

Motion No. M2025-31

Contract Modification with HDR Engineering, Inc. for the Tacoma Dome Link Extension

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	6/12/2025 6/26/2025	Recommend to Board Final action	Terri Mestas, Deputy CEO, Capital Delivery Manan Garg, Executive Director Lauryn Douglas, Planning Director

Proposed action

Authorizes the chief executive officer to execute a contract modification with HDR Engineering, Inc. to exercise a contract option for Phase 3 project development services for the Tacoma Dome Link Extension project, in the amount of \$79,911,267 with a 10 percent contingency of \$7,991,127 totaling \$87,902,394, for a new total authorized contract amount not to exceed \$181,555,740, contingent upon adoption of Resolution No. R2025-14.

Key features summary

- This action authorizes Sound Transit to exercise a contract option in this consultant services contract with HDR Engineering, Inc. and to provide funding for services identified for Phase 3 – Final Environmental Impact Statement and Preliminary Engineering for the Tacoma Dome Link Extension project (TDLE).
- This action modifies the project development services contract to include the third of the following three phases of project development for the TDLE project:
 - Phase 1 – Alternatives Development (Motion No. M2017-159)
 - Phase 2 – Conceptual Engineering and Environmental Review (Motions Nos. M2019-76 and M2022-98)
 - Phase 3 – Final Environmental Impact Statement and Preliminary Engineering (this action)
- Completion of TDLE project development Phase 3, which is anticipated in 2027, will enable the Board to identify the TDLE Project to be Built and the project to obtain a NEPA Record of Decision from the Federal Transit Administration.
- The total authorized contract amount includes funds for previously authorized project development services through the FEIS and Preliminary Engineering for the Operations and Maintenance Facility South (approximately 24 percent of the total contract amount). However, this contract modification only supports consultant services for the Tacoma Dome Link Extension project.
- This action is contingent upon the Board adopting Resolution No. R2025-14 to amend the Adopted 2025 Budget to fund advancing the Tacoma Dome Link Extension project into the Preliminary Engineering phase and completion of the Final EIS.

Background

The Tacoma Dome Link Extension Project (TDLE) is part of the Sound Transit 3 Plan (ST3) of regional transit system investments, approved for funding by voters in the region in 2016. TDLE includes construction of about 8.5 miles of guideway from the future Operations and Maintenance Facility South (OMFS) to the Tacoma Dome. This includes four stations, two parking facilities, and allowances for system access improvements, sustainability, and transit-oriented development. The forecasted in-service date, in the 2025 adopted Budget, is 2035. The 2035 service date was revised from 2032 in early 2023 when additional station options in Fife and an additional route and associated station option in the South Federal Way/Milton area was added to study in the Draft EIS.

This Contract includes project development for Operation and Maintenance Facility (OMF) South. The Board has previously authorized exercise of options for work related to OMF South, and HDR Engineering, Inc. provided services for all three Phases for OMF South under this Contract. (M2022-12 Phase 3 OMF South). This proposed Board action relates to TDLE project only.

The project development process has three phases. Phase 1 included alternatives development, environmental scoping and identification of a preferred alternative and other alternatives to study in the Draft EIS. Phase 2 included the preparation of a Draft EIS and conceptual engineering of alternatives. Phase 3 will include preparation of a Final EIS, including responses to public and agency comments on the Draft EIS, and preliminary engineering.

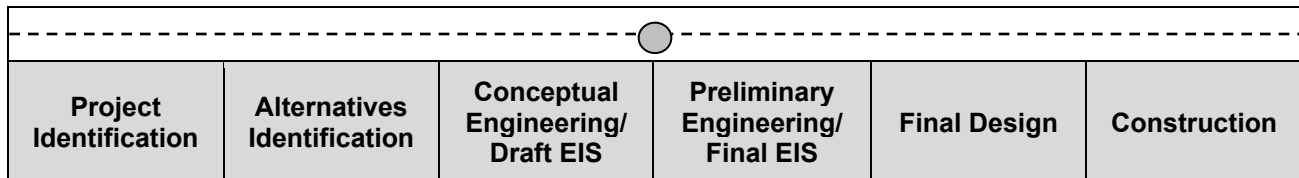
To maintain eligibility for potential federal funding and obtain required federal approvals, the TDLE project will comply with the requirements of the National Environmental Policy Act (NEPA). As the public agency proposing the project, Sound Transit is required to comply with the State Environmental Policy Act (SEPA). The FTA, as the federal lead agency under NEPA, and Sound Transit, as the state lead agency under SEPA, have determined that the proposed project may have probable significant adverse environmental impacts. To satisfy both NEPA and SEPA requirements, the agencies published a Draft EIS for the project in December 2024 and will prepare a Final EIS in Phase 3 as part of this contract modification.

Approval of this action to exercise the option for Phase 3 services is contingent upon Board adoption of a related Board action, proposed Resolution No. R2025-14 that would amend the Adopted 2025 Budget to fund advancing the Tacoma Dome Link Extension project into the Preliminary Engineering phase and completion of the Final EIS.

In June 2024, the Board adopted Resolution No. R2024-15 to split the OMFS project from TDLE. The Board also selected the OMFS project to be built via Resolution No. R2024-15, shifting the Federal Way segment from TDLE to that project to connect the OMFS to the terminus of the 1 Line in Federal Way.

Sound Transit anticipates publishing the TDLE Final EIS in 2027 and the Board will be asked to select the Project to be Built. The Record of Decision is anticipated to be issued in 2027 following Board action.

Project status



Projected completion date for Preliminary Engineering/Final EIS: 2027.

Current project status, performance metrics, and additional information are located on page 16 of the April 2025 System Expansion Monthly Status Report.

Procurement information

A Request for Qualifications (RFQ) for three phases of the project development process (Phase 1 Alternative Development, Phase 2 Draft EIS & Conceptual Engineering, and Phase 3 Final EIS & Preliminary Engineering) was advertised on July 5, 2017. Sound Transit received three Statements of Qualifications (SOQs) on August 7, 2017. The SOQs were reviewed and evaluated per the criteria in the RFQ.

Based on these evaluations, two submitters were invited for interviews. 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 to proceed was issued to HDR Engineering, Inc., on January 5, 2018. This is a cost-plus fixed fee contract, with not-to-exceed amounts authorized for each work phase exercised.

The Phase 2 (Draft EIS) and Phase 3 (Final EIS) were included as options in the original scope of work. The costs for these two additional phases were not included in the original contract amount. Contract modifications to advance Phase 2 were approved by the Board through Motion No. M2019-76 and M2022-98. Amounts authorized to date have included amounts for both TDLE and OMF-South portions of the project. Since the Board separated OMF-South from the TDLE project, the funds requested in this action are for TDLE only.

This proposed Board action increases the contract not to exceed amount for all analysis required for completion of Phase 3 of the project: development of Final EIS and Preliminary Engineering for TDLE. The work funded by this proposed motion falls within the contract's intended scope of work. A cost analysis was performed comparing the ICE to the proposal and looked specifically at direct labor rates, indirect cost rates, ODC's, and fixed fee (profit). Sound Transit subject matter experts met with their counterparts on the consultant team to negotiate from the initial consultant cost proposal. The final hours submitted by the consultant team were reduced based on negotiations and reflect the agreed upon level of effort by Sound Transit and the consultant team for what is needed to complete the work. Based on the cost analysis performed, the Contract Specialist determined that the final negotiated not to exceed amount is fair and reasonable.

Fiscal information

This action is contingent upon Board approval of the Tacoma Dome Link Extension (TDLE) budget amendment outlined in Resolution No. R2025-14: Budget Amendment for the Tacoma Dome Link Extension Project.

Following approval of Resolution No. R2025-14, the authorized allocation for the TDLE project is \$257,338,960. Within the \$158,194,734 preliminary engineering phase, \$87,902,394 has been allocated to the HDR Engineering Inc – PE/FEIS (Phase 3) line item. This action would commit \$87,902,394 (which includes a 10% contingency of \$7,991,127) to this line item and leave a phase budget balance of \$19,480,694.

Tacoma Dome Link Extension

(in thousands)

Project Phase	Authorized Allocation	Board Approvals*	This Action	Total Commitment Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$40,754	\$19,364	\$	\$19,364	\$21,390
Preliminary Engineering	158,195	50,812	87,902	138,714	\$19,481
Final Design	-	-	-	-	-
Third Party	26,060	4,377	-	4,377	21,683
Right of Way	32,330	3,706	-	3,706	28,625
Construction	-	-	-	-	-
Construction Services	-	-	-	-	-
Total	\$257,339	\$78,258	\$87,902	\$166,161	\$91,178

Phase Detail - Preliminary Engineering

HDR Engineering Inc - PE/FEIS (Phase 3)	\$87,902	\$	\$87,902	\$87,902	\$
Other PE	70,292	50,812	-	50,812	19,481
Total Phase	\$158,195	\$50,812	\$87,902	\$138,714	\$19,481

Contract Detail

HDR Engineering Inc - Preliminary

	Current Contract	This Action	Revised Contract
Contract Amount	\$93,263	\$79,911	\$173,174
Contingency	390	7,991	8,381
Total Contract Amount	\$93,653	\$87,902	\$181,556
Percent Contingency	0%	10%	5%

Current Contract

Spend Status
\$39,076
-
\$77,456
0%

Notes:

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

For detailed project information, see page 145 of the 2025 Adopted Budget & Financial Plan.

* Board Approvals = Commitment and PO Contingency Remaining as of 4/30/2025.

The increase in preliminary engineering is 15% over the TDLE financial plan estimate for the preliminary engineering phase.

The current comparative conceptual engineering cost data, updated in 2023, indicates a projected cost of \$4.63 billion in 2025 dollars, with an assumed in-service date of 2035. In line with trends across other capital projects experiencing significant cost pressures, the agency is actively reassessing this project's cost outlook. As directed by the Board in Motion No. M2024-59, the project is undergoing extensive work plan efforts to identify and mitigate rising cost drivers. This includes evaluating programmatic, financial, and project-level opportunities to improve affordability and strengthen the agency's overall financial position.

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.

Disadvantaged business enterprise (DBE) Small Business (SB) goals, commitments, and participation-to-date		
	DBE	Small Business
Sound Transit Goal	6%	15%
Prime Goal Commitment	13%	16%
Goal Attainment	11.78%	17.5%

Public involvement

Not applicable to this action.

Time constraints

A delay in the Board's action on the HDR Engineering, Inc. contract modification risks jeopardizing timely completion of the FEIS and Preliminary Engineering. This additional analysis will support the Board's future action on the Project to be Built. A delay could have a day for day impact on the publication of the Final EIS. A delay to the FEIS would likely affect downstream milestones, including issuing the Record of Decision, initiating Final Design, and entering into construction.

Prior Board/Committee actions

Motion No. M2022-98: Authorized the chief executive officer to execute contract modifications with HDR Engineering, Inc. to provide additional project development services to complete Phase 2 of the Tacoma Dome Link Extension project, in amounts not to exceed \$10,002,573 with a 10-percent contingency of \$1,000,258 for a new total authorized contract amount not to exceed \$93,653,336 contingent upon Board approval of the Proposed 2023 Budget through Resolution No. R2022-35.

Motion No. M2019-76: Authorized the chief executive officer to execute a contract modification with HDR Engineering, Inc. to provide project development services for Phase 2 of the Tacoma Dome Link Extension Project in the amount of \$28,872,484, with a 10 percent contingency of \$ 2,887,248, for a new total authorized amount not to exceed \$51,672,268.

Motion No. M2017-159: Authorized the chief executive officer to execute a contract with HDR Engineering, Inc. to provide project development services for the Tacoma Dome Link Extension project in the amount of \$10,289,907, with a 10% contingency of \$1,028,991, for a total not to exceed amount of \$11,318,898, contingent upon Board approval of the 2018 Budget.

Environmental review – KH 5/27/25

Legal review – JSA 6/9/25

Motion No. M2025-31

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract modification with HDR Engineering, Inc. to exercise a contract option for Phase 3 project development services for the Tacoma Dome Link Extension project, in the amount of \$79,911,267 with a 10 percent contingency of \$7,991,127 totaling \$87,902,394, for a new total authorized contract amount not to exceed \$181,555,740, contingent upon adoption of Resolution No. R2025-14.

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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 execute a contract modification with HDR Engineering, Inc. to exercise a contract option for Phase 3 project development services for the Tacoma Dome Link Extension project, in the amount of \$79,911,267 with a 10 percent contingency of \$7,991,127 totaling \$87,902,394, for a new total authorized contract amount not to exceed \$181,555,740, contingent upon adoption of Resolution No. R2025-14.

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