

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-81

**Contract award for construction of Central Link Operations and Maintenance Facility
(Contract C810), subject to 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 Approval	Ahmad Fazel, Link Director Joe Gildner, Link Deputy Director, Technical Services	(206) 398-5389 (206) 689-3350
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	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 the Central Link Light Rail Operations and Maintenance Facility.

ACTION

Authorize the Chief Executive Officer to execute a contract with Kiewit Pacific Company for the construction of Contract C810 (Central Link Operations and Maintenance Facility) in the amount of \$53,998,000 with a 10% contingency of \$5,399,800 for a total authorized contract amount not to exceed \$59,397,800, subject to the execution of the Full Funding Grant Agreement.

KEY FEATURES

- This contract comprises the construction of the Operations and Maintenance Facility for Central Link on a 25-acre site west of Airport Way South and south of South Forest Street. The facility will include an administrative building, maintenance facilities, and a rail yard with a storage capacity for 40 light rail vehicles. The site can accommodate a future expansion for a fleet of up to 108 light rail vehicles.
- 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 authorizes execution of a contract with Kiewit Pacific Company for an amount not to exceed \$59,397,800 for the construction of the Central Link Operations and Maintenance Facility.

The total adopted capital budget for the Initial Segment is \$2.07 billion. Within that budget, \$68,254,000 has been set aside in the construction phase for C810 Operations and Maintenance Facility and associated equipment. Should the proposed action be approved, this budget element will have a remaining balance of \$8,856,200.

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 Company (New contract for for construction of Contract C810, Operations and Maintenance Base)

(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	54,608	59,398	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	428,059	59,398	487,457	1,582,543
Phase Budget Detail						
11	Segment 810	68,254	-	59,398	59,398	8,856
12	Other Segments	1,104,379	54,608	-	54,608	1,049,771
13	Total Phase	1,172,633	54,608	59,398	114,006	1,058,627
Contract Budget						
		Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)	
14	Contract Amount	-	-	53,998	53,998	
15	Contingency	-	-	5,400	5,400	
16	Total	-	-	59,398	59,398	
17	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	46,430,602
Total Construction phase commitments	54,608,462

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: 18.05% for Small Businesses, 13.18% of which 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 (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 and their subcontractors, and are included in the totals and percentages provided below.

Utilization Breakdown Table

Subcontractor	Business Type	% of Work	Dollar Value
Reliance Fire Protection	Small Business	.77%	\$ 415,000
Industrial Air Systems	Small Business	.86%	465,000
Hallcraft, Inc.	Small Business	.31%	170,000
Granite Fluid Power	Small Business	1.05%	569,000
Washington Crane & Hoist	Small Business	.55%	295,000
Commercial Fence	Small Business	.38%	206,000
Custom Concrete	Small Business	.29%	157,000
Cressy Door	Small Business	.34%	185,000
Plantscapes (Substituted for Rubensteins)	Small Business	.54%	293,000
Hydro Geosciences	DBE/ADA	.2%	108,000
MKM Construction	DBE/MBE	.1%	54,000
Therault Industries (a Combination Business Enterprise 50% Minority Male and 50% White Female Ownership, with dollar amounts split, but total dollar amount as a DBE)	DBE/CBE DBE----- [Minority] [White Female]	3.5% DBE [1.77%] [1.77%]	1,914,000 [957,000] [957,000]
Otto Rosenau & Associates	WBE	.43%	232,000
Pearson Drilling	DBE/WBE	.4%	218,000
Nor-Pac Enterprises	DBE/WBE	1.85%	1,000,000
Mobile Electric	WBE	.62%	333,000
SHJ Electric	WBE	.28%	152,000
Gibson Door	DBE/WBE	.34%	183,000
Ballard Insulation	DBE/WBE	.3%	154,464
Laser Cutting NW	DBE/MBE	.12%	65,000
Stephens Enterprises	DBE/MBE	4.7%	2,535,000
Fredhoes Building Construction	DBE/MBE	.35%	188,000
TLC Trucking (Added to Listed Firms)	DBE/MBE	.46	250,000
Total 23 of 23 Small Business Firms 14 of 14 M/W/DBE Firms	Small Business M/W/DBE	18.55% 13.6%	\$ 10,018,464 \$7,326,464

EEO Commitment

Kiewit Pacific shall adhere to EEO provisions contained in the general terms and conditions of the bidding requirements and contained in the Project Labor Agreement (PLA). 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 has committed to meet the 20% Apprentice Utilization Goal as contained in the bidding requirements and further specified in the 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 Central Link Initial Segment assumes start of construction for the Operations and Maintenance Facility by spring of 2004. The finished facility will include administrative offices for Link operations, a maintenance building and yard, and trackwork to accommodate up to 40 light rail vehicles. The site can accommodate a future expansion for a fleet of up to 108 light rail vehicles. The Operations and Maintenance Facility will be connected by elevated guideway to the segment being constructed by construction Contract C700.

Sound Transit advertised for bids for the Maintenance Base (Contract C810) simultaneously with the advertisement for the E-3 Busway/Forest Street line section (Contract C700) based on the recognition that potential efficiencies could be realized 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. With both contracts awarded to the same contractor, the risk of possible delays at this interface is diminished. Further, performance of both contracts by a single contractor may result in an earlier start of the construction of the Maintenance Base, causing this work to be more concurrent with the construction of the line section contract and thereby facilitating coordination between these related scopes of work.

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

Motion or Resolution Number	Summary of Action	Date of Action
M2002-54	Execute a construction contract with R. W. Rhine for demolition and site clearing at the future site of the Central Link Operations and Maintenance Facility.	6/6/02

CONSEQUENCES OF DELAY

Delay in authorizing the award of this contract could reduce the anticipated benefits in efficiencies of having the same contractor for both contracts. Further delay in the start of construction for Contract C810, past the scheduled spring 2004 date, could adversely impact the project schedule.

REGIONAL PARTNERSHIP AND COOPERATION

Seattle City Light and Seattle Public Utilities have been cooperative in construction coordination at the Operations and Maintenance Facility site. Early construction work associated with the Operations and Maintenance Facility site preparation contract required field crew support from both City Light and Public Utilities.

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 6/26/03

SOUND TRANSIT

MOTION NO. M2003-81

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 C810 (Operations and Maintenance Facility) in the amount of \$53,998,000 with a 10% contingency of \$5,399,800 for a total contract amount not to exceed \$59,397,800, subject to the execution of the Full Funding Grant Agreement.

Background:


The approved schedule for the Central Link Initial Segment assumes start of construction for the Operations and Maintenance Facility by spring of 2004. The finished facility will include administrative offices for Link operations, a maintenance building and yard, and trackwork to accommodate up to 40 light rail vehicles. The site can accommodate a future expansion for a fleet of up to 108 light rail vehicles. The Operations and Maintenance Facility will be connected by elevated guideway to the segment being constructed by construction Contract C700.

Sound Transit advertised for bids for the Maintenance Base (Contract C810) simultaneously with the advertisement for the E-3 Busway/Forest Street line section (Contract C700) based on the recognition that potential efficiencies could be realized 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. With both contracts awarded to the same contractor, the risk of possible delays at this interface is diminished. Further, performance of both contracts by a single contractor may result in an earlier start of the construction of the Maintenance Base, causing this work to be more concurrent with the construction of the line section contract and thereby facilitating coordination between these related scopes of work.

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 C810 (Operations and Maintenance Facility) in the amount of \$53,998,000 with a 10% contingency of \$5,399,800 for a total contract amount not to exceed \$59,397,800, subject to the execution of the Full Funding Grant 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

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-81

**Contract award for construction of Central Link Operations and Maintenance Facility
(Contract C810), subject to 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 Approval	Ahmad Fazel, Link Director Joe Gildner, Link Deputy Director, Technical Services	(206) 398-5389 (206) 689-3350
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	
Interlocal Agreement		Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

✓Applicable to proposed transaction.

OBJECTIVE OF ACTION

To construct the Central Link Light Rail Operations and Maintenance Facility.

ACTION

Authorize the Chief Executive Officer to execute a contract with Kiewit Pacific Company for the construction of Contract C810 (Central Link Operations and Maintenance Facility) in the amount of \$53,998,000 with a 10% contingency of \$5,399,800 for a total authorized contract amount not to exceed \$59,397,800, subject to the execution of the Full Funding Grant Agreement.

KEY FEATURES

- This contract comprises the construction of the Operations and Maintenance Facility for Central Link on a 25-acre site west of Airport Way South and south of South Forest Street. The facility will include an administrative building, maintenance facilities, and a rail yard with a storage capacity for 40 light rail vehicles. The site can accommodate a future expansion for a fleet of up to 108 light rail vehicles.
- 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 authorizes execution of a contract with Kiewit Pacific Company for an amount not to exceed \$59,397,800 for the construction of the Central Link Operations and Maintenance Facility.

The total adopted capital budget for the Initial Segment is \$2.07 billion. Within that budget, \$68,254,000 has been set aside in the construction phase for C810 Operations and Maintenance Facility and associated equipment. Should the proposed action be approved, this budget element will have a remaining balance of \$8,856,200.

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 Company (New contract for construction of Contract C810, Operations and Maintenance Base)

(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	54,608	59,398	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	428,059	59,398	487,457	1,582,543

Phase Budget Detail	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
11 Segment 810	68,254	-	59,398	59,398
12 Other Segments	1,104,379	54,608	-	54,608
13 Total Phase	1,172,633	54,608	59,398	114,006

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
14 Contract Amount	-	-	53,998	53,998
15 Contingency	-	-	5,400	5,400
16 Total	-	-	59,398	59,398
17 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	46,430,602
Total Construction phase commitments	54,608,462

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: 18.05% for Small Businesses, 13.18% of which 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 (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 and their subcontractors, and are included in the totals and percentages provided below.

Utilization Breakdown Table

Subcontractor	Business Type	% of Work	Dollar Value
Reliance Fire Protection	Small Business	.77%	\$ 415,000
Industrial Air Systems	Small Business	.86%	465,000
Hallcraft, Inc.	Small Business	.31%	170,000
Granite Fluid Power	Small Business	1.05%	569,000
Washington Crane & Hoist	Small Business	.55%	295,000
Commercial Fence	Small Business	.38%	206,000
Custom Concrete	Small Business	.29%	157,000
Cressy Door	Small Business	.34%	185,000
Landscapes (Substituted for Rubensteins)	Small Business	.54%	293,000
Hydro Geosciences	DBE/ADA	.2%	108,000
MKM Construction	DBE/MBE	.1%	54,000
Therault Industries (a Combination Business Enterprise 50% Minority Male and 50% White Female Ownership, with dollar amounts split, but total dollar amount as a DBE)	DBE/CBE DBE----- [Minority] [White Female]	3.5% DBE [1.77%] [1.77%]	1,914,000 [957,000] [957,000]
Otto Rosenau & Associates	WBE	.43%	232,000
Pearson Drilling	DBE/WBE	.4%	218,000
Nor-Pac Enterprises	DBE/WBE	1.85%	1,000,000
Mobile Electric	WBE	.62%	333,000
SHJ Electric	WBE	.28%	152,000
Gibson Door	DBE/WBE	.34%	183,000
Ballard Insulation	DBE/WBE	.3%	154,464
Laser Cutting NW	DBE/MBE	.12%	65,000
Stephens Enterprises	DBE/MBE	4.7%	2,535,000
Fredhoes Building Construction	DBE/MBE	.35%	188,000
TLC Trucking (Added to Listed Firms)	DBE/MBE	.46	250,000
Total 23 of 23 Small Business Firms 14 of 14 M/W/DBE Firms	Small Business M/W/DBE	18.55% 13.6%	\$ 10,018,464 \$7,326,464

EEO Commitment

Kiewit Pacific shall adhere to EEO provisions contained in the general terms and conditions of the bidding requirements and contained in the Project Labor Agreement (PLA). 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 has committed to meet the 20% Apprentice Utilization Goal as contained in the bidding requirements and further specified in the 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 Central Link Initial Segment assumes start of construction for the Operations and Maintenance Facility by spring of 2004. The finished facility will include administrative offices for Link operations, a maintenance building and yard, and trackwork to accommodate up to 40 light rail vehicles. The site can accommodate a future expansion for a fleet of up to 108 light rail vehicles. The Operations and Maintenance Facility will be connected by elevated guideway to the segment being constructed by construction Contract C700.

Sound Transit advertised for bids for the Maintenance Base (Contract C810) simultaneously with the advertisement for the E-3 Busway/Forest Street line section (Contract C700) based on the recognition that potential efficiencies could be realized 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. With both contracts awarded to the same contractor, the risk of possible delays at this interface is diminished. Further, performance of both contracts by a single contractor may result in an earlier start of the construction of the Maintenance Base, causing this work to be more concurrent with the construction of the line section contract and thereby facilitating coordination between these related scopes of work.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2002-54	Execute a construction contract with R. W. Rhine for demolition and site clearing at the future site of the Central Link Operations and Maintenance Facility.	6/6/02

CONSEQUENCES OF DELAY

Delay in authorizing the award of this contract could reduce the anticipated benefits in efficiencies of having the same contractor for both contracts. Further delay in the start of construction for Contract C810, past the scheduled spring 2004 date, could adversely impact the project schedule.

REGIONAL PARTNERSHIP AND COOPERATION

Seattle City Light and Seattle Public Utilities have been cooperative in construction coordination at the Operations and Maintenance Facility site. Early construction work associated with the Operations and Maintenance Facility site preparation contract required field crew support from both City Light and Public Utilities.

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 6/26/03