

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2009-100**

**Construction Services, Betterment, and Change Management Agreement  
between Sound Transit and University of Washington**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	12/3/09	Discussion/Possible Action	Ahmad Fazel, Link Executive Director <b>Joe Gildner, University Link Project Director</b> Tracy Reed, Project Manager	(206) 398-5389  (206) 398-3350  (206) 398-5205

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**

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

**PROPOSED ACTION**

Authorizes the chief executive officer to 1) execute an agreement with the University of Washington for project-related construction services, betterments, and post-final design change management in the amount of \$2,000,000, with a contingency of \$200,000 for a total authorized agreement amount not to exceed \$2,200,000 and 2) ratify actions taken to authorize the University of Washington to perform certain, limited utility service connection and restoration work at the University of Washington Station site, and 3) approve execution of the first Task Order under this new agreement for that work.

**KEY FEATURES of PROPOSED ACTION**

- Under this agreement, Sound Transit would reimburse the University of Washington (UW) for project-related expenses associated with the University Link construction and the UW would reimburse Sound Transit for site restoration betterments or certain, requested post-final design changes in the project. The performing party will furnish services in support of the project, as described within each task order.
- The scope of this agreement covers services to be provided in the following areas:
  1. Construction Services - Sound Transit would reimburse UW for UW contractors' work including responding to: a) requests to identify underground utilities, b) conduct temporary power outages, c) install communication lines, d) complete irrigation connections, e) relocate UW facilities prior to demolition by Sound Transit contractors, and f) provide limited, project-related site restoration work.
  2. Betterments - included at the request of UW and reimbursed by Sound Transit to UW. As of this date, negotiated betterments are underground utility upgrades provided where University facilities need relocation prior to construction of UW Station.
  3. Post-Final Design Changes - requiring work not included with Sound Transit contracts at the time of bid (or proposal) that may be requested by UW in support of other UW capital projects in progress. UW will reimburse Sound Transit for this type of work.

4. Mitigation - consisting of services or work required to mitigate a project impact not previously anticipated and included in Sound Transit contracts at the time of Bid (or Proposal). No reimbursement will occur in this category unless UW completes the services or work by task order as a construction service to the project.
- Contingency amounts will be included in each applicable task order budget.
  - The proposed action includes approval of the first task order, which would ratify actions taken by Sound Transit to authorize UW to complete a 600A power utility service connection and site landscape restoration work necessary for the startup of the replacement kitchen modular building at the UW Station site near Husky Stadium. The work performed by UW will be defined as the first task order in the amount of \$312,000 under the agreement and reimbursed upon execution.
  - The work was authorized because circumstances necessitated that the UW on-call contractors be directed to perform certain, limited work prior to the Board approving this agreement or alternatively amending existing agreements. This limited scope of work was necessary in order to allow Sound Transit to meet its obligations as defined in the January 7, 2009 Letter of Concurrence between Sound Transit and the UW. The Letter of Concurrence required that the replacement kitchen and office building be ready for occupancy by July 31, 2009 and the remaining buildings be available for use by August 31, 2009. The obligations were met and all of the work is substantially complete.
  - This agreement allows amendment by future Board action to accommodate North Link construction without renegotiating the underlying terms.

**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 budget transfer from the line item for U220 TBM Tunnels UW Station to Capitol Hill Station within the construction phase of the University Link project.
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)		

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 2009 Lifetime Capital Budget for University Link is \$1.756 billion. Within that amount, \$2,000,000 has been set aside for Construction Work by Others within the construction phase.

Since no specific line item was budgeted for Construction Work by UW in the construction phase, the proposed action would be added to Construction Work by Others, which is fully committed. Approval of the proposed action would increase commitments for this line item to \$4,200,000 and result in a shortfall of \$2,200,000, which will be funded from surplus budget in the line item for U220 TBM Tunnels UW Station to Capitol Hill Station within the construction phase.

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

**BUDGET TABLE**

**Action Item:** University of Washington (UW) (Agreement for construction services, betterments, and post-final design change management)

(Year of Expenditure \$000)

University Link	Adopted 2009 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	115,229	37,254		37,254	77,975
Preliminary Engineering	24,388	24,329		24,329	59
Final Design	77,944	70,215		70,215	7,729
Right of Way	167,332	128,207		128,207	39,125
<b>Construction</b>	<b>1,180,033</b>	<b>386,226</b>	<b>2,200</b>	<b>388,426</b>	<b>791,607</b>
Construction Services	68,526	65,929		65,929	2,597
Third Party Agreements	18,646	13,573		13,573	5,073
Vehicles	103,909	99,185		99,185	4,724
<b>Total Current Budget</b>	<b>1,756,007</b>	<b>824,918</b>	<b>2,200</b>	<b>827,118</b>	<b>928,889</b>

**Construction Phase Budget Detail**

Construction Work by Others	2,000	2,000	2,200	4,200	(2,200)
U220 TBM Tunnels UWS to CHS	492,213	340,477		340,477	151,736
Other Construction	685,820	43,750		43,750	642,070
<b>Total Phase</b>	<b>1,180,033</b>	<b>386,226</b>	<b>2,200</b>	<b>388,426</b>	<b>791,607</b>

Contract Amount	Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action for Board Approval (H)	Proposed Total (I)	Proposed Contract Value (J)
Contract Amount	-	-	2,000	2,000	2,000
Contingency	-	-	200	200	200
<b>Total Contract</b>	-	-	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>
Percent Contingency	0%	0%	10%	10%	10%
Less Betterments	-	-	-	-	-
<b>Total Sound Transit Share</b>	-	-	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>

(A) ADOPTED 2009 BUDGET amounts as adopted by resolution of the Sound Transit Board (R2008-14, approved 12/11/08).

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of August 2009 + approved and pending board actions not recorded as of 8/30/09, or submitted after that date.

**Budget Shortfall**

Task Level	\$Amount (K)	Potential Resources (L)	Source (M)
Construction Work by Others	2,200	151,736	Surplus budget U220 TBM Tunnels UWS to CHS within the construction phase of the University Link project.

**SMALL BUSINESS PARTICIPATION**

University of Washington staff will perform the work tasks conducted under this agreement. Any construction or procurement of services by the University will be done consistent with the University's M/W/DBE Small Business Participation Program.

**PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

Sound Transit and the UW have previously entered into a Memorandum of Agreement (dated July 12, 2000) and this Agreement was amended by a Master Implementation Agreement (MIA), dated July 2007. The MIA contemplates the need that future agreements between the Sound Transit and the UW relating to design and construction

Based on the recent experience and lessons learned during the completion of the advance utility and facilities work on campus, Sound Transit and the UW have identified the need to establish a specific agreement to improve change management procedures. This proposed agreement is intended to better define the process to address future UW change requests that may arise as design and construction work proceeds on the heavy civil underground construction and the stations finishes contracts that will take place on the UW campus.

One of the lessons learned ties to the installation and commissioning of temporary facilities outside Husky Stadium that took place this past summer just prior to the start of the 2009 football season. In the course of doing this work, several issues and constraints were encountered that precipitated a number of field changes late in the construction schedule. Assessing the risks, Sound Transit determined that the UW's contractor should complete certain tasks because the UW was uniquely positioned to quickly respond to the emerging issues and minimize impacts to the schedule deadlines. The team successfully completed all the necessary work before the start of the football season; still, the UW's contractors completed more task work than originally anticipated resulting in the ratification action.

The proposed agreement establishes procedure that defines and captures the negotiation record for post-final design change requests and documents each task order. In this agreement task orders are defined by one of four categories: (1) construction services completed by UW and reimbursed by Sound Transit, (2) betterments completed by Sound Transit and reimbursed by UW, (3) changes in conformed U-Link contract documents (plans or specifications) requiring reimbursement by UW, and (4) changes in U-Link contract documents necessary to implement a mitigation for project construction impacts, not requiring reimbursement. Work will be managed by task orders at the discretion of the Sound Transit Executive Director of Engineering, Design and Construction and UW Associate Vice President of Capital Projects, subject to the terms of the agreement.

**Prior Board/Committee Actions**

<b>Motion/Resolution Number and Date</b>	<b>Summary of Action</b>
M2009-75 9/3/09	1) Ratified actions taken by Sound Transit staff to authorize Granite Construction Company to perform certain, limited work at the University of Washington Station site; and 2) Authorized the chief executive officer to increase the contingency for the contract with Granite Construction Company (formerly Granite Northwest, Inc.) for the Advanced Utility Relocation construction at the University of Washington Station site in the total combined amount of \$300,000, for a new total authorized contract amount not to exceed \$3,518,000, which includes costs reimbursable to Sound Transit from the University of Washington for betterment work.
M2009-17 2/5/09	Authorized the chief executive officer to increase the authorized amount of the contract with Granite Northwest, Inc. for construction of advanced utility relocation at the University of Washington Station site for the University Link project in the amount of \$1,600,000, for a new total authorized contract amount not to exceed \$3,218,000, which includes costs reimbursable to Sound Transit from the University of Washington for betterment work.
M2008-96 10/2/08	Authorized 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.
M2008-94 9/18/08	Authorized the chief executive officer to execute a contract with the King County Directors' Association under the existing Interstate Associate Membership Agreement to procure modular buildings in the amount of \$1,061,503, with a 10% contingency of \$106,150, for a total authorized amount not to exceed \$1,167,653.

<b>Motion/Resolution Number and Date</b>	<b>Summary of Action</b>
M2007-62 6/14/07	Authorized 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 UW Station and Tunnels contract work is scheduled to begin on January 4, 2010 and a number of related construction services and betterment task orders are contemplated for execution under this agreement. Delay in approving this action may increase costs of certain change orders and restrict Sound Transit's ability to coordinate with the proposed future Husky Stadium renovation project.

The construction activities addressed by the first task order are in the north gate area of the University of Washington's Husky Stadium. The University of Washington insisted that no construction work take place during the football season; therefore it was critically important that all work be completed before the end of August 2009. Therefore, it was necessary to authorize certain, limited work prior to obtaining Board authorization. Delaying ratification of the first task order may delay payment to the University for completed work.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**ENVIRONMENTAL COMPLIANCE**

Jl, 10/16/09

**LEGAL REVIEW**

SS 11/24/09

## **SOUND TRANSIT**

### **MOTION NO. M2009-100**

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to 1) execute an agreement with the University of Washington for project-related construction services, betterments, and post-final design change management in the amount of \$2,000,000, with a contingency of \$200,000 for a total authorized agreement amount not to exceed \$2,200,000 and 2) ratify actions taken to authorize the University of Washington to perform certain, limited utility service connection and restoration work at the University of Washington Station site, and 3) approve execution of the first Task Order under this new agreement for that work.

#### **Background:**

Sound Transit and the UW have previously entered into a Memorandum of Agreement (dated July 12, 2000) and this Agreement was amended by a Master Implementation Agreement (MIA), dated July 2007. The MIA contemplates the need that future agreements between the Sound Transit and the UW relating to design and construction

Based on the recent experience and lessons learned during the completion of the advance utility and facilities work on campus, Sound Transit and the UW have identified the need to establish a specific agreement to improve change management procedures. This proposed agreement is intended to better define the process to address future UW change requests that may arise as design and construction work proceeds on the heavy civil underground construction and the stations finishes contracts that will take place on the UW campus.

One of the lessons learned ties to the installation and commissioning of temporary facilities outside Husky Stadium that took place this past summer just prior to the start of the 2009 football season. In the course of doing this work, several issues and constraints were encountered that precipitated a number of field changes late in the construction schedule. Assessing the risks, Sound Transit determined that the UW's contractor should complete certain tasks because the UW was uniquely positioned to quickly respond to the emerging issues and minimize impacts to the schedule deadlines. The team successfully completed all the necessary work before the start of the football season; still, the UW's contractors completed more task work than originally anticipated resulting in the ratification action.

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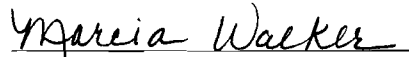
#### **Motion:**

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to 1) execute an agreement with the University of Washington for project-related construction services, betterments, and post-final design change management in the amount of \$2,000,000, with a contingency of \$200,000 for a total authorized agreement amount not to exceed \$2,200,000 and 2) ratify actions taken to authorize the University of Washington to perform certain, limited utility service connection and restoration work at the University of Washington Station site, and 3) approve execution of the first Task Order under this new agreement for that work.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 3, 2009.

  
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Aaron Reardon  
Finance Committee Chair

ATTEST:

  
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Marcia Walker  
Board Administrator