

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2006-11

Reservation – Freighthouse Budget Amendment

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	6/1/06	Discussion/Possible Action to Recommend Board Approval Action	Agnes Govern, Director, Capital Projects	(206) 398-5037
Board	6/8/06		Hugh Simpson, Chief Financial Officer	(206) 398-5082
			Jim Edwards, Deputy Director, Capital Projects	(206) 398-5436

Contract/Agreement Type:	✓	Requested Action:	✓
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

Reservation – Freighthouse

PROPOSED ACTION

Amends the Adopted 2006 Budget for the Reservation-Freighthouse Project, increasing it from \$16,802,131 to \$19,889,152 to reflect a transfer of \$1,952,379 from the program reserves of the South King County and Pierce County subareas and \$1,134,642 from the Seattle-Auburn Track & Signal and Auburn-Tacoma Track & Signal projects.

KEY FEATURES of PROPOSED ACTION

- The proposed action increases the project budget to include the estimated cost of construction for the third phase of remediation on this project. Project phase budgets for agency administration, final design, and construction will be increased by this action.
- The funds reserved to perform the Reservation to Freighthouse Phase 3 Remediation are not provided by Sound Transit. These funds are held in a deferred revenue account and are used to offset project expenditures; including the Phase 3 Remediation.
- The 100% design cost estimate for Phase 3 Remediation construction indicates that the costs will be higher than the funds available in the deferred revenue account. This proposed action will result in the transfer of additional funds from the program reserves of the South King County and Pierce County subareas and the Seattle-Auburn Track & Signal and Auburn-Tacoma Track & Signal projects that are required before the construction contract can be advertised by the agency.
- Sound Transit plans to advertise for bids in mid-June 2006 and award a contract for construction by the end of July 2006.

BUDGET IMPACT SUMMARY

Current Project Phase: Construction
Projected Completion Date: 2006

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task		
Budget Amendment Required	✓	\$3.1M will be moved from Seattle-Auburn and Auburn-Tacoma Track & Signal projects and the South King County and Pierce County Program Reserves to cover the phase level shortfalls.

Key Financial Indicators:	✓	Comments on Checked Items
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 action will amend the project budget to reflect current projected expenses prior to putting the construction contract out for bid. The adopted 2006 lifetime budget for this project is \$16,802,131; it is estimated that the new lifetime budget for the project will be \$19,889,152. This action will transfer \$1,952,379 from the program reserves of the South King County and Pierce County subareas, and \$1,134,642 from the Seattle-Auburn Track & Signal and Auburn-Tacoma Track & Signal projects. Additional project costs will be paid for from the deferred revenue account as appropriate.

With the adoption of the 2005 budget, the Reservation-Freighthouse project was created to allow expenses and budget to be tracked as a separate item from the other track & signal projects. Pending the resolution of a claim, funds for agency administration were not transferred to this project and uncommitted budget was put in project contingency. With the claim resolved and the final engineer's estimate of construction costs developed, the project budget can now be established.

There is a shortfall in the agency administration phase budget of \$1,022,536. A transfer of \$599,728 from the Seattle-Auburn Track & Signal Project and \$422,807 from the Auburn-Tacoma Track & Signal Project are proposed to cover this cost. The funds are available in the track & signal projects' budgets since they were never moved into the Reservation-Freighthouse project when it was created.

There are budget shortfalls caused by increased costs in final design, construction, and contingency totaling \$2,064,485. The shortfall will be covered by transferring funds from the South King County Program Reserve (\$972,757); the Pierce County Program Reserve (\$979,622) and the Seattle/Auburn Track & Signal project (\$112,106). These actions will leave a balance of \$0 in the South King County Program Reserve and \$1,698,681 in the Pierce County Program Reserve.

There are sufficient funds available in the program budget to complete this action. Committing these funds will not endanger any other project elements that are to be funded out of the overall project.

BUDGET TABLE

Summary for Board Action

LIFETIME BUDGET

Reservation-Freighthouse (247)	2006 Board Adopted Lifetime Budget	Budget Adjustment	Amended Board Adopted Lifetime Budget
Agency Administration	\$234,825	\$1,022,536	\$1,257,360
Preliminary Engineering	\$200,860	\$0	\$200,860
Final Design	\$962,332	\$351,089	\$1,313,421
Right of Way	\$0	\$0	\$0
Construction	\$14,887,175	\$1,562,941	\$16,450,116
Contingency	\$516,940	\$150,456	\$667,396
Total Current Budget	\$16,802,131	\$3,087,021	\$19,889,152

Seattle - Auburn Track & Signal (110)

Agency Administration	\$12,822,785	-\$599,728	\$12,223,057
Preliminary Engineering	\$5,893,317	\$0	\$5,893,317
Final Design	\$4,894,117	\$0	\$4,894,117
Right of Way	\$34,969	\$0	\$34,969
Construction	\$179,750,168	\$0	\$179,750,168
Vehicles	\$52,607,142	\$0	\$52,607,142
Contingency	\$178,652	-\$112,106	\$66,546
Total Current Budget	\$256,181,150	-\$711,834	\$255,469,316

Auburn - Tacoma Track & Signal (120)

Agency Administration	\$8,941,547	-\$422,807	\$8,518,740
Preliminary Engineering	\$4,806,843	\$0	\$4,806,843
Final Design	\$3,937,531	\$0	\$3,937,531
Right of Way	\$13,646	\$0	\$13,646
Construction	\$147,345,152	\$0	\$147,345,152
Vehicles	\$39,997,191	\$0	\$39,997,191
Contingency	\$675,867	\$0	\$675,867
Total Current Budget	\$205,717,779	-\$422,807	\$205,294,972

South King County Program Reserve	\$972,757	-\$972,757	\$0
Pierce County Program Reserve	\$2,678,303	-\$979,622	\$1,698,681

Net Change to Sounder Lifetime Budget \$0

2006 BUDGET

Reservation-Freighthouse	2006 Board Adopted Budget	Budget Adjustment	Amended 2006 Budget
Agency Administration	\$0	\$1,022,536	\$1,022,536
Preliminary Engineering	\$0	\$0	\$0
Final Design	\$0	\$351,089	\$351,089
Right of Way	\$0	\$0	\$0
Construction	\$0	\$1,562,941	\$1,562,941
Contingency	\$258,470	\$150,456	\$408,926
Total Current Budget	\$258,470	\$3,087,021	\$3,345,491

Notes:

Project budgets are located in the Adopted 2006 Budget book as follows: Reservation-Freighthouse page 109, Seattle-Auburn Track & Signal page 95, Auburn-Tacoma Track & Signal page 96 and Program Reserves page 112.

PROJECT DESCRIPTION and BACKGROUND FOR PROPOSED ACTION

In the summer of 2003, an embankment near Bay Street and Portland Avenue was constructed to provide a direct track connection necessary for planned Sounder service from Reservation Junction on the Burlington Northern Santa Fe line to the Tacoma Dome Station at Freighthouse Square. During and after construction, a portion of the embankment settled beyond original estimates requiring remedial work. In May 2004, reinforced concrete piles were installed along the embankment to improve the soil foundation (Phase 1 Remediation). In January 2005, reinforced concrete wing walls were added at the Bay Street underpass abutments and cracked embankment wall panels were repaired (Phase 2). Because settlement has occurred within the embankment and the embankment is expected to continue settling over the next few years, a supplemental embankment retaining system will be provided in the current phase of construction (Phase 3).

Phase 3 Remediation for the Reservation Junction to Freighthouse Square embankment will consist of reinforced concrete retaining walls supported by two new rows of concrete piles. The walls will be placed on either side of the existing embankment supporting the Reservation Junction to Freighthouse Square track connection, east of the Bay Street Tunnel. This is a supplemental wall system and will be constructed without the removal of the existing embankment. In addition, the supplemental wall system will be constructed so that rail operations will experience minimal disruption during the construction period.

Prior Board/Committee Actions on this Project and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2006-29	Authorized the Chief Executive Officer to execute a contract with URS Corporation to provide construction management services for Reservation Junction to Freighthouse Square Phase 3 Remediation in the amount of \$190,000, with a 10% contingency of \$19,000, for a total authorized contract amount not to exceed \$209,000.	4/6/06
M2006-11	Authorized the Chief Executive Officer to execute a contract amendment to the existing sole source contract with HNTB Corporation to provide independent technical review services for the remediation project and continued monitoring of the earth fill embankment and track bed structure, and continued inspection of the track on the connection between Reservation Junction and Freighthouse Square, in the amount of \$269,649, with a 10% contingency of \$26,965, totaling \$296,614, for a new total authorized contract amount not to exceed \$1,110,459.	1/26/06
M2005-98	Authorized the Chief Executive Officer to execute a contract amendment with David Evans and Associates, Inc. for design services for Reservation to Freighthouse Square Embankment Remediation in the amount of \$206,254, with a 20% contingency of \$41,251, for a new total authorized contract amount not to exceed \$2,226,623.	12/06/05
M2004-40	Authorized the Chief Executive Officer to execute a contract amendment with Stacy and Witbeck, Inc., to fund Phase I remediation to stabilize the earth fill embankment structure and wall system at the Reservation Junction to Freighthouse Square commuter rail track project in the amount of \$780,000, with a contingency of \$87,680, for a new total authorized amount not to exceed \$9,857,000, and to extend the term of the contract to September 30, 2004.	4/15/04

CONSEQUENCES of DELAY

A delay in action beyond June 2006 will delay advertising for the construction contract for the third phase remediation on this project.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

Not applicable to this action.

LEGAL REVIEW

JW 5/30/06

SOUND TRANSIT

RESOLUTION NO. R2006-11

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2006 Budget for the Reservation-Freighthouse Project from \$16,802,131 to \$19,889,152 to reflect a budget transfer from the South King County Program Reserve and Pierce County Program Reserve in the amount of \$1,952,379 and from the Seattle–Auburn Track & Signal and Auburn-Tacoma Track & Signal projects in the amount of \$1,134,642.

WHEREAS, a Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, on November 5, 1996, at a general election held within the Central Puget Sound Regional Transit Authority district, the voters approved local funding for high capacity transit in the Central Puget Sound Region; and

WHEREAS, by Resolution No. R2005 -26, the Sound Transit Board adopted the 2006 Budget on December 8, 2005; and

WHEREAS, increased costs in the final design, construction, and contingency have created a shortfall in the adopted Reservation - Freighthouse project budget; and

WHEREAS, funds are available in the South King County and Pierce County subarea program reserves;

WHEREAS, funds are also available in the Seattle-Auburn Track & Signal and Auburn-Tacoma Track & Signal project budgets; and

WHEREAS, a budget amendment is necessary to transfer these funds to the Reservation – Freighthouse project budget; and

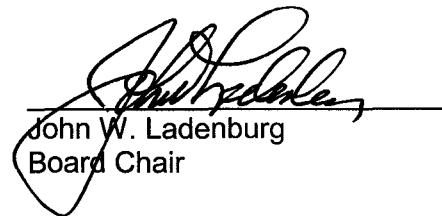
WHEREAS, said budget amendment is consistent with and affordable under Board-adopted Sound Transit financial policies as established by Resolution No. 72.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

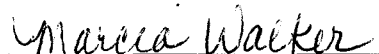
Section 1. The Adopted 2006 Budget is hereby amended for the Reservation-Freighthouse Project to include a transfer from the South King County Program Reserve and Pierce County Program Reserve in the amount of \$1,952,379, and from the Seattle-Auburn Track & Signal and Auburn-Tacoma Track & Signal projects in the amount of \$1,134,642 for a new total of \$19,889,152.

Section 2. The amended budget for the Reservation-Freighthouse Project is hereby adopted. The amended budget shall serve as a planning document and is not an authorization of expenses.

ADOPTED by an affirmative vote of two-thirds of the members of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 8, 2006.


John W. Ladenburg
Board Chair

ATTEST:


Marcia Walker
Board Administrator