

MOTION NO. M2016-50

**Amended and Restated Construction and Maintenance Agreement with Washington State Department of Transportation**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	06/09/2016	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	06/23/2016	Final Action	Eric Beckman, DECM Deputy Executive Director, Business and Construction Services <b>Mark Johnson, DECM Project Director</b>

PROPOSED ACTION

Authorizes the chief executive officer to execute an amended and restated Construction and Maintenance Agreement with the Washington State Department of Transportation to implement a portion of the Cascade High Speed Rail Program on Sound Transit-owned rail corridor in the additional amount of \$22,344,392, for a new total authorized agreement amount not to exceed \$151,725,572.

KEY FEATURES SUMMARY

- The current Construction and Maintenance Agreement provides funding for projects on Sound Transit-owned property, including a minimum contribution of \$21 million to the D-to-M Street project, 100 percent of the funding for the Point Defiance Bypass (PDB) Track & Signal project and its associated contracts, and \$6 million dedicated to construction of the Tacoma Trestle platform extension for use of Amtrak long-distance trains.
- Under the amended and restated agreement with the Washington State Department of Transportation (WSDOT), Sound Transit will administer construction of certain components of WSDOT's PDB project as a future change order to the Tacoma Trestle construction contract; those components include:
  - Track & Signal work between East 'C' Street and East 'D' Street in Tacoma.
  - A new, second train platform to be located on the other side of the tracks from the existing Tacoma Dome Station platform at Freighthouse Square in Tacoma.
  - Sanitary sewer relocation required by the new platform's location.
  - Full funding for extension of the existing platform at Tacoma Dome Station (Tacoma Trestle – Platform Extension) to accommodate Amtrak long-distance trains.
- Under the restated agreement, financial capacity under which WSDOT will reimburse Sound Transit's allowable costs will be adjusted to reflect the as-bid amount for the PDB Track & Signal construction contract, as-bid cost of the Tacoma Trestle – Platform Extension's construction, costs for administering that portion of the construction contract, and the addition of the future construction change order components listed above.
- In addition to the future construction change order costs, under the restated agreement WSDOT will reimburse Sound Transit for the following tasks:
  - Sound Transit's administration of the project (i.e., Project Management, Project Controls & Document Control, Engineering – Civil, Structural & Systems, Construction Management, Contracts & Procurement and Safety & Quality Assurance).
  - David Evans & Associates design support during construction services (DSDC) related to the Tacoma Trestle – Platform Extension, and design review and coordination of future WSDOT-funded change order work.

- HNTB's construction management consultant services to cover added scope of the future WSDOT change order and the entirety of the Tacoma Trestle – Platform Extension component.
- Staff will return to the Board next month for re-baselining of the PDB and Tacoma Trestle Track & Signal projects, followed by a request for approval of the change order to the Tacoma Trestle construction contract for the additional scope requested by WSDOT before proceeding with the work.
- WSDOT has committed up to \$5 million in state funding from which to reimburse Sound Transit for work completed after the June 30, 2017, deadline, should construction be delayed due to unforeseen circumstances or events. If the value of delayed work is estimated in March 2017 to exceed \$5 million, the parties have agreed that additional state funding will be made available to complete the delayed work or value-engineering of remaining scope will be conducted to align scope with the funding available for reimbursement to Sound Transit.

## BACKGROUND

WSDOT has obtained nearly \$800 million in funding through the Federal Railway Administration's (FRA) High-Speed Intercity Passenger Rail (HSIPR) program. The FRA funds will be used to deliver rail infrastructure improvements that expand travel choices, preserve freight mobility, and foster economic growth across the state. The program goal is to improve Washington's Amtrak Cascades service between Portland, OR, and Vancouver, B.C., with specific outcomes to reduce travel time between Portland and Seattle, increase on-time performance to 88 percent, and add two additional daily roundtrips between the cities.

The Point Defiance Bypass (PDB) project is a keystone within the state's program; the PDB Track & Signal contract will improve portions of the Lakeview rail corridor owned by Sound Transit in Pierce County. Amtrak Cascades and long-distance passenger service will then be routed along Sound Transit's Lakeview rail corridor between Nisqually and Tacoma, avoiding the slower, congested route along Puget Sound. The Lakeview corridor route contributes substantially to the travel-time savings and on-time reliability goals of WSDOT's program, as the current route is both speed-restricted and capacity-constrained by a single-track tunnel and a moveable bridge.

As the owner of the corridor, Sound Transit has agreed to administer the construction of the PDB Track & Signal contract to help minimize impacts to current Sounder service as well as complete the work effectively and efficiently. WSDOT's program is contributing between \$21 and \$34 million of the High Speed Rail funding received to the completed D-to-M Streets track & signal project in Pierce County, a project that was vital to completing the Lakeview corridor.

Sound Transit has negotiated three agreements with WSDOT and Amtrak related to implementation of the Cascade High Speed Rail Program: a Service Outcomes Agreement with WSDOT and Amtrak, a Construction and Maintenance Agreement with WSDOT, and an Operating Agreement with Amtrak.

The Construction and Maintenance Agreement between Sound Transit and WSDOT covers all the capital funding for the two projects, including a minimum of \$21 million for the D-to-M Street Track & Signal project and 100 percent of the funding for the PDB Track & Signal contract. The agreement also stipulates reporting requirements, timelines for delivery, and other grant requirements passed through from the FRA for administration of the project.

In addition to the improvements made to the rail corridor between Tacoma and Nisqually, other improvements will be made in and around Tacoma Dome Station at Freighthouse Square in order to accommodate the relocation of Amtrak's existing station in Tacoma to Freighthouse Square.

This will allow Amtrak to operate its trains through the Lakeview rail corridor and serve patrons in Tacoma.

These improvements will be built in the vicinity of the Tacoma Trestle construction. Because of the number of interface and construction coordination issues between the projects, Sound Transit was requested by WSDOT to administer construction of those components of the PDB project around Tacoma Dome Station, with the exception of the Amtrak Station construction inside Freighthouse Square. Sound Transit has agreed to deliver this work, which will be included as a future change order to the Tacoma Trestle construction contract.

Expenses for these additional scopes of work will be reimbursed to Sound Transit by WSDOT through the FRA's High-Speed Intercity Passenger Rail program, funds for which were appropriated under the American Recovery and Reinvestment Act (ARRA) of 2009. Under the terms and conditions of the program's grant agreement, all construction activities eligible for reimbursement must be completed by June 30, 2017, and all eligible expenses for designing and constructing these components must be invoiced to the FRA by July 25, 2017. The US Department of Transportation is working closely with grantees to manage the timely delivery of ARRA-funded infrastructure investments and an orderly closeout of the program. Additionally, WSDOT has established a risk mitigation fund of \$5 million in state monies from which to reimburse Sound Transit for construction of components of WSDOT's PDB project if unforeseen obstacles to construction are encountered, delaying delivery beyond June 30, 2017.

#### FISCAL INFORMATION

This amendment to increase the Construction and Maintenance Agreement with WSDOT by \$22,344,392 to total \$151,725,572 is to include the improvements that will be built in the vicinity of the Tacoma Trestle construction. Sound Transit has agreed to administer construction of components of the WSDOT PDB Project, with the exception of the Amtrak Station construction inside Freighthouse Square. In accordance with the agreement, the costs of all such improvement work will be reimbursed to Sound Transit by WSDOT using funding provided by the ARRA/HSIPR program or state monies for work completed after June 30, 2017.

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

Not applicable to this action.

#### PUBLIC INVOLVEMENT

Not applicable to this action.

#### TIME CONSTRAINTS

This project is under a very aggressive schedule, and as such, a one-month delay would create a significant impact to the project schedule. Under the terms and conditions of the funding, all construction must be completed by June 30, 2017, and all eligible expenses invoiced to the FRA by July 25, 2017.

## PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2014-21: Authorized the chief executive officer to execute a Service Outcomes Agreement with the Washington State Department of Transportation (WSDOT) and the National Railroad Passenger Corporation and a Construction and Maintenance Agreement with WSDOT to implement a portion of the Cascade High Speed Rail Program on Sound Transit-owned rail corridor.

## ENVIRONMENTAL REVIEW

JI 3/1/2016

## LEGAL REVIEW

JW 6/2/2016

## **MOTION NO. M2016-50**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an amended and restated Construction and Maintenance Agreement with the Washington State Department of Transportation to implement a portion of the Cascade High Speed Rail Program on Sound Transit-owned rail corridor in the additional amount of \$22,344,392, for a new total authorized agreement amount not to exceed \$151,725,572.

### **BACKGROUND:**

WSDOT has obtained nearly \$800 million in funding through the Federal Railway Administration's (FRA) High-Speed Intercity Passenger Rail (HSIPR) program. The FRA funds will be used to deliver rail infrastructure improvements that expand travel choices, preserve freight mobility, and foster economic growth across the state. The program goal is to improve Washington's Amtrak Cascades service between Portland, OR, and Vancouver, B.C., with specific outcomes to reduce travel time between Portland and Seattle, increase on-time performance to 88 percent, and add two additional daily roundtrips between the cities.

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**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 an amended and restated Construction and Maintenance Agreement with the Washington State Department of Transportation to implement a portion of the Cascade High Speed Rail Program on Sound Transit-owned rail corridor in the additional amount of \$22,344,392, for a new total authorized agreement amount not to exceed \$151,725,572.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 23, 2016.



Dow Constantine  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator