

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2008-96

**Contract Award for University Link Construction of
Advanced Utility Relocation at the University of Washington**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	10/2/08	Discussion/Possible Action	Ahmad Fazel, Link Executive Director John Harrison, University Link Project Director Ben Emam, University Link Construction Manager	(206) 398-5389 (206) 398-5309 (206) 398-5394

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<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 Granite Northwest, Inc., dba Wilder Construction Company, for advanced utility relocation for the University Link project in the amount of \$1,293,000, with a contingency of \$325,000, for a total authorized contract amount not to exceed \$1,618,000, which includes cost reimbursable betterments for the University of Washington.

KEY FEATURES of PROPOSED ACTION

- The scope of work in the Advanced Utility Relocation contract (U210) includes new water lines and storm drains, including catch basins and manholes; duct banks and vaults for electrical power and communications; clock, bell, and traffic camera cable; irrigation lines and controls; and the demolition and environmental remediation of two buildings.
- Sound Transit advertised this project as a competitive bid and received six bids. The lowest responsive and responsible bid is from Granite Northwest, Inc., dba Wilder Construction Company, in the amount of \$1,293,000 and is 52% below the Link engineer’s estimate of \$2,703,797. All six of the bids received were below the engineer’s estimate.
- Staff recommends assignment of approximately 25% contingency for this contract given the risks associated with unknown underground utilities and site access requirements contained in the final right of entry permit. An agreement with the University of Washington related to access to the site and permitting is being completed in advance of construction.

- The University of Washington will reimburse Sound Transit \$175,000 for betterment work requested by the University. Thus, Sound Transit's share of the not-to-exceed contract amount is \$1,443,000.
- The betterment work under this contract includes upsizing new waterlines, and additional electrical and communications conduits.
- Sound Transit has obtained all key construction permits from the City of Seattle and the Washington State Department of Ecology and has incorporated permit conditions into the U210 Contract.

BUDGET IMPACT SUMMARY

Current Project Phase: Construction
 Projected Completion Date: 2016

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task	✓	Proposed action requires a reallocation of the current adopted 2008 budget within the construction phase of the University Link project, which is consistent with the BCE and the Proposed 2009 Budget.
Budget Amendment Required		

Key Financial Indicators:	✓	Comments on Checked Items
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)	✓	Proposed action includes betterment work that will be reimbursed to Sound Transit by the University of Washington.

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 Adopted 2008 Lifetime Capital Budget for University Link is \$1.614 billion. Within that amount, \$703,000 has been set aside for Sound Transit's share of the Advanced Utility Relocation at the University of Washington (Contract U210) in the construction phase. Approval of the proposed action would commit \$1,443,000 for this budget line item, and result in a shortfall of \$740,000, which will be funded by a reallocation of budget within the construction phase.

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 Board adoption. In the approved BCE, scope and associated budget from another contract package was reallocated to Contract U210 Advanced Utilities for a revised total budget of \$2,629,000 for this line item. The proposed action would commit \$1,443,000 of this amount, and leave a remaining budget balance of \$1,186,000. The proposed contract amount for Granite Northwest, Inc., dba Wilder Construction Company, includes betterment work in the amount of \$175,000 that Sound Transit will be reimbursed by the University of Washington (UW). This betterment work will not be charged to the University Link project.

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: Granite Northwest, Inc. (provide construction services for advance utility relocation at the University of Washington within the University Link project)

(Year of Expenditure \$000)

University Link	Adopted 2008 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
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
Construction	1,046,946	12,798	1,443	14,241	1,032,705
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
Total Current Budget	1,614,007	419,225	1,443	420,668	1,193,339

Construction Phase Budget Detail

U210 Advanced Utilities	703	-	1,443	1,443	(740)
Other Construction	1,010,313	12,798		12,798	997,515
Construction Unallocated Contingency	35,930	-		-	35,930
Total Phase	1,046,946	12,798	1,443	14,241	1,032,705

Contract Amount	Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
Contract Amount	-	-	1,293	1,293	1,293
Contingency	-	-	325	325	325
Total Contract	-	-	1,618	1,618	1,618
Percent Contingency	0%	0%	25%	25%	25%
Less Betterments	-	-	175	175	175
Total Sound Transit Share	-	-	1,443	1,443	1,443

(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.

Budget Shortfall

Task Level	\$Amount (K)	Potential Resources (L)	Source (M)
U210 Advanced Utilities	740	997,515	Reallocation of budget within the construction phase

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

- Granite Northwest, Inc., dba Wilder Construction Company, is the prime contractor for this contract. Granite Northwest, Inc., dba Wilder Construction Company, has committed to a 22.2% Small Business participation goal.

Utilization Breakdown Table

Subconsultant/Subcontractor	Business Type	% of Work	Dollar Value
Transportation System	Small Business	18.7%	\$242,232
Belarde Company	MBE / DBE	2.8%	\$37,281
Native Grounds	Small Business	0.7%	\$9,000
Total		22.2%	\$288,513

EEO Commitment

- Granite Northwest, Inc., dba Wilder Construction Company, workforce demographics are 80% women and 20% minorities.

Apprentice Utilization Commitment

- Granite Northwest, Inc., dba Wilder Construction Company, 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 Pine Street Stub Tunnel in downtown Seattle and two new cut-and-cover stations at Capitol Hill and the University of Washington.

On November 9, 2006 the Board authorized a contract execution with Northlink Transit Partners to provide civil engineering and architectural final design services for the University Link project.

The design process for the Northlink contract included coordination with HOK S+V+E Architects (HOK), a consultant for the UW Stadium Expansion project, and UW staff. HOK and Sound Transit's design consultant have established an acceptable corridor in which to place utilities. The HOK design team has also requested Sound Transit provide additional utility capacity to accommodate the master plan for the Husky Stadium. The additional utility capacity includes up-sizing of all new waterlines; adding conduits for future power, future communications, and for a clock and bell for the UW. Reimbursement of betterment costs is based on estimated incremental costs of the utility upgrade, plus a 20% markup for design engineering and contingency that has already been agreed to by both the UW and Sound Transit. Agency markups such as agency and contract administration, and construction management will not be reimbursed, since the University has agreed that it will not apply its markups on anticipated work it will contract and manage for Sound Transit.

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 and Demolition and Environmental Remediation at the Capitol Hill Station site, without prejudice to possible future FTA grant participation. The request for a 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. Sound Transit received the LONP from the FTA on September 24, 2008.

Sound Transit advertised this project as a competitive bid through local and regional publications and received six bids. The lowest responsive and responsible bid is from Granite Northwest, Inc., dba Wilder Construction Company, in the amount of \$1,293,000 and is 52% below the Link engineer's estimate of \$2,703,797.

The agreement with the University related to access to the site and permitting is being completed now. Due to potential unknowns associated with underground utilities and site access requirements, a 25% contract contingency is recommended for this project.

Construction for the advanced utility relocation project will begin in November 2008 with anticipated completion by June 2009 prior to the scheduled UW Commencement date of June 13, 2009.

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

Motion/Resolution Number and Date	Summary of Action
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.
M2007-62 6/14/07	Authorizes the chief executive officer to execute a Master Implementation Agreement (MIA) with the University of Washington establishing terms and conditions to acquire access to and use of University of Washington property for purposes of design, construction, operation, monitoring, and maintenance of Link light rail transit system.

CONSEQUENCES of DELAY

The construction activities of this contract will take place in the front gate of the University of Washington's Husky Stadium. Currently, the work is scheduled to be completed by June 2009 to accommodate the University's requirement that the stadium be available for the Commencement activity that will take place on June 13, 2009. A delay in starting construction could delay the completion of this contract beyond the Commencement date of June 13, 2009.

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 University of Washington, the Montlake community, 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 as a provisional sum.

ENVIRONMENTAL COMPLIANCE

JI 9/10/2008

LEGAL REVIEW

LA 9/25/08

SOUND TRANSIT

MOTION NO. M2008-96

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Granite Northwest, Inc., dba Wilder Construction Company, for advanced utility relocation for the University Link project in the amount of \$1,293,000, with a contingency of \$325,000, for a total authorized contract amount not to exceed \$1,618,000, which includes cost reimbursable betterments for the University of Washington.

Background:

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Motion:

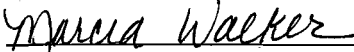
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with Granite Northwest, Inc., dba Wilder Construction Company, for advanced utility relocation for the University Link project in the amount of \$1,293,000, with a contingency of \$325,000, for a total authorized contract amount not to exceed \$1,618,000, which includes cost reimbursable betterments for the University of Washington.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 2, 2008.



Aaron Reardon
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator