



MEMO TO: Finance, Administration, and Communications Committee of the Whole

FROM: Jeff Churchill, AICP, Transportation Strategic Advisor

DATE: June 25, 2019

SUBJECT: ST3: Downtown Redmond Link Extension Construction Services Agreement

I. PURPOSE ☐ For Info Only ☐ Potential Agenda Item ☒ Scheduled for Council Action

Brief the Committee on the Downtown Redmond Link Extension (DRLE) Construction Services Agreement.

II. RECOMMENDATION

Staff recommends approving the Construction Services Agreement at the July 16, 2019 Regular Business Meeting.

III. DEPARTMENT CONTACTS

Erika Vandenbrande, Director	425-556-2457
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Planning and Community Development	

IV. DESCRIPTION/BACKGROUND

The topic of this briefing is the Construction Services Agreement (CSA) recommended between the City and Sound Transit. The purpose of this briefing is to provide information in advance of the Council action on the CSA that is scheduled for July 16, 2019.

The CSA is one of five current agreements that must be executed with Sound Transit to facilitate completion of the light rail extension to Downtown. The relationship of the CSA to other required agreements is illustrated on the next page:



A. Analysis

City and Sound Transit staff have collaborated on development of a recommended Construction Services Agreement (CSA). The CSA will govern the final design and construction of City betterments that the City is funding and Sound Transit is constructing on the City's behalf. It sets out the parties' roles and responsibilities during construction and commits the City's resources to design and construct the betterments. The CSA identifies four betterments as described in the table below. See Attachment A for a betterments map.

Betterment	General Scope
NE 51 st St. Pressure Reduction Valve (PRV)	Replace aging PRV and appurtenances near NE 51 st St and SR 520
NE 76 th St.-SR 202 (Redmond Way) Intersection Improvements	Add second left-turn lane from eastbound Redmond Way to eastbound NE 76 th St
NE 70 th St.-SR 202 (Redmond Way) Intersection Improvements	Add second left-turn lane from north/westbound Redmond Way to westbound NE 70 th St
Redmond Central Connector (RCC) Improvements (<i>jointly funded with Sound Transit</i>)	Rebuild RCC from 166 th Ave NE to the Bear Creek Trail in accordance with RCC Master Plan

Key Provisions of CSA

The recommended CSA is provided in Attachment B and includes the following key provisions:

1. **Scope of work and changes to scope.** The CSA defines the scope of work for each betterment, which has not changed since the Council's January 2019 Study Session on betterments. The CSA grants Sound Transit approval authority over scope changes in order to minimize risk to

Sound Transit's light rail project. The City has reviewed and approved the scopes of work and does not anticipate requesting scope changes. The CSA grants the City approval authority over change orders since Sound Transit is constructing betterments on behalf of the City.

2. **Roles and responsibilities.** The agreement describes Sound Transit as the administrator of final design and construction, with the City participating in final design and observing and inspecting construction as the betterments owner. The agreement also acknowledges the City's separate role as permitting authority for the betterments.
3. **Funding.** The City agrees to fund all "eligible betterment-related costs." The City's costs are the bid item prices from the design-builder, fixed management and administrative fees to Sound Transit, acquisition of any necessary property rights, utility relocation costs, and contingency allowances for change order costs. All these costs are reflected in the cost estimates shown in this memo below.
4. **Acceptance and ownership.** The City will inspect, accept, own and maintain the betterments when constructed.
5. **Termination of agreement.** The CSA provides for a variety of situations under which the CSA could be suspended or terminated, including for non-performance, material changes to betterment design or cost, and by mutual agreement.

Cost Estimate vs. 2019-24 CIP

The betterments are affordable within the adopted 2019-24 Capital Investment Program (CIP). The City's costs to complete the betterments comprise:

- Design-builder bid prices,
- Fixed construction management and administrative costs paid to Sound Transit,
- Right-of-way acquisition (where applicable),
- Utility relocation (where applicable), and
- City-held contingency for change orders or other unexpected costs during final design or construction.

Sound Transit has opened bids from the design-builders, and the City and Sound Transit have negotiated Sound Transit's fixed construction management and administrative fees. Having these portions of the City's costs fixed increases staff's confidence in the overall cost estimates. Since the Committee's May briefing on the CSA, staff has again reviewed the cost estimates and recommends increasing the contingency allowance for the RCC Improvements and NE 70th St-SR 202 (Redmond Way) Intersection Improvements. Both projects involve right-of-way acquisition, and the 70th St work involves utility relocations. Right-of-way acquisition and utility relocation are project elements that increase risk and the additional contingency reflects those risks. The increased contingency amounts are reflected in the table below.

City costs as compared to CIP-budgeted amounts

Project	Cost Estimate (\$'000s)	Budgeted in CIP (\$'000s)
Betterments		
51st St Pressure Reduction Valve	\$589	\$725
NE 76 th St-SR 202 (Redmond Way) Intersection Improvements	\$521	\$766
NE 70 th St-SR 202 (Redmond Way) Intersection Improvements	\$4,132	\$7,627
Jointly-Funded Projects		
Redmond Central Connector Improvements (<i>City share</i>)	\$1,757	\$0
Totals		
Total - water	\$589	\$725
Total - general government	\$6,409	\$8,393
Total	\$6,998	\$9,118

As the table indicates, the adopted budget for ST3-related projects exceeds the cost estimates for both the water utility and general fund. In addition, the adopted budget for ST3-related projects is sufficient to fund the City's share of the RCC Improvements.

While the City's total estimated costs are \$6,998,142, the CSA has a total value of \$6,013,045. This is because 1) the CSA does not include right-of-way costs for the 70th St. project that the City will pay directly to private property owners, and 2) the CSA does not include the additional contingency that staff recommends carrying.

Next Steps

Staff recommends approving the CSA at the City Council's July 16 Regular Business Meeting.

V. TIME CONSTRAINTS

The CSA must be executed prior to Sound Transit finalizing the design-build contract, which Sound Transit plans to bring to the Sound Transit Board in July.

VI. LIST OF ATTACHMENTS

Attachment A: Betterments Map

Attachment B: Recommended Construction Services Agreement

Exhibit A: NE 51st St. PRV and Water Main Scope and Conceptual Design

Exhibit B: NE 70th and SR 202 Scope and Conceptual Design

Exhibit C: NE 76th and SR 202 Scope and Conceptual Design

Exhibit D: Redmond Central Connector Scope and Conceptual Design

Exhibit E: Cost Estimate

Exhibit F: Property Rights Map

Exhibit G: Designated Representatives