County Program Reserves to fund the projected budget shortfall for this project. Staff believes there are sufficient funds in the program reserves to fund this transfer and not jeopardize the successful completion of the balance of the Regional Express capital program. The impacts of this proposed budget transfer on the subarea program reserves are detailed below:

Dollars in (\$000s)	Current Budget (1)	Amendment Requested (2)	Revised Budget (3)
South Everett Freeway Station (#319)	\$ 26,075	\$ 4,200	\$ 30,275
Snohomish County Regional Express Program Reserve (#999)	\$ 25,370	\$ (4,200)	\$ 21,170
Total	\$ 51,445	\$ -	\$ 51,445

Notes:

- (1) - Current budget represents the amounts identified in the Adopted 2005 Budget.
- (2) - This action would transfer \$4,200,000 from the Snohomish County Regional Express Capital Projects Program Reserve to the South Everett Freeway Station project (319).
- (3) - The Revised Budget reflects the project budgets after the transfer on funding is made.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

As discussed above, additional funds will be required to complete the construction of this project. The proposed approach is affordable within Sound Transit's current long-term financial plan and subarea financial capacity. Sufficient funds exist in the Snohomish County Program Reserve to fund the completion of this project.

The cost sharing principles for this project were discussed with the Executive and Finance Committees on May 6, 2004. In addition to the funding required for the Sound Transit portion of this project, funding is anticipated from the City of Everett and WSDOT. As noted in May for the Committees, the amount of the total project budget shortfall is dependent upon the ability of the City of Everett to obtain additional grant funding. However, it is anticipated that the City of Everett will be able to contribute about \$7.85 million (the City's estimated share) of the cost to design and construct the 112th Street SE overcrossing improvements. It is anticipated that WSDOT will contribute approximately \$1.3 million to widen I-5 as required for the project. The City of Everett and WSDOT have furnished letters to Sound Transit, affirming these agencies' support of, and funding contributions to, the project.

BUDGET TABLE

The following table illustrates the impacts of both the proposed budget transfer and the action requested in this motion on the project and phase level budgets:

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

Action Item: Execute task order with WSDOT to complete final design for the South Everett Freeway Station/112th St SE project (#319)

NOTE: TABLE HAS BEEN REVISED TO REFLECT FINANCE COMMITTEE DIRECTION OF JANUARY 6, 2005

	2005 Budget ¹ (A)	Transfer from Program Reserves ² (B)	Revised 2005 Budget (C)	Committed To Date ³ (D)	This Action (E)	Total Committed & Action (F)	Uncommitted (Shortfall) (G)
Agency Administration	\$ 1,601	\$ -	\$ 1,601	\$ 1,329	\$ -	\$ 1,329	\$ 272
Preliminary Engineering	3,075	-	3,075	2,886	-	2,886	189
Final Design	2,236	1,300	3,536	59	3,425	3,484	52
Right of Way	385	-	385	9	-	9	376
Construction	16,481	4,431	20,912	156	-	156	20,756
Contingency	2,297	(1,531)	766	-	-	-	766
Total Current Budget	\$ 26,075	\$ 4,200	\$ 30,275	\$ 4,440	\$ 3,425	\$ 7,865	\$ 22,410

Phase Budget Detail

FD Task Order with WSDOT	\$ 2,136	\$ 1,199	\$ 3,434	\$ -	\$ 3,425	\$ 3,425	\$ 9
All other FD Work	\$ 100	\$ 101	\$ 102	\$ 59	\$ -	\$ 59	\$ 43
Total Phase	\$ 2,236	\$ 1,300	\$ 3,536	\$ 59	\$ 3,425	\$ 3,484	\$ 52

Contract Budget	Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
FD Task Order with WSDOT	\$ -	\$ -	\$ 3,114	\$ 3,114
ST Contingency	-	-	\$ 311	311
Total	\$ -	\$ -	\$ 3,425	\$ 3,425
Percent Contingency	0%		10%	10%

Notes:

¹ Adopted Budget is located on page 134 of the *Proposed 2005 Budget Book* (adopted by ST Board 12/09/04).

² Reflects the amount to be transferred to this project by Resolution R2005-04, covering the projected Sound Transit budget shortfall in this project. There is also a proposed phase level transfer of \$1.5M from unallocated project contingency into the construction phase.

³ Committed to-date amount includes actual outlays and contract commitments, including contract contingency through January 7, 2005. (HQReports)

M/W/DBE – SMALL BUSINESS PARTICIPATION

Because the project will be constructed within the WSDOT right-of-way, WSDOT will serve as lead for final design services. The consultant team is committed to maintain a workforce reflective of our local region.

HISTORY OF PROJECT

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2004-58	Executed an amendment to the existing PE/ED agreement with WSDOT to provide additional analysis to complete the environmental documentation phase of the project and revise the preliminary engineering to reflect design changes.	6/3/04
M2004-44	Directed staff to continue advancing the South Everett Freeway Station/112 th SE project and resolve the funding shortfall following completion of PE/ED, final design and further negotiations with the City of Everett and WSDOT.	5/27/04
M2003-47	Executed a supplemental agreement with WSDOT for the completion of the PE/ED phase of the South Everett Freeway Station and Direct Access project.	5/15/03
M99-52	Executed a contract with Entranco for the PE/ED phase for the South Everett Park-and-Ride Lot and Direct Access Project.	8/5/99
M99-53	Executed an agreement with WSDOT for the PE/ED phase of the South Everett Park-and-Ride Lot and Direct Access Project.	8/5/99

The South Everett Freeway Station project will provide a 400-stall (approximate) park-and-ride lot and direct transit and HOV access to I-5 at 112th Street SE in South Everett near Silver Lake. The South Everett Freeway Station project consists of two Sound Move projects that were combined during the 2001 budget process.

Sound Transit has been working with WSDOT and a design consultant since August 1999 to select and analyze the preferred alternative for the South Everett Freeway Station project. Since that time, the project has been defined as HOV direct access ramps between I-5 and the 112th Street SE over-crossing of I-5 via a park-and-ride lot to be constructed in the I-5 median north of and adjacent to 112th Street SE. To date, preliminary engineering is complete. Also, environmental documentation is complete under the State Environmental Policy Act (SEPA). An Environmental Checklist has been prepared and on December 14, 2004, Sound Transit issued a Determination of Nonsignificance. Environmental documentation under the National Environmental Policy Act is still ongoing. Sound Transit and WSDOT are preparing an environmental assessment and will be requesting a Finding of No Significant Impact (FONSI) from the Federal Highway Administration (FHWA). Staff also is continuing to complete the Access Point Decision Report, which also will be submitted to FHWA for approval.

The National Environmental Policy Act (NEPA) process is expected to be completed in May 2005. In the meantime, staff is proposing to proceed with final design to prevent further project delay. Staff has consulted with WSDOT and FHWA, and both are comfortable with this approach. Staff believes that the environmental issues and likely mitigation requirements under NEPA are sufficiently known at this time to justify proceeding now into final design. If FHWA requires changes to the project as a result of the NEPA Environmental Assessment or FONSI, then final design would be suspended until the specific issues are resolved. If this occurred, there is the possibility that additional cost could be incurred if redesign were necessary. However, staff believes the likelihood of additional design changes is unlikely and that it is worth the benefit to the project schedule.

CONSEQUENCES OF DELAY

In the event execution of this task order for final design is delayed, work on the South Everett Freeway Station project and completion of the project would be delayed. Transit services operating along I-5 would operate for a longer period of time without the benefit of the travel speed and reliability improvements afforded by the transit direct access ramp and park-and-ride lot improvements.

Additionally, delaying the start of final design will delay the start of construction, which may jeopardize the City of Everett's TIB funds, which comprise a significant portion of its contribution toward the widening of 112th SE.

PUBLIC INVOLVEMENT

The first open house for the project was held on January 27, 2000, to review and discuss the conceptual design and obtain comments from the public on the overall project concept. The comments received at this meeting were generally supportive of the proposed project.

A second open house was held on August 5, 2004, to present to the public an update on the project since the last public meeting was held in 2000. The presentation focused on the changes in the project since the initial open house and the community members who attended the meeting continued to be supportive of the project.

LEGAL REVIEW

JW 1/11/05

SOUND TRANSIT

MOTION NO. M2005-03

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute Agreement GCA 3536 Task Order #11 with the Washington State Department of Transportation for the final design services for the South Everett Freeway Station/112th SE Project, in the amount of \$3,113,993 with a 10% contingency of \$311,399, for a total authorized amount not to exceed \$3,425,392, pending a Board-authorized budget transfer of \$4.2 million from Snohomish County program reserves.

Background:

The South Everett Freeway Station/112th SE project will provide a 400-stall, park-and-ride lot and direct transit and HOV access between I-5 at 112th Street SE in South Everett near Silver Lake. The South Everett project consists of two Sound Move projects, I-5 at 112th Street project and the 112th Street Park-and-Ride Lot/Flyer Stop (Silver Lake) project, which were combined during the 2001 budget process.

Sound Transit has been working since August 1999 with the Washington State Department of Transportation (WSDOT) and Entranco to select and analyze the preferred alternative for the South Everett Freeway Station project. Preliminary engineering and environmental documentation (PE/ED) work to this point has resulted in a project defined as direct access ramps from I-5 via the 112th Street SE bridge to a park-and-ride lot to be constructed in the I-5 median north of and adjacent to 112th Street SE. PE/ED documentation under the State Environmental Policy Act is complete. An Environmental Checklist has been prepared and on December 14, 2004, Sound Transit issued a Determination of Nonsignificance. Environmental documentation under the National Environmental Policy Act is still ongoing.

The task order agreement authorizes WSDOT to perform final design services whereby WSDOT will enter into separate consultant agreements for professional support services to complete this effort.

Motion:

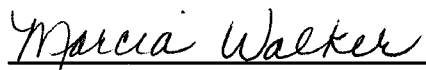
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute Agreement GCA 3536 Task Order #11 with the Washington State Department of Transportation for the final design services for the South Everett Freeway Station/112th SE project, in the amount of \$3,113,993 with a 10% contingency of \$311,399, for a total authorized amount not to exceed \$3,425,392, pending a Board-authorized budget transfer of \$4.2 million from Snohomish County program reserves.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 20, 2005.

ATTEST:



Kevin Phelps
Finance Committee Chair



Marcia Walker
Board Administrator