

MOTION NO. M2014-101

**Increase Contingency for Capitol Hill Station Construction Services**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	12/11/2014	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	12/18/2014	Final Action	<b>Joe Gildner, Executive Project Director – University Link Extension</b>

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a contract amendment with Turner Construction Company to increase the contingency for the construction of the Capitol Hill Station within the University Link Project in the amount of \$5,000,000, for a new total authorized contract amount not to exceed \$115,092,790.

**KEY FEATURES SUMMARY**

- The requested contingency will be used to address unforeseen changes associated with the work (e.g. architectural, mechanical, electrical, and structural) together with third party changes and owner requested changes.
- This contingency will also be used for the cost of differing site conditions, including conflicts with utility lines and obstructions with the drilled shafts for the station’s pedestrian concourse and west entry.
- The contingency will also be used for the costs to enhance the contract schedule to mitigate some primary risks associated with civil/systems interfaces and civil/systems integrated testing/commissioning.
- This contingency request is intended to cover the remaining work identified within this contract and is consistent with the previous board actions.

**BACKGROUND**

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 Capitol Hill Station construction includes the station structure, finishes, mechanical and electrical work, north and south entrances, a west entrance and pedestrian concourse under Broadway, restoration of at-grade features including streets, sidewalks, and landscaping at the Capitol Hill site and Pine Street access shaft. The work at Capitol Hill Station is on the critical path for the project’s schedule.

Station construction began in November 2012 and the project is anticipated to be substantially complete in August 2015.

To date, the use of contract contingency is tied to several large change orders occurring since the start of construction. These changes include the following items:

- The contractor encountered differing site conditions (e.g. concrete, oversize boulders, and unanticipated utilities) during excavation of the west entry and adjoining pedestrian concourse. The contractor was compensated to mitigate these impacts.
- The original plans included a component for the station’s tunnel ventilation fans that was deemed inadequate during factory testing. A change order was issued to delete the inadequate soft starters and furnish/install adequate starters.

- Enhancements to specific schedule activities to mitigate primary risks associated with civil/system interfaces allowing: a) early station access to priority systems rooms for the follow-on systems contractor and b) early installation of station permanent power by the follow-on systems contractor.
- Changes in the work to comply with the City of Seattle’s Street Improvement Permit. These changes included: a) pavement repair revisions to maximize serviceability and b) repositioning of a key sewer line to optimize the installation of permanent power line to the station.
- Work for some of the fire/life safety conduits in specific station airways. These field modifications (e.g. further protective measures or re-positioning of conduits) were coordinated with the City of Seattle Fire Department and Department of Planning and Development.

PROJECT STATUS in SOUND TRANSIT’S PHASE/GATE PROCESS

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<b>Phase I:</b> Project Identification	<b>Phase II:</b> Alternatives Identification	<b>Phase III:</b> Conceptual Engineering	<b>Phase IV:</b> Preliminary Engineering	<b>Phase V:</b> Final Design	<b>Phase VI:</b> Construction

Projected Completion Date for Construction: 4Q 2015

Project scope, schedule and budget summary located on page 7 of the September 2014 Agency Progress Report.

FISCAL INFORMATION

The Lifetime capital project budget for the University Link Extension as shown in the 2015 TIP is \$1.756 billion. Within that amount \$115,873,000 has been set aside for U240 Capitol Hill Station Finishes in the Construction phase. The proposed action would increase commitments to this line item by \$5,000,000 to a revised total of \$115,232,876, and leave a remaining budget balance of \$740,124.

This action is within the adopted budget and sufficient monies remain after approval of this action to fund the remaining work in the Construction phase as contained in the current cost estimates. Use of Construction phase unallocated contingency is not required for this action.

## University Link Extension

	2015 TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	113,554	67,103		67,103	46,451
Preliminary Engineering	24,261	24,261		24,261	-
Final Design	89,308	86,895		86,895	2,413
Right of Way	152,332	125,631		125,631	26,701
Construction	1,158,183	988,745	5,000	993,745	164,438
Construction Services	95,814	84,360		84,360	11,454
Third Party Agreements	18,646	12,510		12,510	6,136
Vehicles	103,909	99,210		99,210	4,699
<b>Total Current Budget</b>	<b>1,756,007</b>	<b>1,488,716</b>	<b>5,000</b>	<b>1,493,716</b>	<b>262,291</b>

### Phase Detail

#### Construction

U240 Capitol Hill Station Finishes	115,873	110,133	5,000	115,133	740
Other Construction	1,042,310	878,613		878,613	163,697
<b>Total Phase</b>	<b>1,158,183</b>	<b>988,745</b>	<b>5,000</b>	<b>993,745</b>	<b>164,438</b>

### Contract Detail

#### Turner Construction Company

	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	104,850	107,793	-	104,850
Contingency	5,243	2,300	5,000	10,243
<b>Total</b>	<b>110,093</b>	<b>110,093</b>	<b>5,000</b>	<b>115,093</b>
Percent Contingency	5%	2%	100%	10%

#### Notes:

Amounts are expressed in Year of Expenditure \$000s.

Board Approvals = Committed To-Date + Contingency, and includes pending Board actions.

2015 TIP = Project budget located on page 39 of the Proposed 2015 Transit Improvement Plan (TIP) as amended in Board Resolution R2014.xx to be considered for adoption by the ST Board 12/18/14.

## SMALL BUSINESS/DBE PARTICIPATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Consistent with Sound Transit Policies and Federal Regulations, Sound Transit has established Small Business/DBE goals for this contract. These goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

For this specific contract, the following goals were set and the successful Bidder/Proposer has committed to the following Small Business/DBE Participation:

### Small Business and Disadvantaged Business Enterprise Goals

#### Sound Transit Goal:

Small Business: 10%

DBE: 7%

#### Commitment:

Small Business: 14.5%

DBE: 10%

## TITLE VI COMPLIANCE

Turner 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. Turner will include these provisions in all subcontracts it issues under the GC/CM procurement process.

## PUBLIC INVOLVEMENT

Sound Transit has maintained 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.

Sound Transit staff has been notifying 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.

## TIME CONSTRAINTS

A delay in approval of this action will potentially increase the risk of completing the remaining work as planned for the early opening in the first quarter of 2016.

## PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2012-72: Authorized the chief executive officer to execute a contract with Turner Construction Company to provide General Contractor / Construction Manager services for the Capitol Hill Station within the University Link project in the amount of \$104,850,276, with a 5% contingency of \$5,242,514 for a total authorized contract amount not to exceed \$110,092,790.

Motion No. M2011-86: Authorized the chief executive officer to execute a contract with Turner Construction Company to provide pre-construction phase services for the Capitol Hill Station in the amount of \$564,918, with a 10% contingency of \$56,492, for a total authorized contract amount not to exceed \$621,410.

## ENVIRONMENTAL REVIEW

JI 11/14/2014

## LEGAL REVIEW

LA 5 December 2014

## **MOTION NO. M2014-101**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract amendment with Turner Construction Company to increase the contingency for the construction of the Capitol Hill Station within the University Link Project in the amount of \$5,000,000, for a new total authorized contract amount not to exceed \$115,092,790.

### **BACKGROUND:**

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 Capitol Hill Station construction includes the station structure, finishes, mechanical and electrical work, north and south entrances, a west entrance and pedestrian concourse under Broadway, restoration of at-grade features including streets, sidewalks, and landscaping at the Capitol Hill site and Pine Street access shaft. The work at Capitol Hill Station is on the critical path for the project's schedule.

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- The original plans included a component for the station's tunnel ventilation fans that was deemed inadequate during factory testing. A change order was issued to delete the inadequate starters and furnish/install adequate starters.
- Enhancements to specific schedule activities to mitigate primary risks associated with civil/system interfaces allowing: a) early station access to priority systems rooms for the follow-on systems contractor and b) early installation of station permanent power by the follow-on systems contractor.
- Changes in the work to comply with the City of Seattle's Street Improvement Permit. These changes included: a) pavement repair revisions to maximize serviceability and b) repositioning of a key sewer line to optimize the installation of permanent power line to the station.
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This contingency request is intended to cover the remaining work identified within this contract and is consistent with the previous board actions.

**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 amendment with Turner Construction Company to increase the contingency for the construction of the Capitol Hill Station within the University Link Project in the amount of \$5,000,000, for a new total authorized contract amount not to exceed \$115,092,790.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 18, 2014.

  
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Paul Roberts  
Board Vice Chair

ATTEST:

  
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Marcia Walker  
Board Administrator