

**MOTION NO. M2011-10**  
**Construction 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	2/10/11	Recommendation to Board	Ahmad Fazel, DECM Executive Director	206-398-5389
Board	2/24/11	Final Action	<b>Mark Pickerill, DECM</b> <b>U250 Deputy Construction Manager</b>	206-370-5512

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a contract with Hoffman Construction Company of Washington to provide General Contractor / Construction Manager construction services for the University of Washington Station within the University Link project in the amount of \$141,745,898, with a 5% contingency of \$7,087,295 for a total authorized contract amount not to exceed \$148,833,193.

**KEY FEATURES**

- The proposed contract includes the construction of civil, structural, and architectural finishes for the University of Washington (UW) Station, crossover box, at-grade station entrance, and a pedestrian bridge that crosses Montlake Boulevard, NE Pacific Place, and the Burke-Gilman Trail. The scope of work includes elevators and escalators; mechanical and electrical elements, which incorporate fire protection and emergency ventilation; and surface features and landscaping.
- Based on criteria established by RCW 39.10 (Alternative Public Works Contracting Procedures), Sound Transit selected the General Contractor / Construction Manager (GC/CM) method of contracting for this project. The GC/CM method incorporates a negotiated Maximum Allowable Construction Cost (MACC) with specified general conditions and fees to develop a Total Construction Cost (TCC).
- As authorized by Motion No. M2010-59, Hoffman Construction Company has been engaged in pre-construction services for the project since June 2010. During the first phase of the two-phase GC/CM process, Hoffman Construction Company advertised for subcontractors on selected bid packages. The low bids were incorporated into MACC negotiations. The proposed action would initiate the second phase of the GC/CM process, with active construction scheduled to begin in April 2011.
- The work is expected to take five years, including provisions that maintain the contractor's involvement through commencement of revenue service.
- The contract scope is based on the 2006 design and will be revised when the new Montlake Triangle Project design is completed, including additional construction scope and any savings due to the removal of the original pedestrian bridge.

**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

### Budget Table

(Year of Expenditure \$000)

University Link	Adopted 2011 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	115,229	39,941		39,941	75,288
Preliminary Engineering	24,349	24,266		24,266	82
Final Design	87,633	76,053		76,053	11,580
Right of Way	152,332	124,797		124,797	27,535
Construction	1,158,183	563,296	148,833	712,130	446,053
Construction Services	95,726	66,250		66,250	29,476
Third Party Agreements	18,646	11,407		11,407	7,239
Vehicles	103,909	99,185		99,185	4,724
<b>Total Current Budget</b>	<b>1,756,007</b>	<b>1,005,195</b>	<b>148,833</b>	<b>1,154,029</b>	<b>601,978</b>

### Construction Phase Budget Detail

U250 Construction	160,111	-	148,833	148,833	11,278
Other Construction	998,072	563,296		563,296	434,776
<b>Total Phase</b>	<b>1,158,183</b>	<b>563,296</b>	<b>148,833</b>	<b>712,130</b>	<b>446,053</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	-	-	141,746	141,746	141,746
Contingency	-	-	7,087	7,087	7,087
<b>Total Contract</b>	<b>-</b>	<b>-</b>	<b>148,833</b>	<b>148,833</b>	<b>148,833</b>
Percent Contingency	0%	0%	5%	5%	5%

(B) COMMITTED TO DATE amounts are from Link WBS Report as of December 2010 + approved and pending board actions not recorded as of 12/31/10, or submitted after that date, and include allocated contingencies.

## SMALL BUSINESS PARTICIPATION

For each subcontract package, Hoffman Construction Company has included specific small and disadvantaged business goals. Hoffman's goals are based on the type of work and the availability of small and disadvantaged businesses to perform that particular work.

The overall project goals are:  
 Small Business: 10%  
 DBE: 8%

Hoffman's current subcontract packaging plan anticipates the following participation levels for each package of subcontracted work under the proposed GC/CM contract:

	<b>SBE % of Work</b>	<b>SBE Dollar Value</b>	<b>DBE % of Work</b>	<b>DBE Dollar Value</b>
BP 1 Earthwork and Shoring	0.94%	\$1,337,000	0.80%	\$1,137,000
BP 2 Station Structures	5.21%	\$7,381,601	5.15%	\$7,306,601
BP 3 Bridge & Head House Structures	0.61%	\$860,000	0.40%	\$560,000
BP 4 Vertical Transportation	0.23%	\$320,000	0.16%	\$220,000
BP 5 Mechanical and Electrical	1.52%	\$2,161,034	0.85%	\$1,200,000
BP 6 Exterior Closure and Finishes	0.83%	\$1,175,000	0.53%	\$753,000
BP 7 Sitework and Utilities	0.82%	\$1,165,000	0.14%	\$200,000
BP 8 Site Improvements and Landscaping	1.12%	\$1,590,000	0.65%	\$916,000
Negotiated Support Services	1.73%	\$2,450,000	1.59%	\$2,250,000
<b>Total Estimated SB/DBE Participation</b>	<b>13.01%</b>	<b>\$18,439,635</b>	<b>10.26%</b>	<b>\$14,542,601</b>

### **APPRENTICE UTILIZATION COMMITMENT**

Hoffman Construction Company has committed to meet the 20% Apprentice Utilization goal as specified in the contract documents. Under the terms of the contract, people of color and women must comprise at least 50% of all first-year apprentice hours, and 33% of all total apprentice hours worked.

### **EQUAL EMPLOYMENT WORKFORCE PROFILE**

Hoffman Construction Company has agreed to adhere to the EEO provisions specified in the Contract Documents. The EEO goals for people of color and women must represent 21% and 12%, respectively, of the total labor hours worked on the contract. Hoffman will include these provisions in all subcontracts it issues under the GC/CM procurement process.

### **BACKGROUND**

This will be Sound Transit's first construction contract using the GC/CM contracting method. In a letter dated September 25, 2009, the Project Review Committee of Washington State's Capital Project Advisory Review Board approved Sound Transit's use of this method. The GC/CM method involves contractor selection based on qualifications and pricing for specific project elements, which include specified general conditions costs, contractor fees, and pre-construction services.

Sound Transit issued a Request for Proposals on January 20, 2010. Sound Transit received, reviewed, and evaluated eight proposals, and five contractor teams were invited for oral interviews. Of those five, two firms were asked to submit final proposals in response to a Request for Final Proposals. The price offers, which included offers for specified work items, were opened publicly on April 29, 2010. Based on evaluation of proposals, oral interviews, and price offers, Sound Transit awarded the pre-construction contract to Hoffman Construction Company.

During the pre-construction phase, Hoffman performed project planning and management; developed project cost estimates, schedules, and subcontracting plans; and conducted value engineering and constructability reviews. The pre-construction phase also included advanced work on site staging plans; early submittals required for commencement of work; and evaluation of cost saving alternatives.

As required by RCW 39.10, all of the project scope within the negotiated MACC must be publicly bid and subcontracted to the lowest responsive, responsible bidder. The GC/CM may self-perform up to 30% of the MACC amount. In order to do so, the GC/CM must compete in the bid process and be the lowest responsive, responsible bidder.

Hoffman Construction Company advertised Requests for Bids on key subcontract packages, including earthwork, shoring, station concrete, demolition, waterproofing, and fire protection. Hoffman issued notices of intent to award subcontracts to the low bidders on each package, contingent upon Sound Transit awarding the proposed contract to Hoffman. As authorized by the provisions of state statute, Hoffman also awarded contingent subcontracts for the mechanical and electrical scopes of work.

Toward the end of the pre-construction phase, Sound Transit negotiated a MACC with Hoffman Construction Company, to which specified general conditions and fees, competitively bid during the GC/CM selection process were added to develop a TCC. Subject to certain statutory and contractual exceptions, the contractor bears the risk if actual construction costs exceed the TCC.

## **ENVIRONMENTAL COMPLIANCE**

Environmental compliance 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 for North Link in June 2006. A SEPA Addendum and NEPA approval were issued in January 2011 for the revised pedestrian bridge design over Montlake Boulevard, Pacific Place and the Burke-Gilman Trail.

Jl 2/2/2011

## **PRIOR BOARD/COMMITTEE ACTIONS**

Motion No. M2010-59 – Authorized 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.

## **TIME CONSTRAINTS**

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

## **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 meets regularly with the Montlake community, UW, other interested parties and affected stakeholders throughout the project area.

Sound Transit also 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, there is a budget for additional public outreach activities included in the contract amount as a provisional sum.

Sound Transit staff has been notifying potentially affected stakeholders and the public about the construction work related to this project. Staff will continue to work closely with local jurisdictions to coordinate public notification efforts and other outreach activities during construction.

## **LEGAL REVIEW**

LA 2/3/10

**MOTION NO. M2011-10**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Hoffman Construction Company of Washington to provide General Contractor / Construction Manager construction services for the University of Washington Station within the University Link project in the amount of \$141,745,898, with a 5% contingency of \$7,087,295 for a total authorized contract amount not to exceed \$148,833,193.

**BACKGROUND:**

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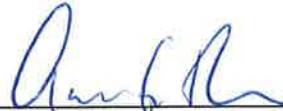
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The work is expected to take five years, including provisions that maintain the contractor's involvement through commencement of revenue service.

**MOTION:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with Hoffman Construction Company of Washington to provide General Contractor / Construction Manager construction services for the University of Washington Station within the University Link project in the amount of \$141,745,898, with a 5% contingency of \$7,087,295 for a total authorized contract amount not to exceed \$148,833,193.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 24, 2011.



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Aaron Reardon  
Board Chair

ATTEST:



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Marcia Walker  
Board Administrator