



Motion No. M2022-10

Contract Modification to Specific Contracts for the Hilltop Tacoma Link Extension

| Meeting: | Date: | Type of action: | Staff contact: |
|----------------------------------|--------------------------|------------------------------------|---|
| System Expansion Committee Board | 02/10/2022 02/24/2022 | Recommend to Board 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 contracts for the Hilltop Tacoma Extension with:

- a) Walsh Construction Co. II, LLC for civil and systems construction services for an additional \$3,000,000 in contract contingency for a new total authorized contract amount not to exceed \$150,011,050;
- b) Jacobs Project Management Company for civil and systems construction management services in the amount of \$4,699,685, with a 10 percent contingency of \$469,969, totaling \$5,169,654, for a new total authorized contract amount not to exceed \$16,676,784; and
- c) HDR Inc. for design services during construction in the amount of \$2,000,000, with a 10 percent contingency of \$200,000, totaling \$2,200,000, for a new total authorized contract amount not to exceed \$15,649,658.

All contingent upon Board approval of a 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 construction of the Hilltop Tacoma Link Extension.
- The increased costs are associated with delays to completion of construction and start of revenue service. Key contributing factors include ongoing owner initiated design revisions resulting in change orders, third party coordination requirements, and contractor challenges meeting planned production rates.
- Construction of the Hilltop Tacoma Link Extension is 91 percent complete. Utility relocations and track slab construction are substantially complete. Station platform finishes and systems installation activities are underway in Commerce St., Stadium, and Hilltop business districts.

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 Q1 2023.

In July 2018 following Board approval of Resolution No. R2019-18, 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.

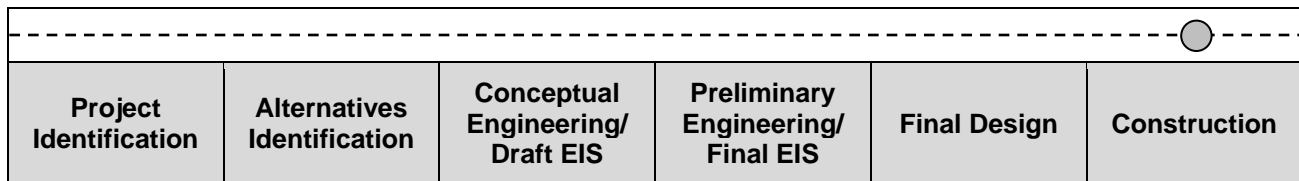
In July 2019, Sound Transit Board approved Resolution No. R2019-18. The action authorized phase budget transfers from Right of Way and Vehicles to Construction in order to fund the construction contract. During staff remarks at the July 2019 Board, the challenges of the utility relocation work were highlighted as presenting the largest risks from a cost perspective and additional risk assessments would be necessary to assess confidence levels of project contingency levels.

Staff performed two quantitative risk assessments and a risk recovery workshop between May 2019 and April 2020. The results of these efforts indicated the baseline budget was inadequate to complete the project scope. At the time, the project schedule still reflected a high probability the project scope could meet the May 2022 revenue service date with one month float remaining. In June 2020, staff requested \$35,400,000 in additional project funding to complete the project scope and no extension to the planned revenue service date of May 2022.

After June 2020, the project experienced delays to completion of critical path activities which consumed the remaining project float. Staff performed a quantitative risk assessment in April 2021 which identified a delay to the baseline revenue service date of May 2022, inclusive of mitigations to remaining schedule risks. The current forecast revenue service date is Q1 2023. Progress of the work continues to be impacted by ongoing owner initiated design revisions resulting in change orders, third party coordination requirements, and contractor challenges meeting planned production rates.. The specific construction related increased contract costs at completion is a direct result of delay to substantial completion of the construction work. The results of this risk assessment were reported to the System Expansion Committee during a project update in October 2021. Staff acknowledged the cost and schedule delays would be confirmed at the January 2022 project quantitative risk assessment.

Construction is currently 91% complete. Work in progress is primarily focused on completing curb and gutter flatwork, roadway restoration and systems installations. Remaining work includes the critical cutover between the existing Link system and new extension at 9th and Commerce St., completion of systems installations, and testing and commissioning.

Project status



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

Construction Contract

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. The 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. Contract CN 0129-17 was awarded to Walsh Construction Company II LLC.

Construction Management Services

In November 2016, Sound Transit advertised a Request for Qualifications (RFQ) including work for Phase 1 – Preconstruction Services and Phase 2 – Construction Management Services. Five proposers submitted Statements of Qualifications (SOQ) in December 2016. The submitted SOQs were reviewed and evaluated based on the criteria in the RFQ.

Jacobs Project Management Company was determined to be the highest ranked firm based on qualifications and was selected to enter in to negotiations for the contract. Notice of Award letter was issued April 13, 2017 to the consultant for AE 0139-16 Civil and Systems Construction Management Consultant (CMC) Services for Tacoma Link Expansion.

In October 2017, the Board approved Gate 5 for the Hilltop Tacoma Link Extension and established the project baseline. Jacobs Project Management Company's work performance for Phase 1 – Preconstruction Services was reviewed by staff and determined acceptable. Negotiations for Phase 2 – Construction Management services commenced with the request to amend the contract following in February 2018 in Motion No. M2018-20.

Design Support during Construction Services

A Request for Qualifications (RFQ) for procurement of professional services to perform final design of the Tacoma Link Expansion project, with an option for design services during construction, was advertised on February 23, 2016. Sound Transit received seven Statement of Qualifications (SOQ) on March 23, 2016. Sound Transit reviewed and evaluated the SOQ per the criteria in the RFQ.

Based on these evaluations, three submitters were invited to interview. HDR Engineering Inc. was determined to be the highest ranked firm based on qualifications and was invited to enter into negotiations for the contract. Notice of Award letter was issued on July 28, 2016 to the consultant for AE 160-15 Tacoma Link Expansion Final Design.

Fiscal information

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. This action will commit the following phases:

Within the baseline budget, \$164,797,754 has been allocated to construction phase. The action would commit an additional \$3,000,000 of contingency with Walsh Construction Co. II, LLC for civil and systems construction services and leave a budget balance of \$2,986,552.

Within the baseline budget, \$16,659,143 has been allocated to construction services phase. The action would commit an additional \$5,169,654 with Jacobs Project Management Company for civil and systems construction management services and leave no remaining budget balance.

Within the baseline budget, phase \$16,224,284 has been allocated to final design phase. The action would commit an additional \$2,200,000 with HDR Inc. for design services during construction and leave a budget balance of \$9,242.

These actions are within the revised baseline budget and sufficient monies remain after approval of the action to fund the remaining work in the construction, final design, and construction services phase.

Hilltop Tacoma Link Extension

(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 | 14,015 | 2,200 | 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 | 158,811 | 3,000 | 161,811 | 2,987 |
| Construction Services | 16,659 | 11,489 | 5,170 | 16,659 | (0) |
| Vehicles | 39,707 | 39,401 | | 39,401 | 306 |
| System Testing + Startup | 7,551 | 3,646 | | 3,646 | 3,906 |
| Total Current Budget | \$282,746 | \$255,083 | \$10,370 | \$265,452 | \$17,294 |

Phase Detail - Construction

| | | | | | |
|------------------------------|------------------|------------------|-----------|------------------|----------------|
| T100 Civil & Systems Package | \$150,011 | \$145,510 | \$3,000 | \$148,510 | \$1,501 |
| Other Construction | 14,787 | 13,301 | | 13,301 | 1,485 |
| Total Phase | \$164,798 | \$158,811 | \$ | \$161,811 | \$2,987 |

| Walsh Construction Company II, LLC. | 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 | 3,000 | 40,115 |
| Total Contract Amount | 145,410 | \$145,410 | \$3,000 | 148,410 |
| Percent Contingency | 34% | 34% | 100% | 37% |
| Less City of Tacoma betterment | 1,000 | 1,000 | 0 | 1,000 |
| Sound Transit Share | \$144,410 | \$144,410 | \$3,000 | \$147,410 |

| Phase Detail - Construction Services | Baseline Budget | Board Approvals | This Action | Board Approved Plus Action | Uncommitted / (Shortfall) |
|--------------------------------------|-----------------|-----------------|----------------|----------------------------|---------------------------|
| Jacobs Project Management | \$16,659 | \$11,472 | \$5,170 | \$16,642 | \$18 |
| City of Tacoma - Betterment | 0 | 18 | | 18 | 0 |
| Total Phase | \$16,659 | \$11,489 | \$5,170 | \$16,642 | \$ |

| Contract Detail | Board Approvals to Date | Current Approved Contract Status | Proposed Action | Proposed Total for Board Approval |
|-----------------------------------|-------------------------|----------------------------------|-----------------|-----------------------------------|
| Jacobs Project Management Company | | | | |
| Contract Amount | \$8,946 | \$8,946 | \$4,700 | \$13,646 |
| Contingency | 2,544 | 2,544 | \$470 | 3,014 |
| Total Contract Amount | \$11,489 | \$11,489 | \$5,170 | \$16,659 |
| Percent Contingency | 28% | 28% | 10% | 22% |
| Betterment | 18 | 18 | 0 | 18 |
| Sound Transit Cost | \$11,472 | \$11,472 | \$5,170 | \$16,642 |

| Phase Detail - Final Design | Baseline Budget | Board Approvals | This Action | Board Approved Plus Action | Uncommitted / (Shortfall) |
|-----------------------------|-----------------|-----------------|----------------|----------------------------|---------------------------|
| CIVIL FD | \$15,650 | \$13,298 | \$2,200 | \$15,498 | \$152 |
| Other Final Design | 575 | 717 | | 717 | (142) |
| Total Phase | \$16,224 | \$14,015 | \$2,200 | \$16,215 | \$9 |

| Contract Detail | Board Approvals to Date | Current Approved Contract Status | Proposed Action | Proposed Total for Board Approval |
|---|-------------------------|----------------------------------|-----------------|-----------------------------------|
| HDR Engineering, Inc. | | | | |
| Contract Amount - Final Design Services | \$8,278 | \$8,278 | \$ | \$8,278 |
| Contingency - Final Design Services | 0 | 0 | | 0 |
| Contract Amount - DSDC | 3,832 | 3,832 | 2,000 | 5,832 |
| Contingency - DSDC | 1,188 | 1,188 | \$200 | \$1,388 |
| Total Contract Amount | \$13,298 | \$13,298 | \$2,200 | \$15,498 |
| Percent Contingency | 10% | 10% | 10% | 10% |
| Betterment | 152 | 152 | 0 | 152 |
| Sound Transit Cost | \$13,146 | \$13,146 | \$2,200 | \$15,346 |

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 construction contract, the following goals were set and Walsh Construction Co. II LLC committed to the following small business/DBE participation:

| Small business and disadvantaged business enterprise (DBE) goals | |
|--|-----------------------------------|
| Sound Transit small business goal: 8% | Small business commitment: 32.89% |
| DBE goal: 4% | DBE commitment: 4% |

For the construction management services consultant contract, the following goals were set and Jacobs Project Management Company committed to the following small business/DBE participation:

| Small business and disadvantaged business enterprise (DBE) goals | |
|--|--------------------------------|
| Sound Transit small business goal: 15% | Small business commitment: 15% |
| DBE goal: 4% | DBE commitment: 11% |

For the design support during construction services consultant contract, the following goals were set and HDR Engineering Inc. committed to the following Small Business/DBE participation:

| Small business and disadvantaged business enterprise (DBE) goals | |
|--|--------------------------------|
| Sound Transit small business goal: 8% | Small business commitment: 15% |
| DBE goal: 5% | DBE commitment: 8.5% |

Public involvement

Not applicable to this action.

Time constraints

A one-month delay to the construction contract would not create a significant impact to the project schedule. A one-month delay to the construction management services could impact the consultant's ability to provide timely contract administration for activities on the construction contract's critical path. A one-month delay to the design support during construction contracts could impact timely resolution of construction issues requiring design support for activities on the construction contract's critical path.

Prior Board/Committee actions

Walsh Construction Company II LLC

Motion No. M2021-27: Authorized 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.

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 construct the Tacoma Link Extension in the amount of \$108,295,000, with a 5% contingency of \$5,414,750, for a total authorized contract amount not to exceed \$113,709,750.

Jacobs Project Management Company

Motion No. M2020-33: Authorized the chief executive officer to execute a contract with Jacobs Project Management Company for construction management consultant services for the Hilltop Tacoma Link Extension project in the amount of \$2,070,000 for a new total authorized contract amount not to exceed \$11,489,490, contingent upon Board approval of Resolution No. R2020-12.

Motion No. M2018-20: Authorized the chief executive officer to amend the contract with Jacobs Project Management Company to provide Phase 2 construction management services for the construction phase of the Tacoma Link Extension in the amount of \$8,420,219, with a 5% contingency of \$421,011 totaling \$8,841,230, for a new total authorized contract amount not to exceed \$9,419,490.

Motion No. M2017-45: Authorized the chief executive officer to execute a contract with Jacobs Project Management Company to provide civil and systems construction management consultant services for the preconstruction phase of the Tacoma Link Expansion project in the amount of \$525,691, with a 10% contingency of \$52,569, for a total authorized contract amount not to exceed \$578,260.

HDR Engineering Inc.

Motion No. M2020-32: Authorized the chief executive officer to increase the contract contingency with HDR Engineering Inc. for design services during construction for the Hilltop Tacoma Link Extension project in the amount of \$1,000,000 for a new total authorized contract amount not to exceed \$13,297,980, contingent upon Board approval of Resolution No. R2020-12.

Motion No. M2019-70: Authorized the chief executive officer to increase the contract contingency with HDR Engineering, Inc. to provide additional civil design support during construction services for the Hilltop Tacoma Link Extension in the amount of \$1,972,803, for a new total authorized contract amount not to exceed \$12,297,980, contingent upon Board approval of Resolution No. R2019-18.

Motion No. M2017-136: Authorized the chief executive officer to amend the contract with HDR Engineering, Inc. for the Tacoma Link Extension by (1) increasing the contract contingency for Final Design services in the amount of \$306,414, and (2) amending the contract for Design Services During Construction in the amount of \$1,045,317, for a combined total amount of \$2,351,731, for a new total authorized contract amount not to exceed \$10,325,177.

Motion No. M2016-77: Authorized the chief executive officer to execute a contract with HDR Engineering, Inc. to provide civil and systems final design services for the Tacoma Link Expansion in the amount of \$7,593,758, with a 5% contingency of \$379,688, for a total authorized contract amount not to exceed \$7,973,446.

Environmental review – KH 1/28/22

Legal review – JEN 02/08/22



Motion No. M2022-10

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute contract modifications to specific contracts for the Hilltop Tacoma Extension with:

- a) Walsh Construction Co. II, LLC for civil and systems construction services for an additional \$3,000,000 in contract contingency for a new total authorized contract amount not to exceed \$150,011,050;
- b) Jacobs Project Management Company for civil and systems construction management services in the amount of \$4,699,685, with a 10 percent contingency of \$469,969, totaling \$5,169,654, for a new total authorized contract amount not to exceed \$16,676,784; and
- c) HDR Inc. for design services during construction in the amount of \$2,000,000, with a 10 percent contingency of \$200,000, totaling \$2,200,000, for a new total authorized contract amount not to exceed \$15,649,658.

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

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.

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related increased contract costs at completion is a direct result of delay to substantial completion of the construction work. The results of this risk assessment were reported to the System Expansion Committee during a project update in October 2021. Staff acknowledged the cost and schedule delays would be confirmed at the January 2022 project quantitative risk assessment.

Construction is currently 91% complete. Work in progress is primarily focused on completing curb and gutter flatwork, roadway restoration and systems installations. Remaining work includes the critical cutover between the existing Link system and new extension at 9th and Commerce St., completion of systems installations, and testing and commissioning.

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 construction of the Hilltop Tacoma Link Extension.

Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute contract modifications to specific contracts for the Hilltop Tacoma Extension with:

- d) Walsh Construction Co. II, LLC for civil and systems construction services for an additional \$3,000,000 in contract contingency for a new total authorized contract amount not to exceed \$150,011,050;
- e) Jacobs Project Management Company for civil and systems construction management services in the amount of \$4,699,685, with a 10 percent contingency of \$469,969, totaling \$5,169,654, for a new total authorized contract amount not to exceed \$16,676,784; and
- f) HDR Inc. for design services during construction in the amount of \$2,000,000, with a 10 percent contingency of \$200,000, totaling \$2,200,000, for a new total authorized contract amount not to exceed \$15,649,658.

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

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 24, 2022.



Kent Keel
Board Chair

Attest:



Kathryn Flores
Board Administrator