

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2002-135

Link C705 Construction Contract – E-3 Busway

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	12/5/02	Discussion/Possible Action	Ahmad Fazel, Link Director Dick Sage, Construction Managing Engineer	(206) 398-5389 (206) 398-5226

Contract/Agreement Type:	3	Requested Action:	3
Competitive Procurement	3	Execute New Contract/Agreement	3
Sole Source		Amend Existing Contract/Agreement	
Memorandum of Agreement		Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

4 Applicable to proposed transaction.

OBJECTIVE OF ACTION

- To authorize a contract award for the construction of Segment 705 (E-3 Busway Widening) for the Link Initial Segment.

ACTION

- Authorize the Executive Director to execute a contract with Gary Merlino Construction Company to provide construction services for Initial Link, Segment 705 (E-3 Busway Widening), in the amount of \$2,065,289 with a 10% contingency of \$206,529, for a total authorized contract amount not to exceed \$2,271,818.

KEY FEATURES

- Modifies the E-3 busway between South Massachusetts Street and South Forest Street in advance of Contract C700 construction work.
- Defines a scope of work for widening the west side of E-3 Busway, removing existing trackwork on the east side of E-3 Busway, relocating 20 Seattle City Light (SCL) poles (13 poles between South Massachusetts Street and South Forest Street and seven poles between South Forest Street and Diagonal Avenue), and replacing the 30-inch water main at Airport Way South.
- Includes SCL reimbursement of a minimum of \$234,464 to Sound Transit to relocate seven poles south of South Forest Street.
- Contains work included in the FTA Letter of No Prejudice (LONP) which Sound Transit received on 9/24/02.

BUDGET IMPACT SUMMARY

Project Description: Central Link Initial Segment

Current Status: Final Design

Projected Completion Date: 2009

Action Outside of Adopted Budget:	Y/N	Y Requires Comment
This Line of Business	N	
This Project	N	
This Phase	N	
This Task	Y	Scope and budget are included under Segment 700, and will be transferred to Segment 705. Additional requested budget will be transferred from construction phase unallocated contingency.
Budget amendment required	N	
Key Financial Indicators:	Y/N	Y Requires Comment
Contingency funds required	N	
Subarea impacts	N	
Funding required from other parties other than what is already assumed in financial plan	N	

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

BUDGET DISCUSSION

The total adopted budget for the Initial Segment, as amended, is \$2,070 million. Within that budget, the E-3 busway activities considered within this motion are identified under the Construction phase under Contract C700. The SCL relocations are included in the current proposed budget. To prevent major delays to construction work associated with Segment 700, this scope is being called out and awarded separately to be performed in advance as Segment 705. The budget for Segment 705 will be transferred from Segment 700. The budget for the work to be performed under this contract is \$2,200,000. The requested amount of \$2,271,818 exceeds the budget by \$71,818. This amount will be transferred from the unallocated contingency within the construction phase, reducing that amount from \$47,710,000 to \$47,638,182.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is covered by the current Board adopted budget, and is affordable within the agency's current long-term financial plan and sub-area financial capacity. The action will have no new revenue impacts on Sound Transit.

SUMMARY FOR BOARD ACTION

Summary for Board Action (Year of Expenditure \$000)

Action Item: Merlino (Construction contract for Segment 705, E-3 Busway Widening)

Initial Segment	Proposed FY2003 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	226,780	108,656		108,656	118,124
2 Preliminary Engineering	35,000	33,375		33,375	1,625
3 Final Design	123,000	84,674		84,674	38,326
4 Right of Way	233,016	61,815		61,815	171,201
5 Construction	1,172,633	5,618	2,272	7,890	1,164,743
6 Construction Services	82,464	1,120		1,120	81,344
7 Third Party Agreements	58,800	12,845		12,845	45,955
8 Vehicles	138,307	-		-	138,307
9 Contingency				-	-
10 Total Current Budget	2,070,000	308,104	2,272	310,376	1,759,624

Phase Budget Detail

11 Segment 705	2,200	-	2,200	2,200	-
13 Other Segments	1,122,723	5,618	-	5,618	1,117,105
14 Unallocated Contingency	47,710	-	72	72	47,638
15 Total Phase	1,172,633	5,618	2,272	7,890	1,164,743

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
16 Contract Amount	0	0	2,065	2,065
17 Contingency	0	0	207	207
18 Total	0	0	2,272	2,272
19 Percent Contingency	0%	0%	10%	10%

M/W/DBE – SMALL BUSINESS PARTICIPATION

The small business participation goal for this Contract is 35%. Gary Merlino submitted a small business participation plan with a commitment of 27.69%. Since Gary Merlino's plan is 7.31 percentage points below the goal, staff conducted a review of Gary Merlino's bid to determine whether or not the Merlino bid should be disqualified from being awarded this contract it was non-responsive in meeting the 35% small business goal. A bidder is non-responsive if the bidder does not meet the goal **and** does not demonstrate that it made good faith efforts to meet the goal.

Based on staff's investigation, it was determined that Gary Merlino met the burden of demonstrating that it made good faith efforts to overcome a presumption that it was non-responsive. Because of this decision, it has also been determined that Gary Merlino shall be required to work with staff to continue efforts to increase small business participation on this contract to meet the 35% small business goal during the performance of this contract.

HISTORY OF PROJECT

Seattle City Light has a series of 230kV steel poles along the east side of the E-3 Busway. The poles between South Massachusetts Street and South Forest Street (13 total) interfere with the proposed light rail southbound track. The Sound Transit contractor will need to relocate these poles before the light rail track can be constructed.

During the start of the Final Design phase in the summer of 2000, SCL requested that Sound Transit added a second circuit to the 230kV-transmission line for future use. As a result, the new SCL poles are larger in diameter and taller than the existing poles. Subsequently, SCL requested that Sound Transit procured 20 new transmission poles for the relocation (13 poles between South Massachusetts Street and South Forest Street and seven poles between South Forest Street and Diagonal Avenue). SCL agreed to reimburse Sound Transit for the poles and construction expenses that are required for the second circuit north of South Forest Street; and reimburse the entire amount, pole procurement cost and construction cost, for the seven poles south of South Forest Street.

Originally, the scope elements of this contract were part of Segment 700 (Royal Brougham Way to Airport Way South). To mitigate for changes to FTA's FFGA schedule, Link created Contract C705 in July 2002 to relocate the SCL 230kV-transmission line along E-3 Busway and to replace a 30-inch water main on Airport Way. These two elements are associated with construction windows that are controlled by third party agencies, Seattle City Light and Seattle Public Utilities.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
R2001-16	Selected the initial segment of the Central Link Light Rail Project to be constructed and operated by 2009.	11/29/01
M2002-53	Authorized the Executive Director to execute a contract with Sabre Communications Corporation for the purchase of 21 steel poles and anchor bolt cages in the amount of \$958,000 with a 10% contingency of \$95,800 for a total authorized amount not to exceed \$1,053,800	6/6/02

CONSEQUENCES OF DELAY

If Sound Transit misses the construction windows, it will delay the construction schedule for Contract 700 by 12 months. It will significantly impact other Link's project associated with Segment 700. These projects include, Downtown Seattle Transit Tunnel (C500), Operations & Maintenance Base (C810); and other system-wide Systems Contract, such as Train Control (C802) and Communications (C803).

REGIONAL PARTNERSHIP AND COOPERATION

N/A

PUBLIC INVOLVEMENT

N/A

LEGAL REVIEW

JDW 11/21/02

SOUND TRANSIT

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A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a contract with Gary Merlino Construction Company to provide construction services for Initial Link Segment 705 (E-3 Busway Widening), in the amount of \$2,065,289 with a 10% contingency of \$206,529, for a total authorized contract amount not to exceed \$2,271,818.

Background:

Seattle City Light has a series of 230kV steel poles along the east side of the E-3 Busway. The poles between South Massachusetts Street and South Forest Street (13 total) interfere with the proposed light rail southbound track. The Sound Transit contractor will need to relocate these poles before the light rail track can be constructed.

During the start of the Final Design phase in the summer of 2000, SCL requested that Sound Transit add a second circuit to the 230kV-transmission line for future use. As a result, the new SCL poles are larger in diameter and taller than the existing poles. Subsequently, SCL requested that Sound Transit procure 20 new transmission poles for the relocation (13 poles between South Massachusetts Street and South Forest Street and seven poles between South Forest Street and Diagonal Avenue). SCL agreed to reimburse Sound Transit for the poles and construction expenses that are required for the second circuit north of South Forest Street; and reimburse the entire amount, pole procurement cost and construction cost, for the seven poles south of South Forest Street.

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Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute a contract with Gary Merlino Construction Company to provide construction services for Initial Link, Segment 705 (E-3 Busway Widening), in the amount of \$2,065,289 with a 10% contingency of \$206,529, for a total authorized contract amount not to exceed \$2,271,818.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on 12/05/02.



Keyin Phelps
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator