

Motion No. M2026-11

Progressive Design-Build Contract with Hoffman Construction Company of Washington for Operations and Maintenance Facility South Project

Meeting:	Date:	Type of action:
System Expansion Committee	03/12/2026	Recommend to Board
Board	03/26/2026	Final Action

Staff name:	Staff title:
Terri Mestas	Capital Delivery Deputy CEO
Michael Morgan	Capital Delivery Executive Director
Eza Agoes	Executive Project Director
Supriya Kelkar	Deputy Executive Project Director

Proposed action

Authorizes the chief executive officer to (1) execute a progressive design-build contract with Hoffman Construction Company of Washington for all phases of design and construction of the Operations and Maintenance Facility South Buildings and Yard and to exercise the option to include all phases of the OMF South Main Line and Test Track, and to advance certain individual early work construction packages as needed and (2) to authorize funding for Phase 1 and Phase 2 of OMF-South Buildings and Yard and the Main Line and Test Track and for amounts for early works packages under the Contract, for a total authority to contract in the amount not to exceed \$318,205,477, with an approximate 10% contingency of \$31,794,523, totaling \$350,000,000, contingent upon adoption of Resolution No. R2026-05.

Key features summary

- This action authorizes execution of a Progressive Design-Build (PDB) contract with Hoffman Construction Company of Washington (Hoffman) for design and construction of the Operations and Maintenance Facility South Buildings and Yard (OMF South) Project and to exercise the contract option to include in the contract the design and construction of the OMF South Main Line and Test Track.
- The contract will be initially funded for Phase 1 Development and Phase 2 Preconstruction of both OMF-South and OMF-South Main Line and Test Track segments of the contract; and includes funding for anticipated early work packages required to maintain the overall Project schedule.
- Early work packages are anticipated to include work such as site preparation, roadway improvements, long-lead material procurement, and construction staging and support facilities, all within an authorized contract amount not to exceed \$350,000,000.
- Future Board actions will be requested to authorize funding for Phase 3 Construction which will include final completion of OMF South and the Main Line and Test Track.

- The Progressive Design Build (PDB) contract requires Sound Transit and design builder teams work in a highly collaborative and transparent process to determine the final design to achieve the Project results required by Sound Transit and negotiate price as risks are identified and final design and scope are developed together.
- A future Board action is anticipated in 2028 to establish the project's baseline budget and authorize funding to complete construction phase of the contract.
- This action exercises the option for the OMF South Main Line and Test Track work, one of two options included in this contract. Board action would be required to exercise the other contract option for all phases of OMF North Buildings and Yard Project.

Background

To expand the Link light rail system consistent with the voter-approved ST3 Plan, Sound Transit requires additional facilities to store, maintain, and deploy a larger fleet of light rail vehicles (LRVs). Sound Transit currently operates an Operations and Maintenance Facility (OMF) at South Forest Street in Seattle and a second facility in Bellevue. As the system-wide fleet expands to more than 400 LRVs, two additional facilities, one in the North Corridor and one in the South Corridor, are needed.

In June 2024, the Sound Transit Board of Directors approved Resolution No. R2024-16, identifying the S. 336th St. Alternative as the project to be built for the South Corridor. In August 2024, the Federal Transit Administration (FTA) issued a Record of Decision for the project. Since that time, the project team has been advancing preliminary engineering and federal and state environmental permitting activities.

OMF South will be located on an approximately 70-acre site and will support future service levels across all Link lines. The facility will provide space to store, test, commission, and maintain at least 72 new 95-foot-long Series 3 LRVs and will include a Maintenance-of-Way building and other support facilities. The Mainline track will provide access to the OMF South facility building and yard.

Sound Transit is using Progressive Design-Build (PDB) contracting method to deliver the OMF South project. Previously prepared conceptual and preliminary engineering designs have been provided as part of contract documentation, however the design builder together with Sound Transit will validate and progress the engineering to 30% design during Phase 1 Development.

During Phase 2 Preconstruction, the team will complete final design to an agreed budget for the project, and negotiate the guaranteed maximum price (GMP) for completion of the full scopes of the OMF South Buildings and Yard and the OMF South Main Line and Test Track. It is anticipated that certain construction packages will be progressed to final design and approved for construction during Phases 1 and Phase 2. These early work packages may include such work as site preparation, roadway improvements, long-lead materials procurement, and construction staging and facilities.

As the design progresses, target design to budget amount will be determined and a request for Board approval of a final project baseline budget will be brought forward in 2028. The solicitation for the contract identified a maximum budget for design and construction of the OMF South Buildings and Yard to be \$880 million and OMF South Main Line & Test Track to be \$304 million.

The contract includes two contract options and defined off-ramps for Sound Transit, preserving the agency's ability to discontinue with the PDB contractor when progressing to a new contract phase. The first option to incorporate all phases of the OMF South Main Line and Test Track work is anticipated to be exercised at award and execution of the contract, if so authorized by this action.

PDB services for all phases of OMF North Buildings and Yard project are included as the other contract option in this contract that may be exercised at Sound Transit's sole discretion. This would require additional Board action at a later date. Environmental work for OMF North Buildings and Yard Project is proceeding under the Everett Link Extension project that will produce the Draft and Final Environmental Impact Statements for OMF North.

Project Status

Project Development Phase: Final Design

Percent complete (measured to revenue service date): 30%

Current project status, performance metrics, and additional information are located on page 16 of the January 2026 Systems Expansion Monthly Status Report.

Procurement information

This contract was procured in accordance with the Washington State requirements for design-build procurements and Sound Transit procedures. A Request for Proposals (RFQ) was issued on April 25, 2025, for OMF South Project PDB services. On June 18, 2025, three Statement of Qualifications (SOQ) were received, evaluated and confirmed to be responsive. The Request for Proposals (RFP) was issued to the three finalists on September 30, 2025. Sound Transit received proposals from two of the three finalists on November 21, 2025. An evaluation panel was convened to review the proposals. Weighted evaluation criteria in the RFP included project approach, comprehensive economic development, risk and opportunities, presentation and collaboration workshop, and price (proposer's home office overhead and profit). The price criteria was scored in accordance with the price scoring equation in the RFP. Additional pass/fail criteria included financial capacity and capability to perform the work.

Based on Sound Transit's evaluation of the proposals, Hoffman was determined to be the highest-ranked responsive and responsible proposer. Negotiations were conducted with Hoffman for the scope of work for Phase 1 Development of OMF South Buildings and Yard and for Phase 1 Development of Main Line and Test Track project that will be compensated on a Cost-Plus Fixed Fee basis. The contract requires transparency in pricing. Sound Transit reviewed the proposal costs and negotiated an amount Not-to-Exceed \$68,943,345 that was determined fair and reasonable with a cost-price analysis of the Independent Cost Estimate (ICE).

Fiscal information

This action is contingent upon Board approval of the Operations and Maintenance Facility South budget amendment outlined in Resolution No. R2026-05.

OMF South

(in thousands)

Project Phase	Authorized Allocation	Board Approvals*	This Action	Total Commitment Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$23,760	\$16,404	\$	\$16,404	\$7,356
Preliminary Engineering	46,964	45,089	-	45,089	1,875
Third Party	14,296	17,163	-	17,163	(2,867)
Right of Way	232,960	109,735	-	109,735	123,225
Construction	398,896	-	350,000	350,000	48,896
Construction Services	157,853	140,956	-	140,956	16,897
Total	\$874,729	\$329,347	\$350,000	\$679,347	\$195,382

Notes:

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

For detailed project information, see page 127 of the 2026 Proposed Budget & Financial Plan.

* Board Approvals = Commitment and PO Contingency Remaining as of 12/31/2025.

** Shortfall to be resolved after rebalancing project cash flows in Adopted 2026 Budget.

The current authorized allocation for the Operations and Maintenance Base South project is \$874,729.393. Within the \$398,896,081 construction phase, the proposed action would commit \$350,000,000 (which includes a 10% contingency of \$31,794,523) to the Progressive Design-Build contract and leave a phase balance of \$48,896,081, contingent upon approval of Resolution No. R2026-05.

Disadvantaged and Small Business Participation

Sound Transit promotes and encourages DBE and small business participation. DBE and Small business goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of small businesses available to perform such subcontracting work.

This contract was originally advertised with a 17% DBE goal and the successful proposal reflected a 17% DBE participation commitment, however the goal was zeroed out in accordance with new regulations and guidance from the FTA. During the procurement the U.S. Department of Transportation issued new regulation, effective October 3, 2025, that prohibits use of race or gender in determining disadvantaged business enterprise status and FTA guidance required Sound Transit to zero out or eliminate DBE goals from the solicitation, and not count participation of previously certified DBEs toward a goal. As a result, this Contract is issued with no DBE goal, and use of the term “DBE” will be interpreted as DBEs certified under the new regulations of October 3, 2025.

For this specific contract, Hoffman has committed to the following Open Ended Participation Plan for small business participation for the initial Phase of the contract, to be updated periodically as the contract progresses in accordance with FTA guidance:

Disadvantaged And Small Business Participation Goals	Sound Transit Goals	Hoffman Construction Company of Washington Commitment
Disadvantaged Business Enterprises (DBE)	No goal	N/A
Voluntary Small Businesses (SBE)	0%	Design 17% Construction 18.6%

Public involvement

Not applicable to this action.

Time constraints

While a one-month delay would not significantly impact the overall project schedule, proceeding now enhances staff ability to mitigate delays.

Environmental review – KH 2/25/26

Legal review – JSA 3/10/26

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Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to (1) execute a progressive design-build contract with Hoffman Construction Company of Washington for all phases of design and construction of the Operations and Maintenance Facility South Buildings and Yard and to exercise the option to include all phases of the OMF South Main Line and Test Track, and to advance certain individual early work construction packages as needed and (2) to authorize funding for Phase 1 and Phase 2 of OMF-South Buildings and Yard and the Main Line and Test Track and for amounts for early works packages under the Contract, for a total authority to contract in the amount not to exceed \$318,205,477, with an approximate 10% contingency of \$31,794,523, totaling \$350,000,000, contingent upon adoption of Resolution No. R2026-05.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Dave Somers
Board Chair

Attest:

Kathryn Flores
Board Administrator