

Motion No. M2023-17

Contract Modification with Western Venture Construction, Inc. for Operations and Maintenance Facility Central Link Control Center heating, ventilation, and air conditioning replacement

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	03/02/2023	Final action	Suraj Shetty, Executive Director of Operations Tom McDonald, Deputy Director, Operations

Proposed action

Authorizes the chief executive officer to increase the contract contingency for the Western Venture Construction, Inc. contract for construction of the Operations and Maintenance Facility Central Link Control Center heating, ventilation, and air conditioning replacement in the amount of \$1,088,435 for a new total authorized contract amount not to exceed \$4,288,435, plus applicable taxes.

Key features summary

- The Link Control Center (LCC) at the Operations and Maintenance Facility Central (OMFC) currently serves as the backup room for the main LCC which is located in the King County Metro facility and is scheduled to be improved to become the primary LCC for all Link Light Rail operations in 2023.
- The air conditioning system for the OMFC LCC room, server room, and adjoining office, operate independently from the remainder of the building and needs to be replaced.
- The scope of the original contract, authorized through Motion No. M2022-39, consists of removing the existing air conditioning units inside the building within the LCC room and replacing this system with the new roof mounted heating, ventilation, and air conditioning (HVAC) system that will serve the LCC, within six months of notice to proceed.
- The completed LCC facility, including an improved HVAC system, is required before any new Link operations expansion.
- The contractor identified significant supply chain issues that result in delay of delivery of key equipment and materials that will require mitigation to allow for timely use of the main LCC for new service.
- The original authorization to enter into this contract, through Motion No. M2022-39, did not include contingency.
- This action seeks authorization for contingency for potential change orders related to mitigation of supply chain issues, as well as unanticipated construction related changes. This contingency also includes allowance for work and alternative scope revisions to mitigate risk in order to meet East Link Starter Line service schedule now under consideration and Lynnwood Link schedule.
- Applicable taxes for the original contract amount are estimated to be \$328,000 and the applicable taxes for the contingency is estimated to be \$111,565.

Background

This project consists of removing the existing air conditioning units (4 units total) located in the ceiling space above the LCC desk/ computer consoles, and the ST server, and replacing with 3 units to be placed on the roof of the OMF Central building. The existing system is functionally obsolete, leaks and drips onto the desk below, and does not have the capacity to maintain the cooling in the LCC. The new HVAC system is designed for the proposed use of the room, and for expanded LCC room capacity in the future. The new system is designed such that the maintenance of the system will not interfere with the operations inside the room because the mechanics of the system are maintained outside the room.

The Link expansion will require the King County facility to move to the OMFC facility as the main LCC, due to space and systems with current configuration. The HVAC replacement is scheduled to be complete before operation of any new light rail pre-revenue and revenue service because much of the work in this contract would interfere with the operation of the LCC.

Authorization to enter into this contract for \$3,200,000 was presented to the Rider Experience and Operations Committee because the bid amount exceeded the Independent Cost Estimate prepared by Sound Transit by more than 20 percent, in accordance with Resolution No. R2018-40 section 2.2.3. The original Committee authorization through Motion No. M2022-39 did not include contingency, nor identify that this project is subject to taxes. This action requests that the Board approve ample contingency in addition to the contract amount for anticipated additional costs to complete this project and prepare the expanded control room facility for future Light Rail expansion.

The contingency requested in this action will fund anticipated and potential change orders for various construction tasks. These potential change orders include additional jurisdictional requirements, accommodation for unforeseen site conditions, and contingency for work or alternative scope revisions in order to meet the schedules for potential East Link Starter Line and for Lynnwood Link revenue service schedule, and all applicable taxes.

Procurement information

The contract for OMFC LCC HVAC Replacement is the result of a publicly advertised Invitation for Bid (IFB) on 2/08/2022. Two bids were received by Sound Transit; however, the initial apparent low bidder was declared non-responsive during the responsiveness and responsibility review. The apparent low bidder submitted a bid protest disagreeing with Sound Transit's determination that it incorrectly completed the bid forms. After thorough review of the bid documents and solicitation, Sound Transit denied the bid protest. The award of this contract is recommended for the responsive and responsible low bidder, Western Ventures Construction, Inc. with a price of \$3,200,000, and the contract was executed on 07/04/2022.

Sound Transit determined competition was adequate in this case because the price bid was not the basis of the nonresponsive bid determination.

Even though the lowest responsive and responsible bid exceed the Independent Cost Estimate (ICE) by 20%, the price of the proposed award is considered fair and reasonable after consideration of competitive bids, consultation with the designer, and evaluation of the independent cost estimate. The estimate did not take into account the schedule required to for contractor to complete procurement of the equipment and construction in 181 days and the associated cost of risk, including liquidated damages considering the compressed schedule needed for end of year 2022 completion. Because the bid price

was 20% or more higher than the Independent Cost Estimate, the contract was presented to the Board Committee for authorization to execute the contract.

Fiscal information

This action is within the authorized project allocation and sufficient monies remain after approval of this action to fund the remaining work in the construction phase. This action does not have an impact on the affordability of the Agency’s Finance Plan.

The authorized project allocation for the OMFC LCC HVAC Replacement project is \$5,733,602. Within that amount, \$4,780,000 had been allocated to the construction phase for HVAC replacement. The action would commit an additional \$1,528,000 (including applicable estimated taxes) as contingency to the contract in the construction phase and leave a project budget balance of \$1,632.

HVAC Corrections

(in thousands)

Project Phase	Authorized Project Allocation	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$124	\$60		\$60	\$64
Preliminary Engineering					
Final Design	330	320		320	10
Third Party					
Right of Way					
Construction	4,780	3,250	1,528	4,778	2
Construction Services	500	400		400	100
Vehicles					
Total Current Budget	\$5,734	\$4,030	\$1,528	\$5,558	\$175
Phase Detail - Construction					
HVAC Corrections	\$4,780	\$3,250	\$1,528	\$4,778	\$2
Total Phase	\$4,780	\$3,250	\$1,528	\$4,778	\$2

Contract Details Western Ventures Construction, Inc.	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	\$3,200	\$3,200	\$	\$3,200
Contingency			1,088	1,088
Total Contract	\$3,200	\$3,200	\$1,088	\$4,288
Estimated Sales Tax			440	440
Total Contract with Sales Tax	\$3,200	\$3,200	\$1,528	\$4,728
Percent Contingency	0%	0%	100%	34%

Notes:

Amounts are expressed in Year of Expenditure \$000s.
 Board Approvals = Committed and PO Contingency Remaining as of 1/31/2023.
 This project is managed under the Ops ENH Portfolio; See portfolio details on page 149 of 172 of the 2023 Financial Plan & Proposed Budget.

Disadvantaged and Small Business Participation

Participation by small businesses (SBEs) and disadvantaged business enterprises (DBEs)

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

For this specific procurement, the original goal of 16% SBE was set based on the availability of firms to perform the scopes of work noted in the ICE. Western Venture Construction, Inc. has committed to a 37.5% SB goal through the utilization of subcontractor Vet First Mechanical.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would create a significant impact to the project schedule and could directly affect the room readiness for the LCC operations. The intent is to allow for the LCC relocation from King County Facility to Sound Transit OMFC in late 2023 and train testing startup for Eastlink Starter Line, or other Link facilities in 2023.

Prior Board/Committee actions

Motion No. M2022-39: Authorized the chief executive officer to execute a contract with Western Ventures Construction, Inc. to provide construction services for the Operations and Maintenance Facility Central Link Control Center heating, ventilation, and air conditioning replacement in the amount of \$3,200,000.

Environmental review – KH 2/22/23

Legal review – JSA 2/17/23



Motion No. M2023-17

A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contract contingency for the Western Venture Construction, Inc. contract for construction of the Operations and Maintenance Facility Central Link Control Center heating, ventilation, and air conditioning replacement in the amount of \$1,088,435 for a new total authorized contract amount not to exceed \$4,288,435, plus applicable taxes.

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Motion

It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to increase the contract contingency for the Western Venture Construction, Inc. contract for construction of the Operations and Maintenance Facility Central Link Control Center heating, ventilation, and air conditioning replacement in the amount of \$1,088,435 for a new total authorized contract amount not to exceed \$4,288,435, plus applicable taxes.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Kristina Walker
Rider Experience and Operations Chair

Attest:

Kathryn Flores
Board Administrator