



**MOTION NO. M2010-59**

**Pre-Construction Phase Services for University of Washington Station**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>	<b>PHONE:</b>
Capital Committee	06/10/10	Final Action	Ahmad Fazel, DECM Executive Director <b>Don Davis, DECM Deputy Executive Director</b>	206-398-5389 206-370-5508

**PROPOSED ACTION**

Authorize the chief executive officer to execute a contract with Hoffman Construction Company to provide pre-construction phase services for the University of Washington Station in the amount of \$347,000, with a 10% contingency of \$34,700, for a total authorized contract amount not to exceed \$381,700.

**KEY FEATURES**

- The proposed contract uses the Construction Manager/General Contractor (GC/CM) method of contracting. The GC/CM method was selected for this project based on certain project characteristics including very complex scheduling and phasing requirements, extensive interface with other contractors and with ongoing operations of the University of Washington (UW) campus, and highly technical construction requirements.
- The pre-construction phase services include reviews of the project schedule, phasing and interface requirements, constructability issues and value engineering proposals. Following these activities, Sound Transit will negotiate a contract with Hoffman Construction Company for the station construction and establish a Maximum Allowable Construction Cost (MACC) as the basis for award of the General Contractor/Construction Manager (GC/CM) contract.
- Pre-construction services will last approximately six months and, if MACC negotiations are successful, will conclude with a proposed construction contract for the UW Station. The construction contract will be brought to the Board for approval at that time (anticipated to be in January 2011). If an agreement on the MACC cannot be reached, Sound Transit will have the option of bidding the work through a traditional Invitation for Bids (IFB) or entering cost negotiations with the second ranked firm.
- This authorization includes the contractor's bid price of \$147,000 for a fixed scope of work including project planning and management, development of project cost estimates, schedules and subcontracting plans, and performing Value Engineering and Constructability Reviews. It also includes provisional sums of \$200,000 for supplemental services as directed by Sound Transit. Supplemental services may include participation in meetings with third party entities and community groups, advanced work on site staging plans, submittals and permit applications required for work to start and evaluation of cost saving alternatives including the use of advanced three-dimensional models.

**PROJECT DESCRIPTION**

University Link (U-Link) is a 3.15-mile light rail extension located entirely underground with tunnels traveling east from Pine Street, under the I-5 freeway to an underground station at Capitol Hill, continuing north beneath SR 520 and the Lake Washington Ship Canal to an underground station on the UW campus, near Husky Stadium. The UW Station construction will include the station structure, finishes, mechanical and electrical work, and restoration of the Husky Stadium parking lot.

**FISCAL INFORMATION**

(Year of Expenditure \$000)

University Link	Adopted 2010 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	115,229	40,223		40,223	75,006
Preliminary Engineering	24,388	24,260		24,260	128
Final Design	82,944	70,156		70,156	12,788
Right of Way	152,332	127,066		127,066	25,266
Construction	1,180,033	561,661		561,661	618,372
Construction Services	78,526	65,868	382	66,250	12,276
Third Party Agreements	18,646	11,412		11,412	7,234
Vehicles	103,909	99,185		99,185	4,724
<b>Total Current Budget</b>	<b>1,756,007</b>	<b>999,832</b>	<b>382</b>	<b>1,000,214</b>	<b>755,793</b>

**Construction Services Phase Budget Detail**

U250 Preconstruction Services	2,000	-	382	382	1,618
Other Construction Services	76,526	65,868		65,868	10,658
<b>Total Phase</b>	<b>78,526</b>	<b>65,868</b>	<b>382</b>	<b>66,250</b>	<b>12,276</b>

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	-	-	347	347	347
Contingency	-	-	35	35	35
<b>Total Contract</b>	<b>-</b>	<b>-</b>	<b>382</b>	<b>382</b>	<b>382</b>
Percent Contingency	0%	0%	10%	10%	10%

(B) COMMITTED TO DATE amounts are from Link WBS Report as of April 2010 + approved and pending board actions not recorded as of 4/30/10, or submitted after that date, and include allocated contingencies.

**SMALL BUSINESS PARTICIPATION**

The pre-construction phase of this work does not include a small business goal. An element of the pre-construction phase services is to develop a subcontracting plan for construction. The subcontracting plan will include specific goals for each subcontract package based on the type of work and the availability of small and disadvantaged businesses to perform that work.

**EQUAL EMPLOYMENT WORKFORCE PROFILE**

77 employees; 21% women; 4% minorities.

**BACKGROUND**

This will be Sound Transit's first construction contract using the GC/CM form of contracting, an alternative contracting method allowed under RCW 39.10. It was previously approved for use on this project by the Project Review Committee of the State's Capital Project Advisory Review Board (CPARB). The GC/CM method of contracting involves contractor selection based on qualifications and pricing for specific elements of the project including specified general conditions costs, contractor fee, and pre-construction services.

A Request for Proposals (RFP) was issued on January 20, 2010 and eight proposals were received. Following review and evaluation of these proposals, five contractor teams were invited for oral interviews. Based on scoring of the proposals and the interviews, it was determined that two firms would be asked to submit final proposals in response to a Request for Final Proposals (RFFP), including their price offers for specified work items. The price offers were opened publicly on April 29, 2010. Based on evaluation of proposals, oral interviews, and price offers, Hoffman Construction Company is the highest ranked firm.

Consistent with the GC/CM process, following completion of preconstruction services, Sound Transit will attempt to negotiate a maximum allowable construction cost (MACC) with the contractor. If a MACC is agreed-upon, the MACC is added to several fixed amounts already submitted by the contractor as part of its price offer to determine the Total Contract Cost. Generally speaking, subject to certain statutory and contractual exceptions, the contractor bears the risk if actual construction costs exceed the Total Contract Cost.

If a MACC is agreed to, it is anticipated that Board approval will be requested to execute a construction contract with Hoffman under which they will construct the UW Station. That contract will include all station structures, finishes and services, and is anticipated to be complete in the first quarter of 2015.

**ENVIRONMENTAL COMPLIANCE**

Jl 5/13/2010

**PRIOR BOARD/COMMITTEE ACTIONS**

None.

**TIME CONSTRAINTS**

A one month delay would likely delay the start of construction of the UW Station and could result in failure to meet contract milestone dates that are required under the Master Implementation Agreement (MIA) with the University of Washington. Under the terms of the MIA, liquidated damages may be assessed by the University for such delays.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**LEGAL REVIEW**

LA 6/3/10

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A motion of the Capital Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Hoffman Construction Company to provide pre-construction phase services for the University of Washington Station in the amount of \$347,000, with a 10% contingency of \$34,700, for a total authorized contract amount not to exceed \$381,700.

**BACKGROUND:**

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The pre-construction phase services include reviews of the project schedule, phasing and interface requirements, constructability issues and value engineering proposals. Following these activities, Sound Transit will negotiate a contract with Hoffman Construction Company for the station construction and establish a Maximum Allowable Construction Cost (MACC) as the basis for award of the General Contractor/Construction Manager (GC/CM) contract.

Pre-construction services will last approximately six months and, if MACC negotiations are successful, will conclude with a proposed construction contract for the UW Station. The construction contract will be brought to the Board for approval at that time (anticipated to be in January 2011). If an agreement on the MACC cannot be reached, Sound Transit will have the option of bidding the work through a traditional Invitation for Bids (IFB) or entering cost negotiations with the second ranked firm.

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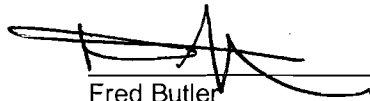
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**MOTION:**

It is hereby moved by the Capital Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with Hoffman Construction Company to provide pre-construction phase services for the University of Washington Station in the amount of \$347,000, with a 10% contingency of \$34,700, for a total authorized contract amount not to exceed \$381,700.

APPROVED by the Capital Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 10, 2010.

  
Fred Butler  
Board Vice Chair

ATTEST:

  
Marcia Walker  
Board Administrator