

MOTION NO. M2018-09

**Contract Amendment for Downtown Bellevue to Spring District Construction within the East Link Extension**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	1/11/2018	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	1/25/2018	Final Action	<b>Ron Lewis, Executive Project Director - East Link Extension</b> <b>Mike Bell, Deputy Project Director – East Link Extension</b>

PROPOSED ACTION

Authorizes the chief executive officer to amend the Heavy Civil General Contractor/Construction Manager contract with Stacy and Witbeck/Atkinson, a Joint Venture, to construct four stations for the Downtown Bellevue to Spring District segment within the East Link Extension in the amount of \$165,400,000, with a 5% contingency of \$8,270,000 totaling \$173,670,000, for a new total authorized contract amount not to exceed \$413,488,121.

KEY FEATURES SUMMARY

- The proposed action integrates construction of four stations into the Heavy Civil General Contractor/Construction Manager (GC/CM) construction contract with Stacy and Witbeck/Atkinson, a Joint Venture, for the Downtown Bellevue to Spring District segment. Stations include:
  - East Main Station, an at-grade Station near 112th Ave SE and Main Street;
  - Bellevue Downtown Station, adjacent to Bellevue City Hall;
  - Wilburton Station, an elevated station north of NE 8th Street; and
  - Spring District / 120th Station, a retained cut station north of Spring Boulevard near 120th Ave NE.
- The proposed action includes construction of civil, structural, and architectural finishes for the four stations within the City of Bellevue. It also includes vertical transportation elements (elevators and escalators), mechanical and electrical equipment, fire protection and emergency ventilation systems, surface features and landscaping. The elevators and escalators work for all stations will be performed by a single subcontractor for consistency across the Downtown Bellevue to Spring District segment.
- The proposed action does not increase the approximate 50 months duration of the Downtown Bellevue to Spring District contract schedule, maintaining the substantial completion milestone of May 2021.
- In February 2017, the Board authorized a Heavy Civil GC/CM construction contract with Stacy and Witbeck/Atkinson through Motion No. M2017-18. At that time Sound Transit required additional time to evaluate the station pricing and market conditions. To allow time for this assessment, station construction was not included in the February 2017 Board action. Following the assessment and in an effort to increase contractor participation and reduce cost, the station subcontract bid package was revised and re-procured as multiple subcontract bids.
- Initiating construction in early 2017 allowed major portions of the project including mobilization, clearing, grading, demolition, drilled shafts, and elevated guideway construction to proceed as scheduled, while providing time for the re-procurement and confirmation of market pricing of the stations.

## 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, including the tunnel route in downtown Bellevue, 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.

The Downtown Bellevue to Spring District contract is one of seven major construction contracts for the East Link Extension, all of which have been awarded. This contract includes elevated, at-grade and retained cut/fill guideway, and civil/system infrastructure.

A pre-construction services contract was executed with Stacy and Witbeck / Atkinson in January 2015. The scope of services included constructability reviews, value engineering reviews, risk assessment, schedule development, estimating, and preparation of the subcontracting packaging plan. The added value of the pre-construction phase included simplifying the long span crossing over I-405, improving interfaces with adjacent public and private projects and other Sound Transit contracts, and provided advanced planning of key work elements.

Consistent with the Heavy Civil GC/CM process and RCW 39.10, Sound Transit commenced negotiation of a Maximum Allowable Construction Cost (MACC) with Stacy and Witbeck / Atkinson. This MACC included costs relating to the procurement of subcontracts advertised to the public as Invitations for Bid, the work to be self-performed by Stacy and Witbeck/Atkinson, negotiated support services, MACC risk contingency and provisional sums.

One of the publicly-bid subcontract packages (incorporating the four stations within this segment) resulted in three bids, each of which exceeded the independent cost estimate for the stations. Sound Transit and Stacy and Witbeck / Atkinson agreed to revise the station subcontract bid package and re-procure as multiple subcontract bids in an effort to increase contractor participation and reduce cost. Executing the contract and procuring the station work later allowed the project to maintain schedule while seeking confirmation of market pricing for the station scopes.

This proposed action integrates the station work following procurement of the revised station bid package(s) and confirmation of market pricing.

## PROJECT STATUS

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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Projected Completion Date for Construction: 2Q 2021

Project scope, schedule and budget summary located on page 43 of the November 2017 Agency Progress Report.

## FISCAL INFORMATION

This action is within the baseline 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.

The baseline budget for East Link Extension project is \$3,677,150,000. Within that amount, \$2,544,300,000 has been set aside for the construction phase. \$2,111,434,000 has been previously committed. The proposed action would commit \$173,670,000 to construct four stations for the Downtown Bellevue to Spring District segment leaving an uncommitted budget of \$259,195,636 in the construction phase.

Current market pricing is higher than the independent cost estimates for the stations. Use of construction phase unallocated contingency is required for this action as addressed below.

The line item budget shortfall of \$40,618,121 will be funded through a working budget transfer from the construction phase unallocated contingency, which leaves a remaining balance of \$106,467,879 in construction phase unallocated contingency.

## East Link Extension

(in thousands)	Total Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$186,200	\$64,160		\$64,160	\$122,040
Preliminary Engineering	55,900	54,839		54,839	1,061
Final Design	283,000	252,776		252,776	30,224
Third Parties	52,150	39,337		39,337	12,813
Right of Way	298,150	255,765		255,765	42,385
Construction	2,544,300	2,111,434	173,670	2,285,104	259,196
Construction Services	257,450	215,584		215,584	41,866
Vehicles					
<b>Total Current Budget</b>	<b>\$3,677,150</b>	<b>\$2,993,895</b>	<b>\$173,670</b>	<b>\$3,167,565</b>	<b>\$509,585</b>

### Phase Detail - Construction

E335 Downtwn Bliv. to Spring Distrct	\$376,449	\$243,397	\$173,670	\$417,067	-\$40,618
Other Construction Phase Work	2,020,765	1,868,037		1,868,037	152,728
Construction Unallocated Contingency □	147,086				147,086
<b>Total Phase</b>	<b>\$2,544,300</b>	<b>\$2,111,434</b>	<b>\$173,670</b>	<b>\$2,285,104</b>	<b>\$259,196</b>

### Stacey-Witbeck / Akinson Constructors, JV Contract Detail

	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	\$228,398	\$228,398	\$165,400	\$393,798
Contingency	11,420	11,420	8,270	19,690
<b>Total Contract Amount</b>	<b>\$239,818</b>	<b>\$239,818</b>	<b>\$173,670</b>	<b>\$413,488</b>
Percent Contingency	5%	5%	5%	5%

### Budget Shortfall Funding

Construction Unallocated Contingency	147,086
Budget Shortfall Funding	(40,618)

<b>Remaining Unallocated Contingency</b>	<b>\$106,468</b>
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### Notes:

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

Board Approvals = Committed To-Date + Contingency as of November 2017 includes pending Board actions.

For detailed project information, see page 27 of the Proposed 2018 Transit Improvement Plan (TIP).

## SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

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 the construction 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 each subcontract package, Stacy and Witbeck / Atkinson has included specific small and disadvantaged business goals. These goals were established based on the type of work and the availability of small and disadvantaged businesses to perform that particular work.

The overall Small Business / DBE participation goals established for this contract are:

Small Business: 14%

DBE: 7%

Stacy and Witbeck / Atkinson has committed to the following participation levels:

Small Business: 14%

DBE: 7%

Stacy and Witbeck/Atkinson's current subcontracting plan anticipates the following participation levels for subcontracted work under the proposed action:

Subconsultant / Subcontractor	Business Type	% of Work	Amount
<b>Bid Package BP-01A (120<sup>th</sup> Station)</b>			
Automated Controls	Small Business	0.80%	\$1,185,840
Evergreen House	Small Business	0.25%	\$374,206
Forrest Sound Products	Small Business	0.78%	\$1,161,009
Jenco	Small Business	0.36%	\$531,600
Northwest Partitions	Small Business	0.74%	\$1,106,700
Schonert & Associates	Small Business	0.85%	\$1,260,513
Yakima Steel	Small Business	0.83%	\$1,239,509
<b>Bid Package BP-01B (Bellevue Downtown Station)</b>			
Automated Controls	Small Business	1.34%	\$2,000,000
Belarde Company	DBE	1.11%	\$1,650,000
Building Specialties Northwest	DBE	0.01%	\$8,000
Evergreen House	Small Business	1.11%	\$1,650,000
Green City Landscape	DBE	0.33%	\$495,000
KT Contracting Company	DBE	0.20%	\$293,000
Mayfield Hoisting Service	DBE	0.57%	\$850,000
Meko Construction	DBE	0.03%	\$50,000
NI Painting and Construction	DBE	0.56%	\$840,000
O'Bunco Engineering	DBE	0.14%	\$210,000
Reliance Fire Protection	Small Business	1.07%	\$1,600,000
<b>Bid Package BP-01C (Vertical Transportation)</b>			
Capitol Cab Interiors	DBE	0.20%	\$300,000
<b>Bid Package BP-01D (Wilburton Station)</b>			
1 Alliance Geomatics	DBE	0.03%	\$50,000
Evergreen House	Small Business	0.67%	\$1,000,000
KT Contracting	DBE	0.43%	\$640,000
Mayfield Hoisting	DBE	0.17%	\$250,000
Meeds Environmental	DBE	0.01%	\$15,000
Meko Construction	DBE	0.03%	\$45,000
OMA Trucking	DBE	0.17%	\$250,000
Reliance Fire Protection	Small Business	0.35%	\$520,000
Western Industries	DBE	0.54%	\$797,900
Yakima Steel	Small Business	0.34%	\$512,000
<b>Bid Package BP-01E (East Main Station)</b>			
KT Contracting	DBE	0.68%	\$1,008,000
Liberty Electric	Small Business	1.07%	\$1,591,000
<b>Total This Action</b>		<b>15.75%</b>	<b>\$23,484,277</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 has also held hundreds of

briefings with property owners and stakeholders; including 82 in 2014. Additionally, project staff have held quarterly meetings with the leadership group for the residential neighborhoods in order to keep them regularly updated on project status and upcoming milestones.

#### TIME CONSTRAINTS

Delaying this action may impact the station construction dates of the Downtown Bellevue to Spring District segment, which will have a direct impact on the turnover of station and guideway areas to the future Systems construction contract and potentially the start of pre-revenue service. A one month delay may have a corresponding impact upon transition to the Systems contractor for key areas, and may place this segment of East Link on the project critical path.

#### PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2017-18: Authorized the chief executive officer to execute a construction contract with Stacy and Witbeck/Atkinson, a Joint Venture, to provide Heavy Civil General Contractor/Construction Manager construction services for the Downtown Bellevue to Spring District segment within the East Link Extension in the amount of \$228,398,210, with a 5% contingency of \$11,419,911 for a total authorized contract amount not to exceed \$239,818,121.

Motion No. M2014-98: Authorized the chief executive officer to execute an agreement with the joint venture of Stacy and Witbeck / Atkinson Construction to provide pre-construction services for the Downtown Bellevue to Spring District contract within the East Link Extension in the amount of \$2,510,215, with a contingency of \$251,022, for a total authorized contract amount not to exceed \$2,761,237.

#### ENVIRONMENTAL REVIEW

KH 1/4/18

#### LEGAL REVIEW

JB 1/5/18

## MOTION NO. M2018-09

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to amend the Heavy Civil General Contractor/Construction Manager contract with Stacy and Witbeck/Atkinson, a Joint Venture, to construct four stations for the Downtown Bellevue to Spring District segment within the East Link Extension in the amount of \$165,400,000, with a 5% contingency of \$8,270,000 totaling \$173,670,000, for a new total authorized contract amount not to exceed \$413,488,121.

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- o Spring District / 120th Station, a retained cut station north of Spring Boulevard near 120th Ave NE.



**MOTION:**


It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to amend the Heavy Civil General Contractor/Construction Manager contract with Stacy and Witbeck / Atkinson, a Joint Venture, to construct four stations for the Downtown Bellevue to Spring District segment within the East Link Extension in the amount of \$165,400,000, with a 5% contingency of \$8,270,000 totaling \$173,670,000, for a new total authorized contract amount not to exceed \$413,488,121.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 25, 2018.



Dave Somers  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator