

## STAFF REPORT

### SOUND TRANSIT MOTION NO. M2000-114

#### Contract Award to Gary Merlino Construction for Tacoma Link C910 Construction Contract

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	11/9/00	Meeting Postponed	Joesph Gildner, Senior Geotechnical Engineer	(206)689-3350
Finance Committee	12/7/00	Deferred		
Finance Committee	1/18/01	Discussion/Possible Action to Recommend Board Approval		
Board	1/25/01	Deferred		
Board	2/8/01	Action		

#### **PROPOSED ACTION**

This action authorizes the Executive Director to execute a contract with Gary Merlino Construction for the construction of the Tacoma Link Light Rail Project, Contract 910. The action authorizes a base contract amount of \$22,924,382, with Alternate A Streetscape Improvements and Alternate Street Lighting as an additional contract amount of \$473,266, and a 10% contingency of \$2,339,764 for a total authorized amount not to exceed \$25,737,413.

#### **KEY FEATURES**

##### **Highlights of Proposed Action:**

- ◆ Authorizes the Executive Director to execute a contract for civil construction of the Tacoma Link Light Rail Project, with Gary Merlino Construction.
- ◆ Authorizes the construction of the Alternate Street Lighting and Alternate A Streetscape Plan.
- ◆ Creates a 10% contingency fund for the contract.
- ◆ Authorizes a total contract amount not to exceed \$25,737,413.
- ◆ Includes a 28% total SBE participation on this contract.
- ◆ Includes a 2.8% WBE and a 1.6% DBE participation on this contract.

##### **Discussion of Proposed Action:**

On July 7, 2000, Sound Transit advertised and issued an Invitation for Bids for construction of the Tacoma Link Light Rail Project, Contract 910. The scope of work involved in the Invitation for Bid included the core bid for civil construction of the Tacoma Link Light Rail Project. It also included two additional alternate packages, which would be included and negotiated in the total bid dependent on a low bid amount for the initial core bid. These alternates include Alternate A Streetscape Improvements and Alternate Street Lighting.

On September 25, 2000, Sound Transit received bids from four firms for the Tacoma Link Light Rail Project, Contract 910. Staff from Contracts Administration, Link Construction Management and Legal Department has determined that Gary Merlino Construction was the lowest responsive and responsible bidder. While the low cost bidder was Mid-Mountain Contractors Inc., staff has determined that this bid was non-responsible because of the lack of good faith efforts towards meeting the small business goal of 30%. The difference in contract amount between the low bidder, Mid-Mountain Contractors, and the lowest responsive and responsible bidder, Gary Merlino Construction, is \$450,915.

Because the core bid by Gary Merlino Construction was sufficiently below the budget, staff recommends that both the alternate package for street lighting and alternate package for streetscapes be included in the total awarded contract amount. The contractor will construct the Tacoma Link Light Rail line segment in conformance with the plans and specifications in the invitation for bid package. Construction on the Tacoma Link will start in January 2001 and revenue service will begin in October 2002.

The total SBE participation on this contract is 28%.

**BUDGET**

Funding for this scope of work is included in Sound Move and in the FY2000 adopted capital budget. The budget for completion of these tasks is identified in Sound Transit's Adopted 2000 Budget construction for Tacoma Link (page 125). Total construction for Tacoma Link is budgeted at \$47,819,000 and the construction contract 910 is budgeted at \$30,000,000. With the budget developed for the Tacoma Link configuration as adopted by the Board on November 18, 1999, there is sufficient funding to complete the remaining work.

<b>Total Project Budget</b>	<b>Budget for this Task (A)</b>	<b>Expenditures to Date (B)</b>	<b>Total Amount Requested (C)</b>	<b>Shortfall or Surplus (A-[B+C])</b>
\$47,819,000	\$30,000,000	\$0	\$25,737,413	\$4,262,586
<b>Amount of Shortfall</b>	<b>Potential Revenues</b>	<b>Funding Sources</b>		

**ALTERNATIVES**

All bids could be rejected and the contract could be re-advertised for new bids. However, since Gary Merlino Construction's bid was below the Sound Transit Engineer's Estimate, there is no reason to believe that this approach would result in lower bids.

**CONSEQUENCES OF DELAY**

Construction on the Tacoma Link Light Rail Project is expected to begin in January 2001. Delaying the award of this contract could delay the start of revenue service beyond October 2002. This contract is closely tied with the Tacoma Operations and Maintenance Facility and

the Systems Procurement contracts and delay of the line section contract will impact these other contracts.

### **REGIONAL PARTNERSHIP AND COOPERATION**

Sound Transit has worked cooperatively with the City of Tacoma and Pierce Transit on the Tacoma Link Light Rail Project. Sound Transit has a Memorandum of Agreement with the City of Tacoma whereby a City of Tacoma construction inspector will work jointly with Sound Transit's Construction Management Team in a joint construction management effort on the Tacoma Link Light Rail Construction Project.

As negotiated and agreed to with the City of Tacoma, Sound Transit will be including The Alternate Street Lighting and Alternate A Streetscape amenities as part of the Tacoma Link Light Rail Construction Contract.

### **PUBLIC INVOLVEMENT**

N/A

### **LEGAL REVIEW**

MBL 11/3/00

**SOUND TRANSIT**

**MOTION NO. M2000-114**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a contract with Gary Merlino Construction for the construction of Tacoma Link Light Rail, Contract 910. The action authorizes a base contract amount of \$22,924,382, with Alternate A Streetscape Improvements and Alternate Street Lighting as an additional contract amount of \$473,266, and a 10% contingency of \$2,339,764 for a total authorized amount not to exceed \$25,737,413.

**Background:**

On July 7, 2000, Sound Transit advertised and issued an Invitation for Bids for construction of the Tacoma Link Light Rail Project, Contract 910. The scope of work involved in the Invitation for Bid included the core bid for civil construction of the Tacoma Link Light Rail Project. It also included two additional alternate packages, which would be included and negotiated in the total bid dependent on a low bid amount for the initial core bid. These alternates include Alternate A Streetscape Improvements and Alternate Street Lighting.

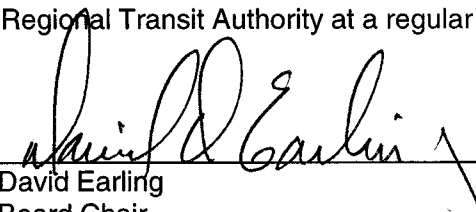
On September 25, 2000, Sound Transit received bids from four firms for the Tacoma Link Light Rail Project, Contract 910. Staff from Contracts Administration, Link Construction Management and Legal Department has determined that Gary Merlino Construction was the lowest responsive and responsible bidder. While the low cost bidder was Mid-Mountain Contractors Inc., staff has determined that this bid was non-responsive because of the lack of good faith effort towards meeting the small business goal of 30%. The difference in contract amount between the low bidder, Mid-Mountain, and the lowest responsive and responsible bidder, Gary Merlino Construction, is \$450,915.

Because the core bid by Gary Merlino Construction was sufficiently below the budget, staff recommends that both the alternate package for street lighting and alternate package for streetscapes be included in the total awarded contract amount. The contractor will construct the Tacoma Link Light Rail Line segment in conformance with the plans and specifications in the Invitation for Bid package. Construction on the Tacoma Link Light Rail Line will start in January 2001 and revenue service will begin in October 2002.


**Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute a contract with Gary Merlino Construction for \$22,924,382 for construction of the Tacoma Link Light Rail, Contract 910, with Alternate A Streetscape Improvements and Alternate Street Lighting as an additional contract amount of \$473,266, and a 10% contingency of \$2,339,764 for a total authorized amount not to exceed \$25,737,413.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 8<sup>th</sup> day of February, 2001.

  
David Earling  
Board Chair

ATTEST:

  
Marcia Walker  
Board Administrator  
Motion M2000-114