

Motion No. M2021-27

Increase Contract Contingency with Walsh Construction Company II LLC for the Hilltop Tacoma Link Extension

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	04/08/2021	Recommend to Board	Ron Lewis, DECM Executive Director
Board	04/22/2021	Final action	Madeleine Greathouse, Project Director

Proposed action

Authorizes the chief executive officer to increase contract contingency for the Hilltop Tacoma Link Extension construction contract with Walsh Construction Company II LLC for construction of roadway improvements as a betterment for the City of Tacoma in the amount of \$1,601,300 for a new total authorized contract amount not to exceed \$147,011,050.

Key features summary

- The proposed action would increase the contingency on the contract with Walsh Construction II LLC, to issue a change order to incorporate betterments requested by the City of Tacoma. The betterment scope includes:
 - Construction of continuous curb and gutter on MLK Jr. Way as part of the City of Tacoma's Link to Opportunity streetscape improvement project.
 - Restoration and street improvements to the north side of E. 25th street between E. G St. and E. J St. The City of Tacoma agrees to reimburse Sound Transit for the costs associated with the requested betterment scopes of work.
- The increased project contingency requested in this action includes not to exceed negotiating authority to execute construction contract change orders for the above scope.

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 additional light rail vehicles. Revenue service for the extension is forecast for May 2022.

In July 2018, the Board authorized a contract with Walsh Construction Company II LLC to construct the Hilltop Tacoma Link Extension. Notice to Proceed was issued in August 2018 and construction is currently 75 percent complete. Work along the alignment has been primarily focused on completion of utility work on Commerce St. and track slab installations in the Hilltop and Stadium business districts.

At the start of T100 construction in Q3 2018, the City was advancing design of the Links to Opportunity streetscape project. The City completed their design in Q3 2019. As construction continued along MLK Jr. Way, it became apparent the contractually required reconstruction of damaged curb and gutter by

Walsh Construction Co. II LLC could be more efficient and cost effective if it included those sections identified in the City’s project. This approach would result in improved quality of the finished product as well as reducing the likelihood of contract interface late in construction of the Hilltop extension. Sound Transit and the City of Tacoma worked together to identify the damaged areas to be restored under the construction contract and additional quantities of curb and gutter as part of the City’s streetscape project. The City formally requested pricing for this betterment in July 2020. The proposed pricing of \$970,000 by Walsh Construction Co. II LLC was agreed to by the City in late December 2020.

In March 2021, the City of Tacoma requested restoration and street improvements of the north side of E. 25th St. between E. G St. and E. J St. This betterment improves the seriously compromised condition of the westbound travel lane on E. 25th St. as well as construction of valley gutter, ADA ramps, angled parking, crosswalks and a driveway. The City’s construction cost estimate for this scope is \$631,300.

Project status

○					
Project Identification	Alternatives Identification	Conceptual Engineering/ Draft EIS	Preliminary Engineering/ Final EIS	Final Design	Construction

Projected completion date for Construction: 2Q 2022

Project scope, schedule and budget summary are located on page 101 of the January 2021 Agency Progress Report.

Procurement information

Sound Transit issued an Invitation for Bid (IFB) on March 22, 2018, and five bids were received on May 23, 2018, with one bid determined non-responsive. This bids ranged from \$108,295,000 to \$125,660,188. Walsh Construction Company II LLC was the lowest responsive and responsible bidder with a bid of \$108,295,000. One protest was received and denied in accordance with Sound Transit’s protest and appeal procedures.

Fiscal information

This action would increase the contract contingency for the Hilltop Tacoma Link Extension contract with Walsh Construction Co. II LLC for the betterment agreement with City of Tacoma to reimburse Sound Transit for the cost of construction of the roadway improvements estimated at \$1,601,300. The betterment costs will be isolated and not recorded as a project cost.

Neither the costs nor the funding for this scope of work has been included in the agency’s long term financial plan. Since the costs will be reimbursed to Sound Transit, this action will not impact either the agency’s long-term financial plan or subarea financial capacity. The City of Tacoma has agreed to pay actual costs.

Hilltop Tacoma Link Extension

(in thousands)

Project Phase	Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$21,578	\$15,471		\$15,471	\$6,107
Preliminary Engineering	5,559	5,559		5,559	0
Final Design	14,098	13,798		13,798	300
Third Party	1,466	1,377		1,377	89
Right of Way	2,270	2,189		2,189	82
Construction	156,696	155,294	0	155,294	1,402
Construction Services	12,361	11,489		11,489	872
Vehicles	33,392	33,255		33,255	137
System Testing + Startup	5,326	2,366		2,366	2,960
Total Current Budget	\$252,746	\$240,798		\$240,798	\$11,948

Phase Detail - Construction

T100 Civil & Systems Package	\$144,520	\$144,518		\$144,518	\$2
Other Construction	12,176	10,776		10,776	1,400
Total Phase	\$156,696	\$155,294		\$155,294	\$1,402

Walsh Construction Company II, LLC. Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	\$108,295	\$108,295	\$	\$108,295
Contingency	\$37,115	\$37,115	\$1,601	38,716
Total Contract Amount	145,410	\$145,410	\$1,601	147,011
Percent Contingency	34%	34%	100%	36%
Less City of Tacoma betterment	\$1,000	\$1,000	\$1,601	\$2,601
Sound Transit Share	\$144,410	\$144,410	\$	\$144,410

Notes:

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

Board Approvals = Commitment and PO Contingency Remaining as of 3/25/2021.

For detailed project information, see page 100 in the 2021 Finance Plan and Adopted Budget Book.

*There is no additional commitment for this project, but there is contract modification of \$1,601,300 added to contingency that will be reimbursed by bet

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 this specific contract, the following goals were set and Walsh Construction Company II LLC committed to the following small business/DBE participation:

DBE/Small Business goals, commitments, and payment-to-date		
	DBE	Small Business
Sound Transit goal	4%	8%
Walsh commitment	5%	28%
Payment-to-date	6.47%	18.6%

Apprentice utilization commitment

Apprentice utilization	
Apprentice utilization goal: 20%	Commitment: 20%

Public involvement

Not applicable to this action.

Time constraints

This work is planned to commence by the end of April, Therefore, timely approval of this action is critical to avoid payment delay.

Prior Board/Committee actions

Motion No. M2020-31: Authorized the chief executive officer to increase the contract contingency for the Hilltop Tacoma Link Extension construction contract with Walsh Construction Company II LLC in the amount of \$27,400,000 for a new total authorized contract amount not to exceed \$145,409,750, contingent upon Board approval of Resolution No. R2020-12.

Motion No. M2019-122: Authorized the chief executive officer to increase the contract contingency for the Hilltop Tacoma Link Extension construction contract with Walsh Construction Company II LLC in the amount of \$4,300,000 for a new total authorized contract amount not to exceed \$118,009,750.

Motion No. M2018-87: Authorized the chief executive officer to execute a contract with Walsh Construction Company II LLC to construction the Tacoma Link Extension in the amount of \$108,295,000, with a 5 percent contingency of \$5,414,750, for a total authorized contract amount not to exceed \$113,709,750.

Environmental review – KH 3/29/21

Legal review – JSA 4/5/21



Motion No. M2021-27

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase contract contingency for the Hilltop Tacoma Link Extension construction contract with Walsh Construction Company II LLC for construction of roadway improvements as a betterment for the City of Tacoma in the amount of \$1,601,300 for a new total authorized contract amount not to exceed \$147,011,050.

Background

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This action addresses the City of Tacoma's requested street improvements and includes construction of continuous curb and gutter on MLK Jr. Way as part of the City of Tacoma's Link to Opportunity streetscape improvement project. The increased project contingency requested in this action includes not to exceed negotiating authority to execute construction contract change orders for the above scope.

Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to increase contract contingency for the Hilltop Tacoma Link Extension construction contract with Walsh Construction Company II LLC for construction of roadway improvements as a betterment for the City of Tacoma in the amount of \$1,601,300 for a new total authorized contract amount not to exceed \$147,011,050.

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

Kent Keel
Board Chair

Attest:

Kathryn Flores
Board Administrator