

MOTION NO. M2012-72**Construction Services for Capitol Hill Station**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Capital Committee	10/11/12	Recommendation to Board	Ahmad Fazel, DECM Executive Director	206-398-5389
Board	10/25/12	Final Action	Joe Gildner, Executive Project Director, U-Link Chad Brown, Deputy Construction Manager	206-689-3350 206-903-7465

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract with Turner Construction Company to provide General Contractor/Construction Manager services for Capitol Hill Station within the University Link Extension in the amount of \$104,850,276, with a 5% contingency of \$5,242,514, for a total authorized contract amount not to exceed \$110,092,790.

KEY FEATURES SUMMARY

- The contract includes the construction of civil, structural, and architectural finishes for the Capitol Hill Station, and a pedestrian concourse that crosses under Broadway. The scope of work also includes elevators and escalators; mechanical and electrical elements; fire protection and emergency ventilation; and surface restoration and landscaping.
- This contract uses the General Contractor/Construction Manager (GC/CM) alternative contracting procedure authorized by RCW 39.10. Sound Transit selected the GC/CM approach for this project based on the complex scheduling and phasing requirements and extensive interface with other contractors. Turner was selected as the GC/CM using a competitive process that evaluated teams based on a combination of their qualifications and their fixed fee and costs for specified general conditions proposal.
- As authorized by Motion No. M2011-86, Turner has been performing pre-construction services since January 2012.
- At the end of the pre-construction services phase, Sound Transit successfully negotiated a Maximum Allowable Construction Cost (MACC) with Turner and established a Total Contract Cost (TCC) based on the terms and conditions of the contract. The MACC is based on majority of the construction work competitively procured. The proposed action would initiate the construction phase of the GC/CM process, with construction scheduled to begin in November 2012.
- The work is expected to take four years, including provisions that maintain the contractor's involvement through commencement of revenue service.

BACKGROUND

University Link is a 3.15-mile light rail extension located entirely underground with tunnels traveling east from Pine Street, under the I-5 freeway to an underground station at Capitol Hill, continuing north beneath SR 520 and the Lake Washington Ship Canal to an underground station on the University of Washington campus, near Husky Stadium.

The Capitol Hill Station contract with Turner Construction Company is one of three construction contracts to utilize the GC/CM delivery method. The Project Review Committee of the State's Capital Project Advisory Review Board (CPARB) approved the GC/CM delivery method in May

2011 for this contract. The GC/CM delivery method allows owners to select a contractor based on a combination of qualifications and price.

A Request for Qualifications (RFQ) was issued on August 4, 2011 and five proposals were received. Following Sound Transit's review and evaluation of the proposals, three contractor teams were invited to participate in interviews. Based on proposal scores and interviews, all three teams were invited to submit final price proposals, which included an amount for Specified General Conditions and a GC/CM Fee Percentage. The price proposals were opened publicly on October 31, 2011. Based on the combined scores of the price proposal, qualifications, and interviews, Sound Transit awarded the pre-construction contract to Turner Construction Company in December of 2011.

During the pre-construction phase, Turner performed project planning and management; developed project cost estimates, schedules, and subcontracting plans; and conducted value engineering and constructability reviews. The pre-construction phase also included advanced work on site staging plans; early submittals required for commencement of work; and evaluation of cost saving alternatives.

In March 2012, Turner selected mechanical and electrical subcontractors using the alternative subcontracting process outlined in RWC 39.10.385. These subcontractors provided valuable assistance during the pre-construction phase. Turner successfully negotiated maximum allowable subcontract costs with each firm, which was incorporated into the Maximum Allowable Construction Cost (MACC).

During the pre-construction phase Turner advertised Requests for Bids on key subcontract packages, including earthwork, shoring, concrete, structural steel, demolition, waterproofing, and fire protection. All subcontract packages were publicly bid, as required by RCW 39.10, and Turner issued notices of intent to award subcontracts to the responsible bidders that submitted the lowest responsive bids, contingent upon Sound Transit awarding this proposed contract to Turner.

Toward the end of the pre-construction phase, Sound Transit successfully negotiated the remaining portions of the MACC with Turner. The fixed amount for Specified General Conditions and the GC/CM Fee Percentage, which were competitively bid during the selection process, were added to the MACC to develop a Total Contract Cost (TCC). Subject to certain statutory and contractual exceptions, the contractor bears the risk if actual construction costs exceed the TCC.

Environmental compliance pursuant to the National Environmental Policy Act (NEPA) and State Environmental Policy Act (SEPA) was completed with the North Link Final Supplemental Environmental Impact Statement (EIS) issued on April 7, 2006. The Federal Transit Administration issued a Record of Decision for North Link in June 2006.

FISCAL IMPACT

The 2012 TIP for the University Link Extension is \$1.726 billion. Within that amount \$113,873,000 has been set aside for Capitol Hill Station/Finishes in the construction phase. The proposed action would commit \$110,092,790 to this line item, leaving a remaining budget balance of \$3,780,210.

The proposed action is consistent with the current adopted budget, and sufficient monies remain after approval of this action to fund the remaining work in the Construction phase as contained in the current cost estimates. The action is affordable within the agency's long-term financial plan and subarea financial capacity, and will have no new revenue impact on Sound Transit.

PROJECT TABLE

University Link	2012 TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	115,229	51,620		51,620	63,609
Preliminary Engineering	24,261	24,261		24,261	-
Final Design	87,633	85,197		85,197	2,436
Right of Way	152,332	126,543		126,543	25,789
Construction	1,158,183	837,697	110,093	947,789	210,394
Construction Services	95,814	81,489		81,489	14,324
Third Party Agreements	18,646	11,915		11,915	6,731
Vehicles	103,909	99,185		99,185	4,724
Total Current Budget	1,756,007	1,317,907	110,093	1,427,999	328,008

Phase Detail

Construction

U240 Capitol Hill Station/Finishes	113,873	-	110,093	110,093	3,780
Other Construction	1,044,310	837,697		837,697	206,613
Total Phase	1,158,183	837,697	110,093	947,789	210,394

Contract Detail

Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	-	-	104,850	104,850
Contingency	-	-	5,243	5,243
Total	-	-	110,093	110,093
Percent Contingency	0%	0%	5%	5%

Notes:

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

Board Approvals = Committed To-Date + Contingency, and includes pending Board actions.

Project Budget is located on page 36 of the 2012 Transit Improvement Plan (TIP).

SMALL BUSINESS PARTICIPATION

Sound Transit Small Business and DBE Goals:

Small Business: 10%

DBE: 7%

Contract Commitment:

Small Business: 14.5%

DBE: 10%

Small business and DBE participation goals were developed by Turner during preconstruction when the majority of the subcontract packages were bid.

EQUAL EMPLOYMENT WORKFORCE PROFILE

345 employees; 4% women; 16.7% minorities.

APPRENTICE UTILIZATION COMMITMENT

Turner has committed to meet the 20% Apprentice Utilization goal as specified in the contract documents. Under the terms of the contract, people of color and women must comprise at least 50% of all first-year apprentice hours, and 33% of all total apprentice hours worked.

PUBLIC INVOLVEMENT

Sound Transit staff has held a number of station design workshops, project open houses, and other meetings since the beginning of environmental and preliminary engineering work, and during the final design work completed to date.

Sound Transit also has an active community outreach program during construction, which includes a 24-hours/7-days-a-week construction hotline, a variety of written materials, and public meetings. For this contract, there is a budget for additional public outreach activities included in the contract amount.

Sound Transit staff has been notifying potentially affected stakeholders and the public about the construction work related to this project. Staff will continue to work closely with local jurisdictions to coordinate public notification efforts and other outreach activities during construction.

TIME CONSTRAINTS

A one-month delay could result in an accelerated construction schedule in order to meet milestones listed in the construction contract.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2011-86: Authorized the chief executive officer to execute a contract with Turner Construction Company to provide pre-construction phase services for the University Link project Capitol Hill station in the amount of \$564,918, with a 10% contingency of \$56,492, for a total authorized contract amount not to exceed \$621,410.

ENVIRONMENTAL REVIEW

JI 10/04/2012

LEGAL REVIEW

LA 10/5/12