

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2008-101**

**Contract Award for University Link  
Demolition & Environmental Remediation Services at Capitol Hill Station**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	10/16/08	Discussion/Possible Action	Ahmad Fazel, Link Executive Director John Harrison, University Link Project Director <b>John Sleavin, Civil Design Manager</b> <b>Ben Emam, University Link Construction Manager</b>	(206) 398-5389 (206) 398-5309 (206) 398-5150 (206) 398-5394

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

**PROJECT NAME**

University Link – Pine Street Stub Tunnel (PSST) to University of Washington (UW) Station

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a contract with NRC Environmental Services to provide demolition and environmental remediation services at Capitol Hill Station sites within the University Link project in the amount of \$3,495,500, with a contingency of \$875,000, for a total authorized contract amount not to exceed \$4,370,500.

**KEY FEATURES of PROPOSED ACTION**

- The scope of work of the Demolition & Environmental Remediation at Capitol Hill Station contract (U211) includes:
  - a) demolition of existing structures and other site features;
  - b) abatement of hazardous materials;
  - c) disposal of materials in a manner that maximizes recycling and reuse;
  - d) remediation of contaminated soil and groundwater;
  - e) removal of underground storage tanks;
  - f) construction of soil nail retaining walls;
  - g) construction of drainage features;
  - h) installation of Sound Transit's field office; and
  - i) filling, grading, and temporary paving at Capitol Hill Station sites.

- Sound Transit advertised this project as a competitive bid and received four bids. The low responsive and responsible bid was received from NRC Environmental Services in the amount of \$3,495,500, 33% below the Link engineer's estimate of \$5,252,540.
- Staff recommends assignment of 25% contingency for this contract to cover unknown and possible additional contaminated soils and/or hazardous material to be abated or removed from the sites. It is not possible to determine the full extent of contaminated soils and/or hazardous material underlying one location until the building fronting Broadway, Denny Way, and Nagle Street (1830 Broadway Associates) is demolished as part of this contract. Removing this building opens site access for more extensive soil testing, at which point a determination can be made as to the quantity of contaminated soils and/or hazardous material to be removed and disposed of properly.
- Sound Transit has obtained all key construction permits from the City of Seattle and Washington State Department of Ecology (DOE) except for the National Pollutant Discharge Elimination System (NPDES) permit; and has incorporated permit conditions into the U211 contract. The NPDES permit from the DOE is expected by mid-November, prior to start of the demolition and environmental remediation work.
- Sound Transit has acquired all necessary properties, easements, and rights-of-entry for the work.

### **BUDGET IMPACT SUMMARY**

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

### **BUDGET and FINANCIAL PLAN DISCUSSION**

The Adopted 2008 Lifetime Capital Budget for University Link is \$1.614 billion. Within that amount \$5,054,000 has been set aside for the Demolition & Environmental Remediation at Capitol Hill Station (Contract U211) in the construction phase. The proposed action would commit \$4,370,500 for this line item, leaving a remaining balance of \$683,500 compared to the 2008 lifetime budget for this line item.

In July 2008, the Sound Transit Board of Directors approved a revised University Link Project Capital Baseline Cost Estimate (BCE) at \$1.756 billion. This revised capital BCE is incorporated into the Proposed 2009 Budget for adoption.

The proposed action is consistent with the current adopted budget, and is affordable within the agency's long-term financial plan and subarea financial capacity. The action will have no new revenue impact on Sound Transit.

## **BUDGET TABLE**

**Action Item:** NRC Environmental Services (provide demolition and environmental remediation services at Capitol Hill Station sites within the University Link project)

**(Year of Expenditure \$000)**

<b>University Link</b>	<b>Adopted 2008 Budget (A)</b>	<b>Committed To Date (B)</b>	<b>This Action (C)</b>	<b>Total Committed &amp; Action (D)</b>	<b>Uncommitted (Shortfall) (E)</b>
Agency Administration	115,229	36,645		36,645	78,584
Preliminary Engineering	24,388	24,329		24,329	59
Final Design	77,944	58,665		58,665	19,279
Right of Way	157,332	112,726		112,726	44,606
<b>Construction</b>	<b>1,046,946</b>	<b>14,241</b>	<b>4,371</b>	<b>18,611</b>	<b>1,028,335</b>
Construction Services	68,526	64,704		64,704	3,822
Third Party Agreements	19,733	10,174		10,174	9,559
Vehicles	103,909	99,185		99,185	4,724
<b>Total Current Budget</b>	<b>1,614,007</b>	<b>420,668</b>	<b>4,371</b>	<b>425,038</b>	<b>1,188,969</b>
<b>Construction Phase Budget Detail</b>					
U211 Advanced Demolition	5,054	-	4,371	4,371	684
Other Construction Segments	1,041,892	14,241	-	14,241	1,027,651
<b>Total Phase</b>	<b>1,046,946</b>	<b>14,241</b>	<b>4,371</b>	<b>18,611</b>	<b>1,028,335</b>
<b>Contract Amount</b>					
	<b>Board Approvals to Date (F)</b>	<b>Current Approved Contract Value (G)</b>	<b>Proposed Action (H)</b>	<b>Proposed Total for Board Approval (I)</b>	<b>Proposed Contract Value (J)</b>
Contract Amount	-	-	3,496	3,496	3,496
Contingency	-	-	875	875	875
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>
Percent Contingency	0%	0%	25%	25%	25%

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of August 2008 + approved and pending board actions not recorded as of 8/31/08, or submitted after that date.

## **SMALL BUSINESS PARTICIPATION**

### Prime Consultant/Contractor

- NRC Environmental Services is the prime contractor for this contract. NRC Environmental Services has committed to a 22.3% Small Business participation goal.

### Utilization Breakdown Table

<b>Subconsultant/Subcontractor</b>	<b>Business Type</b>	<b>% of Work</b>	<b>Dollar Value</b>
Tree Solutions, NW	Small Business	1.0%	\$34,965
OSW Equipment	Small Business	1.2%	\$44,470
Friedman & Bunya	Small Business	0.03%	\$11,200
PLS Surveyors	Small Business	1.0%	\$35,400
Majestic Trucking	Small Business	1.7%	\$61,200
EMS	Small Business	1.0%	\$35,100
Duncan Asphalt	WBE	8.1%	\$282,500
Assured Quality	Small Business	7.9%	\$276,431
<b>Total</b>		<b>22.3%</b>	<b>\$781,266</b>

### EEO Commitment

NRC Environmental Services workforce demographics are 15% women and 7% minorities.

### Apprentice Utilization Commitment

NRC Environmental Services is committed to hiring apprentices for 20% of all labor hours.

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

The University Link project is a north-extension to the Initial Segment light rail transit system. The project consists of a 3.15-mile underground double-track between the east end of the Pine Street Stub Tunnel in downtown Seattle and two new cut-and-cover stations at Capitol Hill and the University of Washington. The construction work has been divided into 10 construction contract packages. The first construction contract is scheduled to start in the fourth quarter of 2008, subject to the award of the Full Funding Grant Agreement (FFGA) by the FTA.

University Link is expected to generate high ridership by connecting the three major population and employment centers of downtown Seattle, Capitol Hill, and the University District; adding 70,000 daily riders to the system for a total system daily boarding of 114,000 in operating year 2030.

Final design of the University Link project began in November 2006, when the Sound Transit Board authorized the contract with Northlink Transit Partners to provide civil engineering and architectural final design services. Permission to enter final design from the Federal Transit Administration (FTA) was received on December 11, 2006.

On August 5, 2008, Sound Transit sent a request to the FTA for a new Letter of No Prejudice (LONP) to incur costs for the procurement of two early construction contracts, Advanced Utility Relocation at the University of Washington Station site (Contract U210) and Demolition and Environmental Remediation at the Capitol Hill Station site (Contract U211), without prejudice to possible future FTA grant participation. The request for an LONP is driven by the need to proceed with the procurement of these two early construction contracts prior to the execution of a grant agreement in order to maintain the overall Project Master Schedule. LONP was received on September 24, 2008.

The design process for this contract has included coordination with Sound Transit's Real Estate department and property owners during the property acquisition process to obtain rights-of-entry to conduct environmental investigation. A number of tests and research were conducted to gather necessary information for the design to determine the extent of contaminated material underlying the sites. Staff recommends assignment of a 25% contingency for this contract to cover unknown and possible additional contaminated and/or hazardous materials to be abated or removed from the sites. There was no cost-effective way or other non-destructive testing to be conducted during final design to determine the full extent of contaminated material underlying the site.

This contract is for the demolition, environmental remediation and preparation of the sites necessary for a follow-on contractor at Capitol Hill Station sites, and the Capitol Hill Station to Pine Street Stub Tunnel. Sound Transit has acquired all necessary properties, which consist of commercial and residential buildings, for the work at Capitol Hill Station sites, and has completed relocating former tenants from those properties. These buildings are now vacant and

boarded-up. Timely removal of these buildings will mitigate an “attractive nuisance” from the Capitol Hill community.

Sound Transit advertised this project as a competitive bid through local and regional publications and received four bids. The low responsive and responsible bid was from NRC Environmental Services in the amount of \$3,495,500 and is 33% below the Link engineer’s estimate of \$5,252,540.

Environmental compliance for University Link pursuant to the National Environmental Policy Act (NEPA) and State Environmental Policy Act (SEPA) was completed with the North Link Final Supplemental Environmental Impact Statement (EIS) issued on April 7, 2006. The Federal Transit Administration issued a Record of Decision in June 2006.

**Prior Board/Committee Actions**

<b>Motion/Resolution Number and Date</b>	<b>Summary of Action</b>
R2008-09 7/24/08	Approval of Revised University Link Baseline Cost Estimate (BCE) and Authorizing Submission of Revised Federal Full Funding Grant Agreement Application.
R2007-20 9/27/07	Approved the University Link Project capital Baseline Cost Estimate at \$1.614 billion; establishes the baseline project schedule milestone as late September 2016; and authorizes the chief executive officer to submit a Full Funding Grant Agreement application to the Federal Transit Administration for the University Link Project.

**CONSEQUENCES of DELAY**

It is necessary to complete this demolition and remediation work in advance of the Capitol Hill Station Excavation and Tunnel Boring to Pine Street Stub Tunnel contract (to be bid in mid-2009), to minimize any potential time impact to the start of tunneling for this segment of the project.

**PUBLIC INVOLVEMENT**

Sound Transit staff has held a number of station design workshops, project open houses, and other meetings since the beginning of environmental and preliminary engineering work and during the final design work completed to date. Staff also meets regularly with the Capitol Hill community, Capitol Hill Chamber of Commerce, and other interested parties throughout the project development phase.

Sound Transit has an active community outreach program during construction, which includes a 24 hours 7 days a week construction hotline, a variety of written materials, and public meetings. For this contract, budget for public outreach activities is included in the contract amount as provisional sum.

**ENVIRONMENTAL COMPLIANCE**

JI 10/3/2008

**LEGAL REVIEW**

LS 10/09/08

## SOUND TRANSIT

### MOTION NO. M2008-101

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with NRC Environmental Services to provide demolition and environmental remediation services at Capitol Hill Station sites within the University Link project in the amount of \$3,495,500, with a contingency of \$875,000, for a total authorized contract amount not to exceed \$4,370,500.

#### **Background:**

The University Link project is a north-extension to the Initial Segment light rail transit system. The project consists of a 3.15-mile underground double-track between the east end of the Pine Street Stub Tunnel in downtown Seattle and two new cut-and-cover stations at Capitol Hill and the University of Washington. The construction work has been divided into 10 construction contract packages. The first construction contract is scheduled to start in the fourth quarter of 2008, subject to the award of the Full Funding Grant Agreement (FFGA) by the FTA.

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**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 a contract with NRC Environmental Services to provide demolition and environmental remediation services at Capitol Hill Station sites within the University Link project in the amount of \$3,495,500, with a contingency of \$875,000, for a total authorized contract amount not to exceed \$4,370,500.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 16, 2008.

  
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Fred Butler  
Finance Committee Vice Chair

ATTEST:

  
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Marcia Walker  
Board Administrator