



Motion No. M2022-09

Contract Modification to Specific Light Rail Vehicle Contracts for the Hilltop Tacoma Link Extension

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	02/10/2022	Final action	Ron Lewis, DECM Executive Director Madeleine Greathouse, Project Director – Hilltop Tacoma Link Extension

Proposed action

Authorizes the chief executive officer to execute contract modifications to specific light rail vehicle contracts for the Hilltop Tacoma Extension with:

- a) Brookville Equipment Corporation for light rail vehicles in the amount of \$5,000,000, with a 10 percent contingency of \$500,000 totaling \$5,500,000, for a new total authorized contract amount not to exceed \$35,725,025; and
- b) LTK Engineering Services LLC for light rail vehicle testing and inspection services in the amount of \$874,191, with a 10 percent contingency of \$87,419 totaling \$961,610, for a new total authorized contract amount not to exceed \$4,909,264.

All contingent upon Board approval of Budget Amendment through Resolution No. R2022-03.

Key features summary

- This action utilizes additional contingency funds identified in Resolution No. R2022-03. The current contract contingency levels are insufficient and additional funds are necessary to complete manufacturing and commissioning of the light rail vehicles for the Hilltop Tacoma Link Extension.
- Five new light rail vehicles are being manufactured by Brookville Equipment Corporation to supplement the existing three car fleet for Tacoma Link. The number of vehicles is consistent with fleet planning efforts for the Hilltop Tacoma Link Extension and vehicle capacity of the expanded Tacoma Operations and Maintenance Facility.
- The manufacturer has requested cost increases it claims it has incurred due to unanticipated delays, supply chain interruptions, material shortages, manufacturing shutdowns, additional logistic arrangements for advance material storage, and workforce retention efforts borne by the car builder.
- This action will increase the contracting authority with Brookville Equipment Corporation to resolve disputes regarding claims and additional change requests.
- This action will also increase the contracting authority with LTK Engineering Services LLC to continue to provide testing and inspection services due to extended duration of manufacturing and testing and commissioning phases.

Background

The Hilltop Tacoma Link Extension is a 2.4 mile extension of light rail from the Theater District in downtown to the Hilltop neighborhood in Tacoma. The extension will travel at-grade, in-street with traffic along Stadium Way, North 1st Street, Division Avenue, and Martin Luther King Jr. Way. The project includes six new stations, relocates the Theater District Station, expands the existing Tacoma Operations and Maintenance Facility (OMF), and provides for five additional light rail vehicles.

The new Tacoma light rail vehicles are being manufactured in Brookville, Pennsylvania. All five cars are in production with the first vehicle scheduled for delivery in February 2022 and the final vehicle delivery in June 2022. The delivery schedule for the light rail vehicles is seven months behind schedule. The requested additional contingency allows for finalization of negotiations regarding claims and requests for additional time and establishment of new contract milestones.

The new light rail vehicles are a critical component of the Hilltop Tacoma Link Extension project scope. These additional vehicles are required to meet the planned ten minute headways during peak hours when the project opens for revenue service in Q1 2023.

Manufacturing of the vehicles began in 3Q 2021. Production of the light rail vehicles was continually challenged by uncertainty regarding material availability and procurement timelines from domestic and international material and component suppliers. The first vehicle is scheduled for shipment to Tacoma in early March 2022.

The manufacturer has requested cost increases it claims it has incurred due to unanticipated delays, supply chain interruptions, material shortages, manufacturing shutdowns, additional logistic arrangements for advance material storage, and workforce retention efforts borne by the car builder. Sound Transit disputes the merit of some, but not all of these requests. Discussions and negotiations will continue to finalize the resolution of all claims and requests, under which all of the manufacturer's current and future claims and requests for additional time and compensation will be waived and released and new milestone dates will be established.

The extended duration of the contract with Brookville Equipment Corporation requires an associated time extension to the testing and inspection consultant contract with Hatch LTK for inspection and testing support through acceptance of the light rail vehicles.

Project status

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Project Identification	Project Refinements	Conceptual Engineering/ Environmental Review	Preliminary Engineering	Final Design	Construction

Projected completion date for Construction: 4Q 2022

Project scope, schedule and budget summary are located on pages 62 of the December 2021 Agency Progress Report.

Procurement information

A Request for Proposal (RFP) was advertised in December 2016, for five light rail vehicles (LRVs), with options for ten additional vehicles (five of which were assigned to the City of Portland). Three proposals were received and reviewed. Interviews were held with the two proposers in the competitive range. Requests for Final and Best Offers (BAFO) were issued in August 2017 to both firms. BAFOs were

received in September 2017 and Brookville Equipment Corporation was determined to be the overall best value to Sound Transit.

The scope of services provided by LTK Engineering Services LLC is an option in the contract with LTK Engineering Services LLC to provide LRV engineering and inspection services for Northgate Link, East Link, Lynnwood Link, and Hilltop Tacoma Link extensions. A Request for Qualifications (RFQ) was advertised on January 28, 2014. Four Statements of Qualifications (SOQ) were submitted by interested teams. The SOQs were reviewed and evaluated for responsiveness to the criteria in the RFQ. LTK Engineering Services LLC was selected as the most qualified firm and was invited to negotiate a contract. The contract with LTK Engineering Services LLC was approved by the Board in July 2014.

Fiscal information

This action is within the baseline budget and sufficient monies remain after approval of the action to fund the remaining work in the vehicles phase.

Upon Board approval of the budget amendment through Resolution No. R2022-03, the baseline budget for the Hilltop Tacoma Link Extension is \$282,746,000. Within the vehicles phase, \$39,706,947 has been allocated to vehicles. The current commitments to this phase are \$32,939,464, this action would commit an additional \$961,610 to LTK Engineering Services LLC for light rail vehicle testing and inspection services and an additional \$5,500,000 to Brookville Equipment Corporation for light rail vehicles, and leave a budget balance of \$305,873.

Hilltop Tacoma Link Extension

All contingent upon Board approval of Budget Amendment through Resolution I

(in thousands)

Project Phase	Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$28,938	\$18,870	\$	\$18,870	\$10,068
Preliminary Engineering	5,559	5,559		5,559	(0)
Final Design	16,224	16,215		16,215	9
Third Party	1,396	1,377		1,377	19
Right of Way	1,914	1,914		1,914	(0)
Construction	164,798	161,811		161,811	2,987
Construction Services	16,659	16,659		16,659	(0)
Vehicles	39,707	32,939	6,462	39,401	306
System Testing + Startup	7,551	3,646		3,646	3,906
Total Current Budget	\$282,746	\$258,991	\$6,462	\$265,452	\$17,294

Phase Detail - Vehicles

LTK Engineering Services	\$4,909	\$3,948	\$962	\$4,909	0
Brookville Equipment Corporation	\$35,725	\$29,919	\$5,500	\$35,419	306
Non Contract Expense - Credit and Other	(927)	(927)		(927)	0
Total Vehicles Phase	\$39,707	\$32,939	\$6,462	\$39,401	\$306

LTK Engineering Services, LLC. Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Hilltop Tacoma LE Contract Amount	\$3,766	\$3,766	\$874	\$4,640
Hilltop Tacoma LE Contingency	182	182	87	269
Total Hilltop Tacoma LE Contract Amount	\$3,948	\$3,948	\$962	\$4,909
LRV Fleet Expansion Contract Amount	15,003	15,003		15,003
LRV Fleet Expansion Contingency Amount	1,030	1,030		1,030
Total LRV Filet Expansion Contract Amount	16	16		16
Total Contract	18,769	18,769	874	19,643
Total Contingency	1,212	1,212	87	1,299
Total Contract Amount	\$19,981	\$19,981	\$962	\$20,942

Brookville Equipment Corporation Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	\$26,544	\$26,544	\$5,000	\$31,544
Contingency	1,000	1,000	500	1,500
Estimated Sales Tax	2,681	2,681	0	2,681
Total Contract Amount	\$30,225	\$30,225	\$5,500	\$35,725
Percent Contingency	4%	4%	10%	5%

Notes:

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

Board Approvals = Commitment and PO Contingency Remaining as of 1/31/2022.

For detailed project information, see page 100 in the 2022 Finance Plan and Adopted Budget Book.

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.

For the LTK Engineering Services LLC contract, the following goals were set and the successful Bidder/Proposer has committed to the following small business/DBE participation:

Small business and disadvantaged business enterprise (DBE) goals	
Sound Transit small business goal: 6%	Small business commitment: 6%
DBE goal: 6%	DBE commitment: 6%

Public involvement

Not applicable to this action.

Time constraints

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

Prior Board/Committee actions

Brookville Equipment Corporation

Motion No. M2017-137: Authorized the chief executive office to execute a contract with Brookville Equipment Corporation to provide five light rail vehicles for the Tacoma Link Extension in the amount of \$26,544,074 with an allocated contract contingency of \$1,000,000 for a total authorized contract amount not to exceed \$27,544,074, plus applicable tax.

LTK Engineering Services LLC

Motion No. M2020-34: Authorized the chief executive officer to execute a contract modification with LTK Engineering Services, LLC to provide light rail vehicle engineering and inspection consultant services for the Hilltop Tacoma Link Extension in the amount not to exceed \$1,814,194, with a 10% contingency of \$181,619 totaling \$1,997,814, for a new total authorized contract amount not to exceed \$19,981.033, contingent upon Board approval of Resolution No. R2020-12.

Motion No. M2019-12: Authorized the chief executive officer to execute a contract modification with LTK Engineering Services LLC to provide light rail vehicle engineering consulting and inspection services for ST2 and ST3 light rail system expansion projects in the amount of \$10,304,751, with a 10% contingency of \$1,030,475, totaling \$11,335,226, for a new total authorized contract amount not to exceed \$17,983,219.

Motion No. M2016-42: Authorized the chief executive officer to amend the contract with LTK Engineering Services LLC to provide light rail vehicle engineering and inspection consultant services for the Tacoma Link Expansion in the amount of \$1,950,000 for a new total contract amount of \$6,647,993.

Motion No. M2014-46: Authorized the chief executive officer to execute a contract with LTK Engineering Services LLC to provide light rail vehicle engineering and inspection services for the Northgate Link Extension for a total authorized contract amount not to exceed \$4,697,993.

Environmental review – KH 1/28/22

Legal review – JEN 02/08/22



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A motion of the System Expansion Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute contract modifications to specific light rail vehicle contracts for the Hilltop Tacoma Extension with:

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Motion

It is hereby moved by the System Expansion Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized [insert proposed action]

APPROVED by the System Expansion Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 10, 2022.



Claudia Balducci
System Expansion Committee Chair

Attest:



Kathryn Flores
Board Administrator