



## **SOUND TRANSIT CAPITAL COMMITTEE MEETING**

Summary Minutes  
November 12, 2015

### **CALL TO ORDER**

The meeting was called to order at 1:30 p.m. by Committee Chair Fred Butler, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

### **ROLL CALL**

Chair

(P) Fred Butler, Issaquah Mayor

Vice Chair

(P) Joe McDermott, King County Councilmember

Boardmembers

(P) Claudia Balducci, Bellevue Mayor

(P) Dave Earling, Edmonds Mayor

(A) John Marchione, Redmond Mayor

(P) Pat McCarthy, Pierce County Executive

(P) Mike O'Brien, Seattle Councilmember

(P) Dave Uptegrove, King County Councilmember

Katie Flores, Board Administrator, announced that a quorum of the Committee was present at roll call.

#### Boardmember Request to Participate via Teleconference

Boardmember Pat McCarthy has asked to participate in the meeting by phone. The Board Rules and Operating Procedures allow members to attend meetings by teleconference with a two-thirds affirmative vote of those members in attendance.

**It was moved by Boardmember McDermott, seconded by Boardmember O'Brien, and carried by unanimous vote that Boardmember McCarthy be allowed to participate in the Board meeting by telephone.**

### **REPORT OF THE CHAIR**

None.

### **ACTING CEO REPORT**

#### Tunnel Boring Machine

Mike Harbour, Acting CEO, advised the Committee that on November 6, 2015 the tunnel-boring machine, named Brenda, arrived at the U District Station site from the Roosevelt Station. There are three more tunnels to dig to finish the tunnel mining for the Northgate Link Extension.

#### TIGER Grant

The City of Tacoma was recently awarded a \$15 million TIGER grant from the U.S. Department of Transportation. The grant will be used for the Tacoma Link Expansion project. To date, the City has secured \$33 million in federal and state grants for the expansion.

### **REPORTS TO THE COMMITTEE**

#### ST3 Update: Costing Methodology for ST3 Candidate Projects

David Beal, Planning and Development Director, and Aniekan Usoro, Deputy Executive Director Project Control and Value Engineering, presented the report.

Mr. Beal stated that staff recently met with the Expert Review Panel to discuss the cost estimating methodology and contingencies for the ST3 planning. The cost estimates are used in the financial model that looks at the revenues and costs over the life of the ST3 program, and informs different funding scenarios. Staff has worked to produce reasonable cost estimates, including generating unit costs, estimating the quantities, and calculating other costs for each project. Through an internal process, the cost estimates are validated against similar Sound Transit projects and/or projects in other cities.

Mr. Usoro discussed the type of contingencies that are applied to the cost estimates.

- Design allowance is added to address uncertainty regarding the final configuration of a construction scope element.
- Allocated contingency addresses risks, unknown and unforeseen conditions during project execution. This is contingency that is drawn on when a contract is brought to the Board to establish the contract contingency.
- Unallocated contingency addresses general project-wide cost risks and uncertainties.
- Project reserves may be established during the development of the baseline budget.
- Contract contingency is authorized by the Board when a contract is approved.

Staff works with a matrix that incorporates best practices when considering contingency. There is flexibility to modify the recommendation to align with the complexity and risk of the project.

Ric Ilgenfritz, Planning Environment and Project Development Executive Director, explained that contingencies are used for projecting a system plan at the programmatic level. The primary purpose is to be able to assure the public that the new capital program being proposed has enough funding provided to complete the program. This estimating methodology enables Sound Transit to predict with an 85 percent confidence that the program will be delivered as proposed.

## **2016 BUDGET: REVIEW OF 2016 PROJECT DELIVERY BUDGET AND AMENDMENTS**

Pete Rogness, Director of Budget and Financial Planning, provided an overview of proposed amendments that have been identified since the budget development process began.

- Five projects are being added to the Proposed 2016 Budget: TOD Improvements for the Tacoma Link Expansion; Tacoma Link Light Rail Vehicle (LRV) Overhaul; ST Express Fleet Expansion; additional planning costs for the Downtown Seattle Transit Tunnel Mitigation; and furniture for leased space within the Administrative Capital budget.
- Administrative Amendments: The transfer of unspent budget from corridor projects to the ST3 Planning budget, South Corridor Alternatives Analysis project savings, and a reduction in projected savings for additional costs for the Central and East HCT Study.
- Technical Amendment: A phase adjustment and lifetime budget correction for the Research and Technology budget.
- Annual 2016 Budget for Projects Amended in 2015: The inclusion of the UW over-build agreement for the Northgate Link Extension; and establishing a 2016 annual budget for the ST2 LRV Fleet Expansion, Lynnwood Link Extension, Tacoma Link Expansion and Link Operations & Maintenance Satellite Facility.
- Project Cash Flow Change Requests for the following projects: East Link Extension; Mukilteo Station; Tacoma Trestle; Point Defiance By-Pass; Initial Segment; Sounder Yard and Shops; Sumner Station; I-90 Two-Way Transit & HOV Operations, Stage 3; ST Express Bus Base; TOD Property Disposition; Bike Locker Program; ST Express Fleet Replacement; Federal Way Link Extension; Operations and Maintenance Facility LRV Vehicle Lift; and Agency Administration Operating.

## **PUBLIC COMMENT**

Alex Zimmerman  
Queen Pearl

## **BUSINESS ITEMS**

### Items for Committee Final Action

#### Minutes of the October 8, 2015, Capital Committee Meeting

**It was moved by Committee Vice Chair McDermott, seconded by Boardmember Earling, and carried by unanimous vote that the October 8, 2015, Capital Committee minutes be approved as presented.**

### Items for Recommendation to the Board

#### Resolution No. R2015-22: Selecting the route, stations, and operation and maintenance facility expansion site for the Tacoma Link Expansion.

Sue Comis, Project Manager – Light Rail Tacoma Link Segment, gave an update on the schedule, funding, public involvement, and comments received on the environmental findings and the design for the Tacoma Link Expansion project. With the completion of the environmental review and preliminary engineering, the next step is for the Board to select the project to be built.

Ms. Comis explained that the Tacoma Link Expansion is a partnership project. ST2 states that funds in the form of a capital contribution are programmed to provide for the expansion of the Tacoma Link Light Rail system, if other public or private entities provide matching funds. Currently Sound Transit has a term sheet with the City of Tacoma that was developed during the conceptual engineering phase. Under the term sheet, funding for the \$165 million (YOE) will come from the following sources:

- Sound Transit – \$50 million.
- Federal Small Starts grant – \$75 million.
- City of Tacoma – \$40 million (currently \$33 million secured in grants).

The term sheet includes an agreement to work together to share any cost increases to the project. A process will be put in place to provide the City with ongoing reports about the use of change order contingency during construction. This will enable action to be taken before any cost increase.

The preliminary engineering cost estimate was updated in October. As the design has progressed, there are some increases in construction and soft costs. Relative to the \$165 million funding assumption, the current cost estimate is \$175 million (YOE). The project will be baselined at 60 percent design and the project-funding plan will be brought to the Board.

**It was moved by Boardmember McCarthy, seconded by Boardmember Balducci, and carried by unanimous vote that Resolution No. R2015-22 be forwarded to the Board with a do-pass recommendation.**

#### Resolution No. R2015-30: Amending the 2015 Adopted Budget to (1) increase the lifetime capital budget for the Lynnwood Link Extension by \$423,742,313 from \$64,118,687 to \$487,861,000, (2) increases the 2015 Annual Budget by \$2,329,890 from \$16,324,776 to \$18,654,671; and (3) authorizes the project to advance through Gate 4 within Sound Transit's Phase Gate Process.

Michelle Ginder, Light Rail Development Manager, and John Jordan, Senior Civil Engineer, presented Resolution No. R2015-30.

Ms. Ginder stated that the resolution is a budget amendment and a Phase Gate action for the Lynnwood Link Extension project. The action will move the project from the preliminary engineering phase into the final design

phase. The action will also transition the project from the Planning, Environment & Project Development department to the Design, Engineering & Construction Management department.

The project has completed preliminary engineering including constructability, value engineering, and risk reviews. The environmental process has been completed and the Final EIS was issued in April 2015. The Record of Decision (ROD) was received from the Federal Transit Administration (FTA) in July 2015 and the ROD from the Federal Highway Administration was issued in August 2015.

In September 2015, two applications were submitted to the FTA. One was for the New Starts Project rating which will put the project into the President's budget and begin the Full Funding Grand Agreement (FFGA) process. The other application was for authority to enter engineering which allows the project to move from the FTA's project development phase to their engineering phase.

With the completion of preliminary engineering and receipt of the Final EIS, the project is ready to move through Gate 4 into final design. As the project moves into final design in early 2016, the project will go from 30 percent to 100 percent design. At 60 percent design, the project will come to the Board to baseline the project's schedule and budget.

Mr. Jordan stated that in addition to the New Starts engineering application, the FTA required Sound Transit to develop a project delivery and procurement strategy during preliminary engineering. Sound Transit used the FTA's Transit Cooperative Research Program (TCRP) Report 131 titled "A Guide Book for the Evaluation of Project Delivery Methods" to determine the most appropriate method for the Lynnwood Link Extension project. The methodology was adopted to Sound Transit's needs and included close coordination with Sound Transit's executive management. The consensus was that contractor involvement during the design phase would be critical to the project's success to meet the project performance goals to address major challenges, risks, and contract packaging configurations.

Several themes that were considered with the contract packaging approach. These included the contract size and complexity; contract interfaces and the goal of minimizing the number of interfaces between the contractors; the jurisdictional boundaries; construction access and staging; maintenance of traffic; and staffing requirements. The packaging approach consists of two civil contracts and one systems contract. By using the general contractor/construction manager (GC/CM), the owner retains full control of design, but also engages the construction contractor early in the process to address elements such as constructability reviews, cost estimating, and scheduling.

**It was moved by Committee Vice Chair McDermott, seconded by Boardmember Earling, and carried by unanimous vote that Resolution No. R2015-30 be forwarded to the Board with a do-pass recommendation.**

Resolution No. R2015-31: Authorizing the chief executive officer to acquire certain real property interests, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for the Lynnwood Link Extension.

Kevin Workman, Director of Real Property, presented Resolution No. R2015-31. He stated that the action is to acquire 37 parcels and subsequent relocations for the Lynnwood Link Extension project. Staff has met with the affected property owners and, in compliance with state law, letters to the property owners notifying them of the Board meeting were sent by certified mail on November 3, 2015. In addition, notices were published in the Seattle Times and the Everett Herald on November 6, 2015, and will be published again on November 13, 2015.

Boardmember Earling requested staff send him a sample of the notices that were mailed out to the property owners.

**It was moved by Boardmember Earling, seconded by Boardmember Balducci, and carried by unanimous vote that Resolution No. R2015-31 be forwarded to the Board with a do-pass recommendation.**

Motion No. M2015-107: Authorizing the chief executive officer to execute a contract with Guy F. Atkinson Construction, LLC, to construct an underground tunnel in downtown Bellevue from Main St. to N.E. 6th Street for the East Link Extension in the amount of \$121,446,551, with a 10% contingency of \$12,144,655, for a total authorized contract amount not to exceed \$133,591,206.

Ron Lewis, Executive Project Director East Link, and Chad Frederick, Construction Manager, provided the staff report.

Mr. Lewis stated that a construction contract packaging plan for East Link Extension was created a couple of years ago. In the plan, the scope and delivery were identified for each of the contract packages. As the project moves forward, the plan is being implemented. Consistent with the plan, the contract before the Capital Committee is the first of seven major construction packages for the East Link Extension project.

Mr. Frederick presented the scope of the contract. The contract includes all work necessary to horizontally excavate approximately 2,000 linear feet of sequential excavation method (SEM) tunnel under 110th Avenue NE from Main Street to NE 6th Street in Downtown Bellevue. The immediate work includes building of a south portal temporary sound wall and other construction noise mitigation as necessary, any associated roadwork, utility work, and required building demolition. Construction will then commence for the south portal cut-and-cover box structure and required shoring of the excavation walls will become the launching point of the SEM tunneling. Once the tunneling phase has advanced far enough, the contractor will excavate the expanded fan room with corresponding access shaft along the west side of 110th Avenue NE. The contractor will hole through into the north portal box structure, constructed by another contractor. The contractor will then construct the final lining of the tunnel and build a center dividing tunnel wall to complete the tunnel work. The contract also includes utility work, exterior wall strengthening of an adjacent garage that is privately held, and any associated road and utility work. The contract work will take approximately 4-1/2 years.

**It was moved by Boardmember Balducci, seconded by Boardmember O'Brien, and carried by unanimous vote that Motion No. M2015-107 be forwarded to the Board with a do-pass recommendation.**

#### **EXECUTIVE SESSION**

None

#### **OTHER BUSINESS**

None

#### **NEXT MEETING**

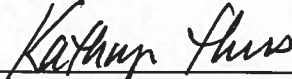
Thursday, December 10, 2015  
1:30 to 4:00 p.m.  
Ruth Fisher Boardroom

#### **ADJOURN**

The meeting adjourned at 3:16 p.m.

  
Fred Butler  
Capital Committee Chair

ATTEST:

  
Kathryn Flores  
Board Administrator

APPROVED on December 10, 2015, JE