



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of July 10, 2010**

DATE: June 23, 2010

SUBJECT: Approval of the Rosslyn Station Access Improvements (RSAI) Project Construction Budget and Award of the General Construction Contract to Clark Construction Group, LLC

C. M. RECOMMENDATION:

1. Approve the award of the general construction contract to Clark Construction Group, LLC (Clark) for the construction of the RSAI Project for a lump sum base cost of \$32,600,000 and Authorize an allocation of \$3,260,000 as a contingency, for a total Project authorization of \$35,860,000.
2. Authorize the Purchasing Agent to execute the contract documents for the general construction contract, subject to legal review by the County Attorney.
3. Reallocate \$5,600,000 in Federal Secondary Aid from Ballston West Entrance to the RSAI Project, pending reallocation by the approving agencies and Appropriate to 313.363200.43515.MA47.0319.0000.
4. Upon receipt: Appropriate \$2,384,000 in Federal earmarks from FY 2009 and FY 2010 to 313.364000.43515.MA47.FTA.FE00; and Appropriate \$10,972,637 in State Reimbursements to 313.363201.43515.MA47.0319.SA00.

(The balance of \$16,903,363 for the construction contract will be funded from the Transportation Investment Fund.)

ISSUES: County Board approval is needed to award the general construction contract and allocate/appropriate funding. There are no outstanding issues.

SUMMARY: The County is poised to move ahead building a new entrance at the Rosslyn Metrorail station. Authorization, appropriation and approval of funding from numerous sources are required. This report also seeks approval of the construction budget; authorization to award the general construction contract to Clark; and upon approval, execution of the general construction contract by the County Purchasing Agent.

BACKGROUND: In May 2007, the County Board approved the Site Plan for the development of a project known as Central Place, which Site Plan included conditions requiring the

County Manager: MBanna

County Attorney: JAM SAM

Staff: Bea E. Hicks & Blanche "Bee" Buergler, DES/DOT

34.

Developer's cooperation and contribution toward a new Rosslyn Metrorail station entrance consisting of three (3) new high speed, high capacity elevators, a mezzanine, emergency stairs, and related infrastructure as well as conveyance of all necessary easements or other permissions for the construction and location of the RSAI.

The RSAI will support the approved higher density of residential and commercial developments in Rosslyn, provide greater passenger throughput at the Metrorail station to accommodate the increasing ridership, include an emergency exit stairway for the safe evacuation of passengers from the train platform, if needed, and provide access and egress for the additional demand that can be anticipated with completion of the first phase of Metrorail to Dulles Airport in 2013.

A number of activities have been accomplished pursuant to the construction of the Project:

- Engaged the services of WMATA who used its on-call consultant to design the RSAI;
- Requested and received concurrence from both the County Purchasing department and the Federal Transit Administration (FTA) to enter into non-competitive negotiations for its general construction contract;
- Contracted with STV, Incorporated to provide construction management services;
- Negotiated a general construction contract with Clark Construction Group (Clark); and
- Negotiations with WMATA to provide support services during construction are underway.

The RSAI Project is part of the County's adopted Capital Improvement Program (CIP) for FY2011 – FY2016.

DISCUSSION: When the Site Plan was approved in May 2007, the County was given the option of building the new entrance concurrent with or following behind the construction of Phase I of the Central Place development. The County opted for concurrent construction but, due to financial market conditions, the Developer delayed its start of Central Place.

When it became apparent that the extent of Developer's delay could not be determined, the County opted to move forward with its construction of the new station entrance to meet the passenger demand at the Rosslyn station. A Project Coordination Agreement has been approved and executed by and among WMATA, Arlington County Board, Central Place, LLC, and Central Place II, LLC.

Because of the unique position and capabilities of Clark Construction Group, which is also constructing Central Place, the County has pursued non-competitive cost negotiations, with the approval of the Federal Transit Administration, and recommends a sole source contract.

The County received two (2) independent cost estimates as well as a bid from Clark to perform the general construction services prior to beginning contract negotiations. These estimates included trade costs and total estimated cost with general conditions, special provisions and overhead and profit included. Following much discussion, the negotiations team and Clark agreed on a total Project lump sum base cost of \$32,600,000, which includes allowances of \$561,545.

Since the negotiated contract amount reduces the overhead and profit proposed by Clark, the general construction agreement includes incentives to complete the Project within schedule while

controlling the additional costs of construction resulting from Clark’s change orders. If the schedule is met and the costs of Clark’s change orders are kept below 2.5% an incentive of \$200,000 will be earned. Incentives will be available at levels in one-half percent intervals down to 1% of change orders with an incentive payment of \$600,000. The maximum exposure for the County is \$1,015,000 at the 2.5% level. The standard ten percent for construction costs contingency totals \$3,260,000 which will include any incentive payment.

The County anticipates beginning the excavation for the Project during the fall of 2010. Construction is expected to take 32 months.

FISCAL IMPACT: Funding sources for this contract are summarized in the table below:

| | |
|-------------------------------------------------------------|----------------------|
| Transfer Federal Secondary Aid from Ballston | \$ 5,600,000 |
| Federal Earmark 2009-2010 | 2,384,000 |
| State Reimbursement | 10,972,637 |
| Transportation Investment Fund (Commercial Real Estate Tax) | <u>16,903,363</u> |
| Total Sources | \$ 35,860,000 |

It is recommended that Federal Secondary Aid funds approved for the Ballston-MU West Entrance Improvement project, which are not anticipated to begin in the near future, be reallocated to the RSAI Project. The Ballston-MU West Improvement was approved by the Board and funded in 2005 but was placed on indefinite hold in 2007 when the developer, JBG Companies, deferred construction of the Fairmont Project. Reallocation of these funds (\$5,600,000) requires approval of the appropriate State and Federal funding agencies. A plan will be presented for Board approval within one (1) year to reprogram and fund the Ballston-MU West Improvement Project.

Other funding sources include Federal Earmarks from 2009 and 2010 which represent annual Congressional appropriations to the County for transit projects; and the State Reimbursement which is the repayment to the County of a portion of the total local amount spent on transit capital projects. Finally, the use of the Transit Investment Fund, consisting of proceeds from the Commercial Real Estate Tax, is consistent with the amount approved for the RSAI Project in the FY 2011-2016 Capital Improvements Program (CIP) approved by the Arlington County Board at its June 15, 2010 Board Meeting.

There is sufficient funding in the Transportation Investment Fund for County staff administration and technical support estimated to cost \$750,000. Staff Support will be used to track the sources and uses of funds and grants, Disadvantage Business Enterprise (DBE) reporting, funding agencies reporting requirements, and other activities required to track, monitor and approve construction expenditures.