



## Motion No. M2023-67

### Replenish the Sound Transit Controlled contingency for the Construction Funding Agreement with the Washington State Department of Transportation for the Design-Build Delivery of the I-405 Stride Bus Rapid Transit NE 85<sup>th</sup> Project

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	08/10/2023	Recommend to Board	Brooke Belman, Deputy CEO, Chief Expansion Delivery Officer
Board	08/24/2023	Final action	Ron Lewis, DECM Executive Director <b>Bernard van de Kamp, Program Executive, Bus Rapid Transit</b> <b>Paul Cornish, Strategic Projects Director – Bus Rapid Transit</b>

### Proposed action

Authorizes the chief executive officer to increase the agreement contingency for the construction agreement with the Washington State Department of Transportation for the design-build delivery of the I-405/NE 85th Street Interchange and In-line Freeway Station for the I-405 Bus Rapid Transit Project, in the amount of \$16,259,000, for a new total authorized agreement amount not to exceed \$303,519,000.

### Key features summary

- This action replenishes the Sound Transit controlled contingency for the NE 85th Construction Agreement with the Washington State Department of Transportation (WSDOT) for the design-build construction of the in-line station and NE 85<sup>th</sup> Street Interchange in Kirkland.
- This Agreement provides funding for WSDOT to design and construct the NE 85<sup>th</sup> Street Interchange in Kirkland including Bus Rapid Transit (BRT) stations and connecting local transit facilities.
- The prices submitted for the WSDOT design build contract were higher than expected, and the initial contingency authorized by Board Motion 2022-05 was used at the time of award of the contract, to prevent delay to schedule and costs associated with canceling the contract.
- When authorizing the use of the original contingency, the chief executive officer informed the Board of the action and committed to return to the Board to replenish the ST controlled contingency.
- The current state of the agreement includes no remaining contingency to address potential risks and challenges that may surface during construction.
- The I-405 Stride BRT Baseline Budget, approved in July 2023, includes the funds necessary to allocate the requested contingency replenishment to the Agreement.

### Background

The I-405 Stride BRT project will establish a BRT system from the Lynnwood Transit Center to the Burien Transit Center via I-5, I-405, and SR 518. The project consists of several elements, including new and upgraded transit centers, new park-and-ride capacity, freeway BRT stations, and non-motorized access improvements to the stations.

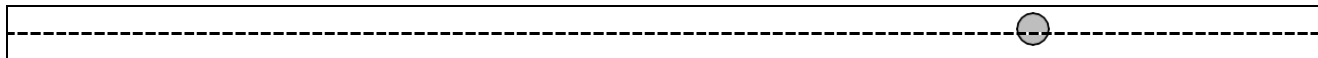
By Motion 2022-05, the Board authorized execution of construction agreement with the Washington

State Department of Transportation for the design-build delivery of the I-405/NE 85th Street Interchange and In-line Freeway Station for the I-405 Bus Rapid Transit Project, in the amount of \$271,000,000 with a 6 percent contingency of \$16,260,000 for a total authorized agreement amount not to exceed \$287,260,000. Sound Transit and WSDOT executed the Agreement in February 2022.

In fall 2022, three proposals were submitted to design and build the NE 85th Stride BRT Station. Each proposal exceeded Sound Transit’s \$215 million engineer’s estimate, with the proposals ranging from \$228 - \$311 million. The recommended best-value was submitted by Graham Contracting at \$234.4 million, which exceeded the engineer’s estimate by \$19.4 million. When adjusted to include sales tax and other applicable costs (e.g., permitting, construction engineering and administration), the total Sound Transit project cost are estimated to total \$287.26 million. The Sound Transit Board approved Motion No. M2022-05 to execute a \$271 million funding agreement with WSDOT to manage the work, plus a \$16.26 million Sound Transit controlled contingency. This project cost required Sound Transit to authorize the immediate use of the project’s entire \$16.26 million contingency to fund award of the contract.

This action would authorize a \$16.26 million contingency, the same amount as initially approved, to be available to address and mitigate any potential risks or challenges that may arise during construction. This amount was included in the Board’s adoption of the Baseline Budget and Schedule for the I-405 Stride BRT project in July 2023.

**Project status**



Project Identification	Alternatives Identification	Conceptual Engineering/ Draft EIS	Preliminary Engineering/ Final EIS	Final Design	Construction
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Projected Construction completion date: Q4 2026.

Project scope, schedule, and budget summary is located on page 131 of the June 2023 Agency Progress Report.

**Fiscal information**

This action is within the authorized project allocation to date and sufficient funds remain after approval of this action to fund the remaining work in the construction phase as contained in the current cost estimate of this project. This action does not impact the affordability of any other system expansion project.

The baseline budget for the I-405 BRT is \$1,269,000,000. Within the construction phase, \$322,260,000 has been allocated to the budget line item for NE 85<sup>th</sup> Interchange. The action would commit \$16,259,000 to the contract amount for station finishes and leave a budget balance of \$18,741,000.

**I-405 Bus Rapid Transit Project**  
(in thousands)

Project Phase	Authorized Project Allocation	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Administration	\$52,220	\$19,757		\$19,757	\$32,463
Preliminary Engineering	43,540	38,168		38,168	5,372
Final Design	26,130	12,075		12,075	14,055
Third Party Agreements	5,810	1,608		1,608	4,202
Right of Way	53,500	32,283		32,283	21,217
Construction	963,550	566,257	16,259	582,516	381,034
Construction Services	30,190	1,789		1,789	28,401
Vehicles	94,060	85,316		85,316	8,744
<b>Total Current Budget</b>	<b>\$1,269,000</b>	<b>\$757,253</b>	<b>\$16,259</b>	<b>\$773,512</b>	<b>\$495,488</b>

Phase Detail - Construction					
NE 85th Interchange	\$322,260	\$287,260	\$16,259	\$303,519	\$18,741
Other Vehicles	641,290	278,997	0	278,997	362,293
<b>Total Phase</b>	<b>\$963,550</b>	<b>\$566,257</b>	<b>\$16,259</b>	<b>\$582,516</b>	<b>\$381,034</b>

WSDOT Task Order Detail	Board Approvals to Date	Proposed Action	Proposed Total for Board Approval	Current Approved Contract Status
NE 85th Street Interchange	\$271,000	\$	\$271,000	\$271,000
Contingency	16,260	16,259	32,519	16,260
<b>Total Contract</b>	<b>\$287,260</b>	<b>\$16,259</b>	<b>\$303,519</b>	<b>\$287,260</b>
Percent Contingency	6%	100%	12%	6%

**Notes:**

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

\* Board Approvals = Commitment and PO Contingency Remaining as of 7/27/2023.

For detailed project information, see page 145 of the 2023 Financial Plan & Adopted Budget Book.

## Disadvantaged and small business participation

Sound Transit promotes and encourages small business participation, which also includes disadvantaged business enterprises (DBEs).

WSDOT has established goals for this project as follows: 5% small business enterprise, 3% veteran owned business, 6% women owned business, and 10% minority business enterprise.

## Public involvement

Sound Transit and WSDOT will continue to jointly lead community outreach. The effort will continue to engage the City of Kirkland, King County Metro, WSDOT, host neighborhood briefings within the City of Kirkland, the community at large and property owners. The effort will continue to engage the City of Kirkland, City of Bothell, the University of Washington Bothell, Cascadia College, Community Transit, King County Metro, WSDOT, host neighborhood briefings within the City of Kirkland, the City of Bothell, the community at large and property owners. This effort will include but is not limited to open houses, workshops, customer surveys, City Councils, Planning and Transportation Commission briefings and ongoing education as needed to support the project outreach efforts.

## Time constraints

A one-month delay would have not have a significant impact to the project.

## **Prior Board/Committee actions**

Motion No. M2022-05: Authorizes the chief executive officer to execute a construction agreement with the Washington State Department of Transportation for the design-build delivery of the I-405/NE 85th Street Interchange and In-line Freeway Station for the I-405 Bus Rapid Transit Project, in the amount of \$271,000,000 with a 6 percent contingency of \$16,260,000 for a total authorized agreement amount not to exceed \$287,260,000 and 2) approves present-value Land Bank credits as reimbursement for fish passage correction in an estimated amount of \$7.1 million included in the amount authorized, that may be paid to mitigation fund in lieu of reconstruction of fish passage at this interchange.

Resolution No. R2021-08: Selected the route, and station locations for the I-405 Bus Rapid Transit Project.

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**Environmental review** – KH 7/25/23

**Legal review** – JSA 8/4/23



## Motion No. M2023-67

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the agreement contingency for the construction agreement with the Washington State Department of Transportation for the design-build delivery of the I-405/NE 85th Street Interchange and In-line Freeway Station for the I-405 Bus Rapid Transit Project, in the amount of \$16,259,000, for a new total authorized agreement amount not to exceed \$303,519,000.

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The I-405 Stride BRT Baseline Budget, approved in July 2023, includes the funds necessary to allocate the requested contingency replenishment to the Agreement.

**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 agreement contingency for the construction agreement with the Washington State Department of Transportation for the design-build delivery of the I-405/NE 85th Street Interchange and In-line Freeway Station for the I-405 Bus Rapid Transit Project, in the amount of \$16,259,000, for a new total authorized agreement amount not to exceed \$303,519,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 24, 2023.

  
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Dow Constantine  
Board Chair

**Attest:**

  
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Kathryn Flores  
Board Administrator