



Motion No. M2022-97

Increase contingency for Construction Management Consultant Services with HDR Engineering Inc. for the East Link Extension

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	12/08/2022	Recommend to Board	Ron Lewis, DECM Executive Director
Board	12/15/2022	Final action	Jon Lebo, Executive Project Director – East Link Extension

Proposed action

Authorizes the chief executive officer to increase the contract contingency with HDR Engineering Inc. for construction management services for the East Link Extension in the amount of \$7,500,000 for a new total authorized contract amount not to exceed \$118,440,000.

Key features summary

- HDR Engineering Inc. provides construction management support to the East Link Extension team by managing all civil construction elements of the East Link Extension Bellevue Segment.
- The construction management consultant (CMC) scope of work includes: program management, resident engineering, contract administration, office engineering, technical support and inspection, construction cost estimating, contract change management, claims analysis, scheduling, construction safety oversight, quality assurance activities, document control, tracking of diversity/small business/project labor agreement requirements, management of the construction contractor, and oversight of work by public and private utility relocations.
- This action provides additional needed contingency to address ongoing contract delays of work due to COVID-19 impacts, unknown site conditions, design coordination issues, and owner requested changes. In addition, this action provides CMC support to manage separate follow-on construction work to address late Sound Transit and third party requested changes across all of the East Link Extension project.
- This action does not increase the Board adopted baseline budget for the Project.

Background

East Link Extension 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.

In July 2014, through Motion No. M2014-47, the Board authorized a contract with HDR for construction management pre-construction services for the Bellevue Segment. Staff negotiated both Phase 1 – Pre-

construction Services and Phase 2 – Construction Management Services work with HDR prior to executing Phase 1.

In December 2015, through Motion No. M2015-123, the Board authorized a contract amendment with HDR to provide CMC services for Phase 2.

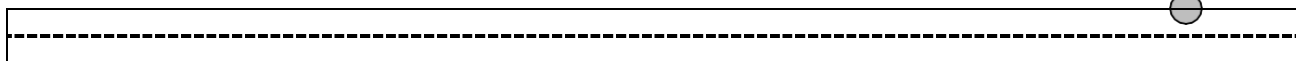
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The South Bellevue (E320), Downtown Bellevue to Spring District (E335), and Bel-Red (E340) construction contracts have not progressed as planned, due to the ongoing contractor delays of the work and COVID-19 impacts:

- South Bellevue (E320) originally anticipated to reach Substantial Completion in October of 2020, E320 tentative Substantial Completion is now delayed to Q4 2022.
- Downtown Bellevue to Spring District (E335) originally anticipated to reach Substantial Completion in May of 2021, E335 tentative Substantial Completion is now delayed to Q1 2023.
- Bel-Red (E340) originally anticipated to reach Substantial Completion in May 2020, E340 Substantial Completion was achieved Q3 2022.

Due to the ongoing challenges to complete E320, E335, E340 and the extended construction duration, the CMC's authorized budget is projected to be depleted by the end of January 2023. Additional funding is needed to provide the needed CMC support for the existing contracts through project closeout. In addition, HDR has been requested to provide CMC support for separate follow-on construction contract work for late Sound Transit and third-party requests. This additional CMC support is anticipated to be required through Q4 2023.

Project status



Project Identification	Project Refinements	Conceptual Engineering/ Environmental Review	Preliminary Engineering	Final Design	Construction
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Baseline Revenue Service: Q2 2023 – currently under review

Project scope, schedule and budget summary are located on page 23 of the September 2022 Agency Progress Report.

Procurement information

A qualifications-based selection process was used to procure the contract. The solicitation was advertised on 10/31/13. Sound Transit received submittals from four firms on 12/9/13. The firms were evaluated based on the criteria: Team Experience and History, Knowledge and Experience of Key Individuals, Project Understanding, Project Work Plan, Good Faith Efforts and Commitment to DBEs and other Small Businesses, and Equal Employment Opportunity (EEO) Commitment. Based on these evaluations, two submitters were invited for interviews. HDR Engineering, Inc. was determined to be the highest ranked firm

based on qualifications and was invited to enter into negotiations for the contract. After negotiations, cost analysis, and a responsibility check, Sound Transit entered into a contract on 9/12/14.

This board motion does not result in an immediate modification to the contract and only increases the contingency. The contingency is to cover a likely increase in the expected level of effort. This is not expected to result in an increase in the direct labor rates or indirect cost rates.

Fiscal information

This action is within the baseline budget and sufficient monies remain after approval of this action to fund the remaining work in the construction services phase. This action does not impact the affordability of any other system expansion project.

The baseline budget for the East Link project is \$3,677,150,000. Within the construction services phase, \$118,940,000 has been allocated to Bellevue Corridor CMC. The action would commit an additional \$7,500,000 to this line item and leave a budget balance of \$ 500,000.

East Link Extension

(in thousands)	Total Baseline Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Operations and Maintenance	\$7,106	\$7,106	\$	\$7,106	\$
Administration	183,174	126,368		126,368	56,806
Preliminary Engineering	51,998	50,874		50,874	1,124
Final Design	283,000	251,906		251,906	31,094
Third Parties	51,973	38,163		38,163	13,810
Right of Way	298,150	280,184		280,184	17,966
Construction	2,513,407	2,306,243		2,306,243	207,164
Construction Services	254,625	222,882	7,500	230,382	24,243
System Testing-Start Up	33,718	10,372		10,372	23,346
Total Current Budget	\$3,677,150	\$3,294,097	\$7,500	\$3,301,597	\$375,553

Phase Detail - Construction Services					
Bellevue Corridor CMC	\$118,940	\$110,940	\$7,500	\$118,440	\$500
Other Construction Services	135,685	111,942		111,942	23,743
Total Phase	\$254,625	\$222,882	\$7,500	\$230,382	\$24,243

Contract Detail HDR Inc.	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	\$100,855	\$110,940	\$	\$110,940
Contingency	10,085	0	7,500	7,500
Total Contract Amount	\$110,940	\$110,940	\$7,500	\$118,440
Percent Contingency	10%	0%	100%	7%

Notes:

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

For detailed project information, see page 119 of the 2022 Financial Plan & Adopted Budget.

* Board Approvals = Commitment and PO Contingency Remaining as of 10/31/2022.

Disadvantaged and small business participation

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.

Disadvantaged business enterprise (DBE) / Small Business goals, commitments, and participation to-date		
	DBE	Small Business
Sound Transit Goal	7.5%	15%
Prime Commitment	12%	35%
Participation to-date	18%	31%

Public involvement

Not applicable to this action.

Time constraints

To support the most efficient completion of the work, approval of this action is needed by January 2023.

Prior Board/Committee actions

Motion No. M2015-123: Authorized the chief executive officer to execute a contract amendment with HDR Engineering, Inc. to provide construction management consultant services for the construction phase of the Bellevue segment of the East Link Extension in the amount of \$97,409,091, with a 10% contingency of \$9,740,909, totaling \$107,150,000, for a new total authorized contract amount not to exceed \$110,940,000.

Motion No. M2014-47: Authorized the chief executive officer to execute a contract with HDR Engineering, Inc. to provide construction management consultant services for the preconstruction phase of the Bellevue segment of the East Link Extension in the amount of \$3,445,455, with a 10% contingency of \$344,545, for a total authorized contract amount not to exceed \$3,790,000.

Environmental review – KH 11/16/22

Legal review – JEN 12/02/22



Motion No. M2022-97

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contract contingency with HDR Engineering Inc. for construction management services for the East Link Extension in the amount of \$7,500,000 for a new total authorized contract amount not to exceed \$118,440,000.

Background

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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 increase the contract contingency with HDR Engineering Inc. for construction management services for the East Link Extension in the amount of \$7,500,000 for a new total authorized contract amount not to exceed \$118,440,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 15, 2022.



Kent Keel
Board Chair

Attest:



Kathryn Flores
Board Administrator