

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-80

**Contract award for the construction of Contract C700
E-3 Busway/Forest Street, subject to the execution of the Full Funding Grant Agreement**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	7/17/03	Discussion/Possible Action to Recommend Board	Ahmad Fazel, Link Director	(206) 398-5389
Board	7/24/03	Approval	Joe Gildner, Link Deputy Director, Technical Services	(206) 689-3350
Board	8/14/03	Deferred Action	Phil Harrison, E-3/O&M Line Section Manager	(206) 398-5232

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

3Applicable to proposed transaction.

OBJECTIVE OF ACTION

To construct light rail improvements for Contract C700 (E-3 Busway/Forest Street) between South Royal Brougham Way and Airport Way South, as the first major construction contract of the Link Initial Segment.

ACTION

Authorize the Chief Executive Officer to execute a contract with Kiewit Pacific Company for the construction of Contract C700 (E-3 Busway/Forest Street), in the amount of \$40,691,061 with a 10% contingency of \$4,069,106, for a total authorized contract amount not to exceed \$44,760,167, subject to the execution of the Full Funding Grant Agreement.

KEY FEATURES

- This contract includes at-grade and elevated trackway along the E-3 Busway and South Forest Street, a light rail station at South Lander Street, and a connection to the new light rail Operations and Maintenance Facility at the former Rainier Brewery site along Airport Way South. Also included is the provision for a future station at South Royal Brougham Way.
- Award of this contract is subject to execution of the Full Funding Grant Agreement.
- Identifies Kiewit Pacific Company as the lowest responsive and responsible bidder.

BUDGET IMPACT SUMMARY

There are no budget impacts for this action.

BUDGET DISCUSSION

The proposed action is to authorize execution of a contract with Kiewit Pacific Company in an amount not to exceed \$44,760,167 for construction of Contract C700 (E-3 Busway/Forest Street) between South Royal Brougham Way and Airport Way South.

The total adopted capital budget for the Initial Segment is \$2.07 billion. Within that budget, \$54,112,000 was set aside in the construction phase for this contract. This amount was reduced to \$51,748,514 through previous board actions that authorized selected advance construction activities, including the widening of the E-3 busway and selected utility relocations. Should the proposed action be approved, this budget line item will have a remaining balance of \$6,988,347.

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 subarea financial capacity. The action will have no new revenue impacts on Sound Transit.

SUMMARY FOR BOARD ACTION

Action Item: Kiewit Pacific Co. (New contract for the construction of Contract C700, E-3 Busway between South Royal Brougham Way and Airport Way South)

(Year of Expenditure \$000)

Initial Segment	Current Board Adopted Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	226,780	107,397		107,397	119,383
2 Preliminary Engineering	35,000	33,392		33,392	1,608
3 Final Design	123,000	111,173		111,173	11,827
4 Right of Way	233,016	102,115		102,115	130,901
5 Construction	1,172,633	69,246	44,760	114,006	1,058,627
6 Construction Services	82,464	3,110		3,110	79,354
7 Third Party Agreements	58,800	16,264		16,264	42,536
8 Vehicles	138,307	-		-	138,307
9 Contingency	-	-		-	-
10 Total Current Budget	2,070,000	442,697	44,760	487,457	1,582,543
Phase Budget Detail					
11 C700	51,749	-	44,760	44,760	6,988
12 Other C700 (C705, P650, P655)	2,363	2,283		2,283	80
13 Other Segments	1,118,521	66,963	-	66,963	1,051,558
14 Total Phase	1,172,633	69,246	44,760	114,006	1,058,627
Contract Budget					
	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)	
15 Contract Amount	-	-	40,691	40,691	
16 Contingency	-	-	4,069	4,069	
17 Total	-	-	44,760	44,760	
18 Percent Contingency	0%	0%	10%	10%	

(B) Committed to Date amounts are from the Link *Program Cost Summary Report* (HQ Reports) for May 2003.

(B)5 Construction phase Committed to Date amount includes pending board motions:

Commitments through May 2003	8,177,860
Other board motions - pending	61,068,235
Total Construction phase commitments	69,246,095

M/W/DBE – SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

The Sound Transit Diversity Programs Office established the following goals for this contract in the solicitation for bids: 18% of the Total Bid Price for Small Business participation, which was to be accomplished utilizing M/W/DBE participation of at least 12%. The commitment made by Kiewit Pacific Company in its bid submittal is as follows: 18.23% for Small Business, 14.34% of which is to be performed by M/W/DBE firms.

As a result of the bid evaluation, with countersigned Letters of Intent reflecting the participation as agreed to between the listed firms and Kiewit Pacific Company (direct subcontracting), or its subcontractors (2nd-tier subcontracting), the following breakdown is presented. In some instances the participation of listed firms has increased from the minimum amounts indicated on the bid form. The firms with the increased commitments are indicated in **bold** type, and are presented to reflect commitments now verified by Kiewit Pacific Company and their subcontractors and are included in the totals and percentages provided below.

Utilization Breakdown Table

Subcontractors	Business Type	% of Work	Dollar Value
Pacific Mobile	Small Business	.25%	\$ 100,000
Commercial Fence	Small Business	.19%	77,000
MJ Grant	Small Business	.53%	216,615
Global, Inc.	Small Business	2.9%	1,190,000
Nor-Pac Enterprises	DBE/WBE	1.8%	600,000
The Bag Lady	DBE/WBE	.12%	50,000
Buckley Nursery	DBE/WBE	.5%	200,000
SHJ Electric	WBE	.09%	38,000
PRI Construction Services (Penni Russell, Inc.)	DBE/WBE	.007%	3,000
Mobile Electric	DBE/WBE	.8%	315,000
Novito Construction	DBE/WBE	.5%	200,000
Sea Tac Sweeping Service	DBE/MBE	.22%	90,000
TLC Trucking	DBE/MBE	.65%	265,000
American Piledriving	MBE	3.7%	1,509,000
MKM Construction	DBE/MBE	.12%	50,000
Rainier Steel	DBE/MBE	6.9%	2,800,000
Total 16 of 16 Small Business Firms 12 of 12 M/W/DBE Firms	Small Business M/W/DBE	18.9% 15.0%	\$7,703,000 6,120,000

EEO Commitment

Kiewit Pacific Company shall adhere to EEO provisions contained in the general terms and conditions of the bidding requirements and contained in the Project Labor Agreement. The EEO Goals for the PLA are 21% People of Color, and 12% Women of the total labor hours worked on the contract.

Apprentice Utilization Commitment

Kiewit Pacific Company has committed to meet the 20% Apprentice Utilization Goal as contained in the bidding requirements and further specified in the Project Labor Agreement (PLA) and has provided a draft plan and signed commitment in accordance with the bid documents and the PLA. Under the PLA, People of Color and Women are to comprise at least 50% of all first-year apprentice hours, and 33% of all apprentice hours worked on the contract.

HISTORY OF PROJECT

The approved schedule for the Link Light Rail Initial Segment assumes the start of construction for this segment in the fall of 2003. The contract includes provision of light rail facilities, from South Royal Brougham Way to Airport Way South. Light rail tracks and a new multipurpose trail will be constructed along the east side of the E-3 Busway, with the tracks transforming to an elevated guideway section beginning south of South Lander Street. The multipurpose path ends at South Forest Street, at which point the elevated guideway turns easterly at South Forest Street, to Airport Way South, the limits of the contract. This contract also includes a station at South Lander Street, and provision for a future station at South Royal Brougham Way. It includes a connection to the new Operations and Maintenance Facility via the elevated guideway at South Forest Street. Future construction contracts will tie into both ends of this segment. At the north, it will connect at South Royal Brougham Way, to take the light rail facilities into the Downtown Seattle Transit Tunnel. At the south, it will connect at Airport Way South, and head into a new light rail tunnel under Beacon Hill.

Sound Transit advertised for bids for Contract C700 simultaneously with advertisement for Contract C810 (construction contract for the Operations and Maintenance Facility.) In establishing the bidding format, it was recognized that the contractor could likely gain efficiencies, if both construction contracts were awarded to the same contractor. Kiewit Pacific Company submitted the low bid for both contracts. It is anticipated that a joint contract award will reduce construction risk at the point of interface between the guideway and the Operations and Maintenance Facility site.

**Prior Board or Committee Actions
and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
M2003-67	Authorized an additional \$350,000 to be added to the approved contingency amount for the contract with Gary Merlino Construction Company to provide additional construction services for Initial Link, Segment 705 (E-3 Busway Widening), for a new total authorized contract amount not to exceed \$2,621,818.	6/19/03
M2002-135	Execute a contract with Gary Merlino Construction Company (GMCC) 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 amount not to exceed \$2,271,818.	12/5/02
M2002-53	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

Delays in awarding this construction contract will mean missing part of the current construction season. This would produce potential delay to the start of Contract C810, the new Operations and Maintenance Facility, since there is corresponding, phased work by both contracts within the site of the Operations and Maintenance Facility.

REGIONAL PARTNERSHIP AND COOPERATION

Sound Transit has worked closely with the City of Seattle, the Washington State Department of Transportation (WSDOT) and King County – Metro Transit, in the final design and permitting for this contract. The light rail facilities are being constructed adjacent to Metro’s E-3 Busway, with property approvals from WSDOT as underlying owner of the Metro Busway. In addition, the cooperation of Seattle City Light was important and has allowed critical construction milestones in relocating electrical facilities to be achieved.

PUBLIC INVOLVEMENT

Sound Transit has developed a program for keeping the SODO area businesses informed as early construction work was initiated. This very successful effort has included briefing at the SODO monthly meetings and project update flyers hand carried to nearby businesses.

LEGAL REVIEW

MB 6/25/03

SOUND TRANSIT

MOTION NO. M2003-80

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract with Kiewit Pacific Company for the construction of Contract C700 (E-3 Busway/Forest Street), in the amount of \$40,691,061 with a 10% contingency of \$4,069,106, for a total authorized contract amount not to exceed \$44,760,167, subject to the execution of the Full Funding Grant Agreement.

Background:

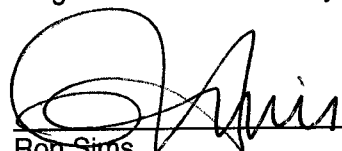
The approved schedule for the Link Light Rail Initial Segment assumes the start of construction for this segment in the fall of 2003. The contract includes provision of light rail facilities, from South Royal Brougham Way to Airport Way South. Light rail tracks and a new multipurpose trail will be constructed along the east side of the E-3 Busway, with the tracks transforming to an elevated guideway section beginning south of South Lander Street. The multipurpose path ends at South Forest Street, at which point the elevated guideway turns easterly at South Forest Street, to Airport Way South, the limits of the contract. This contract also includes a station at South Lander Street, and provision for a future station at South Royal Brougham Way. It includes a connection to the new Operations and Maintenance Facility via the elevated guideway at South Forest Street. Future construction contracts will tie into both ends of this segment. At the north, it will connect at South Royal Brougham Way, to take the light rail facilities into the Downtown Seattle Transit Tunnel. At the south, it will connect at Airport Way South, and head into a new light rail tunnel under Beacon Hill.

Sound Transit advertised for bids for Contract C700 simultaneously with advertisement for Contract C810 (construction contract for the Operations and Maintenance Facility.) In establishing the bidding format, it was recognized that the contractor could likely gain efficiencies, if both construction contracts were awarded to the same contractor. Kiewit Pacific Company submitted the low bid for both contracts. It is anticipated that a joint contract award will reduce construction risk at the point of interface between the guideway and the Operations and Maintenance Facility site.


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 with Kiewit Pacific Company for the construction of Contract C700 (E-3 Busway/Forest Street), in the amount of \$40,691,061 with a 10% contingency of \$4,069,106, for a total authorized contract amount not to exceed \$44,760,167, subject to the execution of the Full Funding Grand Agreement.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 14, 2003.


Ron Sims
Board Chair

ATTEST:


Marcia Walker
Board Administrator

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Board	7/24/03	Deferred	Phil Harrison, E-3/O&M	(206) 398-5232
Board	8/14/03	Action	Line Section Manager	

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement	✓	Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
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