

**MOTION NO. M2016-48**
**Design Build Contract for the SR-520 to Overlake Transit Center Segment within the East Link Extension**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>
Capital Committee	05/12/2016	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	05/26/2016	Final Action	<b>Ron Lewis, Executive Project Director – East Link Extension</b> <b>Eza Agoes, Construction Manager</b>

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a design-build contract with Kiewit-Hoffman East Link Constructors, a joint venture between Kiewit Infrastructure West Co. and Hoffman Construction Company of Washington, to complete the final design and construction of the civil work for the SR-520 to Overlake Transit Center Segment within the East Link Extension in the amount of \$225,336,088 with a 10% contingency of \$22,533,609, for a total authorized contract amount not to exceed \$247,869,697.

**KEY FEATURES SUMMARY**

- This design-build contract for the SR-520 to Overlake Transit Center Segment (E360) includes all civil work necessary to complete the final design and construction of approximately 1.8 miles of light rail guideway (elevated, at grade and retained cut/fill) along the SR-520 freeway, from NE 20<sup>th</sup> Street and 136<sup>th</sup> Place NE intersection in Bellevue to NE 40<sup>th</sup> Street and 156<sup>th</sup> Avenue NE in Redmond.
- In addition to the light rail guideway, the contract also includes the final design and construction of two stations (Overlake Village Station and Redmond Technology Center Station, previously known as the Overlake Transit Center Station; both located in Redmond), a parking garage at the Redmond Technology Center Station, and housing for two Traction Power Substations (TPSS) located within the corridor and at Redmond Technology Center Station.
- It is anticipated that the full Notice to Proceed (NTP) for the final design and construction will be issued to the contractor in June 2016, and the contract work will take approximately 3-1/2 years.

**BACKGROUND**

East Link extends light rail 14 miles from downtown Seattle to downtown Bellevue and the Overlake area of Redmond via I-90, with stations serving Rainier Avenue/I-90, Mercer Island, South Bellevue, Downtown Bellevue, Overlake Hospital, the Bel-Red Corridor, Overlake Village, and the Overlake Transit Center. The East Link project route, profiles, and station locations were selected by the Sound Transit Board on July 28, 2011, and amended on April 25, 2013. In April 2015, the Sound Transit Board established the baseline budget and schedule for the project. Revenue service between Seattle and the Overlake Transit Center is forecasted for 2023.

Environmental compliance pursuant to the State Environmental Policy Act (SEPA) for East Link was completed with the East Link Project Final Environmental Impact Statement (EIS) issued on July 15, 2011, and East Link Extension 2013 SEPA Addendum issued March 26, 2013. The Federal Transit Administration and Federal Highway Administration issued a Record of Decision for the project on November 16, 2011, and November 17, 2011, respectively, completing the National Environmental Policy Act (NEPA) process.

A Request for Qualifications (RFQ) for the E360 design-build contract was issued on August 26, 2014. On November 6, 2014, the evaluation panel evaluated the Statements of Qualifications

(SOQ) and invited five firms for interviews. Following the interviews, three firms were selected to continue to the Request for Proposal (RFP) phase of procurement. On September 14, 2015, Sound Transit issued the RFP to the three shortlisted firms (proposers). Sound Transit held individual 1-on-1 meetings with the proposers where each proposer could discuss and submit Alternative Technical Concepts (ATC's). Sound Transit reviewed 21 ATC's submitted by the proposers during this process.

On February 12, 2016, Sound Transit received technical and price proposals from each of the three proposers. A technical evaluation panel met and evaluated the technical proposals independently from the price proposals. The RFP evaluation criteria included outreach efforts and commitment to small business, management approach, technical approach for design and construction, and design concept development. Kiewit-Hoffman East Link Constructors (Kiewit-Hoffman) was determined to have the highest technical score and lowest price.

The total contract price of \$225,336,088 is below Sound Transit's upset price of \$245 million and is within the budget for the East Link Extension Project. A 10% contract contingency has been assigned to provide authority for future change orders associated with technical and permitting complexities, differing site conditions, utility relocations and other risks associated with this type of work.

**PROJECT STATUS**

<b>Project Identification</b>	<b>Alternatives Identification</b>	<b>Conceptual Engineering</b>	<b>Preliminary Engineering</b>	<b>Final Design</b>	<b>Construction</b>
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Projected Completion Date for the Construction Phase: Q1 2021  
 Project scope, schedule and budget summary located on page 51 of the February 2016 Link Light Rail Progress Report.

**FISCAL INFORMATION**

This action is within the Adopted Budget and sufficient funds remain after approval of this action to fund the remaining work in the Construction Phase as contained in the current cost estimates.

East Link Extension	2016 TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	186,200	44,248	0	44,248	141,952
Preliminary Engineering	55,900	55,113	0	55,113	787
Final Design	283,000	238,380	0	238,380	44,620
Third Parties	52,150	28,409	0	28,409	23,741
Right of Way	298,150	148,503	0	148,503	149,647
Construction	2,544,300	159,686	247,870	407,555	2,136,745
Construction Services	257,450	128,703	0	128,703	128,747
Vehicles	0	0	0	0	0
<b>Total Current Budget</b>	<b>3,677,150</b>	<b>803,042</b>	<b>247,870</b>	<b>1,050,911</b>	<b>2,626,239</b>

**Phase Detail - Construction**

SR520 to Overlake TC	293,296	2,512	247,870	250,382	42,914
Other Construction Phase Work	2,103,918	157,173	0	157,173	1,946,745
Construction Unallocated Contingency	147,086	0	0	0	147,086
<b>Total Phase</b>	<b>2,544,300</b>	<b>159,686</b>	<b>247,870</b>	<b>407,555</b>	<b>2,136,745</b>

Kiewit-Hoffman East Link Constructors, JV Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	0	0	225,336	225,336
Contingency	0	0	22,534	22,534
<b>Total Contract Amount</b>	<b>0</b>	<b>0</b>	<b>247,870</b>	<b>247,870</b>
Percent Contingency	0%	0%	10%	10%

**Notes:**

Project budget is located on page 24 of the 2016 Adopted Transit Improvement Plan.  
 Amounts are expressed in Year of Expenditure \$000s.  
 Board Approvals to Date includes amounts through March 31, 2016 plus any pending Board Actions.  
 Board Approvals = Committed to-date + Contingency.

The proposed action would commit \$247,869,697 to Kiewit-Hoffman East Link Constructors, a joint venture between Kiewit Infrastructure West Co. and Hoffman Construction Company of Washington to complete the final design and construction of the civil work for the easternmost segment of the East Link Extension project leaving the remaining uncommitted budget of \$2,136,744,547 in the Construction Phase.

**SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION**

**Participation by Small Businesses and Disadvantaged Business Enterprises (DBEs)**

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, Kiewit-Hoffman has committed to the following Small Business/DBE Participation:

Small Business and Disadvantaged Business Enterprise Goals

**For Design Services:**

Sound Transit's Goal:

Small Business: 16.0%  
 DBE: 6.0%

Kiewit-Hoffman's Commitment:

Small Business: 16.0%  
 DBE: 8.0%

<b>Subconsultant/Subcontractor</b>	<b>Business Type</b>	<b>% of Work</b>	<b>Amount</b>
Concord Engineering, Inc.	DBE	3.00%	\$ 675,000
Ergo Synchronous Solutions	DBE	2.80%	\$ 605,000
The Greenbusch Group	Small Business	0.30%	\$ 65,000
Karen Kiest Landscape Architect	DBE	1.10%	\$ 235,000
Michael Minor & Associates	DBE	0.10%	\$ 25,000
True North Land Surveying	DBE	0.20%	\$ 50,000
Rushing Company	Small Business	7.70%	\$1,695,000
PMT Solutions, LLC	DBE	0.01%	\$ 2,000
Scharrer Architecture	DBE	0.80%	\$ 175,000
<b>Total</b>		<b>16.01%</b>	<b>3,527,000</b>

**For Construction Services:**

Sound Transit's Goal:

Small Business: 16.0%

DBE: 6.0%

Kiewit-Hoffman's Commitment:

Small Business: 16.12%

DBE: 8.32%

<b>Subconsultant/Subcontractor</b>	<b>Business Type</b>	<b>% of Work</b>	<b>Amount</b>
Belarde Company, Inc.	DBE	1.1%	\$ 2,150,000
Mobile Electrical Distributors, Inc.	DBE	0.1%	\$ 250,000
KT Contracting Co., Inc.	DBE	0.9%	\$ 1,900,000
Northwest Asphalt, Inc.	Small Business	0.8%	\$ 1,600,000
Burly Products	Small Business	0.6%	\$ 1,150,000
Transcon Company, LLC	DBE	0.6%	\$ 1,200,000
Briar Group, Inc.	DBE	0.01%	\$ 30,000
Construction Ahead, Inc.	DBE	0.20%	\$ 400,000
Grady Excavating, Inc.	DBE	2.50%	\$ 5,100,000
Grady Excavating, Inc.	Small Business	3.00%	\$ 6,100,000
Lacey Glass, Inc.	Small Business	0.20%	\$ 375,000
Meko Construction, Inc.	DBE	0.01%	\$ 25,000
Mulier Construction, LLC	Small Business	0.07%	\$ 150,000
Novito Construction, Inc	DBE	0.90%	\$ 1,725,000
O'Neill Service Group, LLC	DBE	1.20%	\$ 2,500,000
Penny Lee Trucking, Inc.	DBE	0.02%	\$ 50,000
PMT Solutions, LLC	DBE	0.01%	\$ 5,000
Queen City Sheet Metal & Roofing	Small Business	1.30%	\$ 2,600,000
Reliance Fire Protection, Inc.	Small Business	1.50%	\$ 3,000,000
Sea-Tac Sweeping Service	DBE	0.10%	\$ 200,000
ST Fabrication, Inc.	DBE	0.50%	\$ 1,000,000
Sundancer Electric, Inc.	DBE	0.15%	\$ 300,000
T & T Trucking	Small Business	0.40%	\$ 825,000
<b>Total (DBE &amp; Small Business)</b>		<b>16.12%</b>	<b>\$ 32,635,000</b>

## **PUBLIC INVOLVEMENT**

Extensive public outreach efforts have taken place on behalf of the East Link Extension over the last nine years. Outreach activities have included meetings with community members, property owners, businesses, stakeholders, local jurisdictions, and agencies. Since the project kickoff in 2006, Sound Transit has hosted approximately 60 public meetings, and held hundreds of briefings with property owners and stakeholders.

## **TIME CONSTRAINTS**

A one month delay would not create a significant impact to the project schedule.

## **PRIOR BOARD/COMMITTEE ACTIONS**

Resolution No. R2015-04: (1) Adopted the East Link Extension baseline schedule and budget, which constitutes Board approval of Gate 5 within Sound Transit's Phase Gate process by (a) amending the project Lifetime Budget from \$798,346,894 to \$3,677,150,000, and (b) amending the project 2015 Annual Budget from \$142,944,766 to \$165,636,000; (2) approved Gate 6 within Sound Transit's Phase Gate process to allow the project to proceed to construction; (3) confirmed that the alignment selected by the Board in 2013 includes a 120th Avenue Station in a retained cut; (4) incorporated the Overlake Village Bridge project into the East Link Extension by (a) amending the Lifetime budget from \$5,185,585 to \$0 and (b) amending the annual budget from \$1,163,000 to \$0 to reflect the transfer of budget to the East Link Extension; and (5) established a project revenue service date of June 2023.

Motion 2014-61: Authorized the chief executive officer to execute an agreement between the City of Redmond and Sound Transit whereby the City of Redmond agreed to pay Sound Transit \$19,880,000 for the design and construction of a pedestrian-bicycle bridge and a regional storm water vault at the Overlake Village.

Motion 2013-110: Authorized the chief executive officer to execute an agreement between the Microsoft Corporation, the City of Redmond and Sound Transit whereby the Microsoft Corporation agreed to pay Sound Transit \$33,302,000 for certain station improvements and accommodations not included in Sound Transit's project scope for the redesign of the Overlake Transit Center (OTC), including but not limited to a pedestrian and bicycle bridge; extended weather protection at the light rail platform and at transit waiting areas; greater capacity for technology features; and expanded Microsoft Transportation Services operations offices. The agreement further includes accommodations for the continuation of said offices and services at OTC during construction.

## **ENVIRONMENTAL REVIEW**

JI 4/29/2016

## **LEGAL REVIEW**

LA 6 May 2016

**MOTION NO. M2016-48**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a design-build contract with Kiewit-Hoffman East Link Constructors, a joint venture between Kiewit Infrastructure West Co. and Hoffman Construction Company of Washington, to complete the final design and construction of the civil work for the SR-520 to Overlake Transit Center Segment within the East Link Extension in the amount of \$225,336,088 with a 10% contingency of \$22,533,609, for a total authorized contract amount not to exceed \$247,869,697.

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It is anticipated that the full Notice to Proceed (NTP) for the final design and construction will be issued to the contractor in June 2016, and the contract work will take approximately 3-1/2 years.

**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 design-build contract with Kiewit-Hoffman East Link Constructors, a joint venture between Kiewit Infrastructure West Co. and Hoffman Construction Company of Washington, to complete the final design and construction of the civil work for the SR-520 to Overlake Transit Center Segment within the East Link Extension in the amount of \$225,336,088 with a 10% contingency of \$22,533,609, for a total authorized contract amount not to exceed \$247,869,697.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 26, 2016.



Dow Constantine  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator