

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2006-51

Airport Link Civil Construction Contract #2 Funding Commitment

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	06/15/06	Discussion	Ahmad Fazel, Link Director	(206) 398-5389
Board	06/22/06	Discussion/Possible Action	Martin Schachenmayr, Project Manager	(206) 398-5162

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement	✓	Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)	✓	Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Airport Link

PROPOSED ACTION

Authorizes the Chief Executive Officer to approve the contract award by the Port of Seattle (Port) to the lowest responsive and responsible bidder for the civil construction of light rail facilities between approximately South 160th Street and South 176th Street and to commit, in accordance with the terms of the Memorandum of Agreement between Sound Transit and the Port, Sound Transit funding for the light rail transit cost share of the contract in the amount of \$40,712,724 and a 10% contingency in the amount of \$4,071,272 for a total authorized contract amount not to exceed \$44,783,996.

KEY FEATURES of PROPOSED ACTION

- Sound Transit and the Port have integrated Airport Link into the Port roadway relocation plans. Under the terms of the Memorandum of Agreement (MOA) between Sound Transit and the Port that was approved by the Port Commission and the Sound Transit Board on April 11, 2006 and April 13, 2006, respectively, the Port will administer and manage the construction of the light rail transit (LRT) guideway south of approximately 160th Street, the Port roadway relocations, and the below-grade foundations for the SeaTac/Airport Station (i.e., Contract #2), in coordination with Sound Transit. Sound Transit will perform independent quality assurance and construction inspection for LRT elements.
- The MOA establishes the assignment of cost responsibilities for Contract #2 between Sound Transit and the Port. Sound Transit and the Port have agreed to share certain general contract costs, including mobilization, traffic control, demobilization, and temporary erosion control and sediment control. Under the terms of the agreement, Sound Transit will compensate the Port for construction costs associated with the light rail civil facilities that are included in the contract scope, including the at-grade guideway structure between South 160th Street and South 170th Street, the aerial guideway south of South 170th Street, and the foundations for the SeaTac/Airport Station (the trackwork and above-grade station structure

will be constructed as part of separate Sound Transit contracts). Sound Transit will also compensate the Port for selected impacts to Port roadway facilities and utilities that are directly attributable to the introduction of the light rail facilities in this corridor.

- On April 25, 2006, the Port advertised Contract #2 as a conventional, low-bid contract and on June 15, 2006 three bidders submitted bids. The total bid amount of the apparent lowest responsive and responsible bidder, Mowat Construction Company, is \$93,448,651. This is approximately 3.5% below the engineer's estimate of \$96,841,831 that was jointly developed by the Port and Sound Transit. Based on the cost sharing methodology established in the MOA, Sound Transit's cost share of the apparent base contract award amount is \$40,712,724 or approximately 44% of the total contract amount.
- Staff recommends assignment of a contract contingency in the amount of 10% equal to \$4,071,272 to provide funding for contract amendments in response to changed conditions encountered during construction. The 10% contingency assignment is consistent with the contingency funds allocated by the Port for its share of the contract work. Contingency funds of both Parties will be managed in accordance with the construction management protocols established in the MOA.
- Under the terms of the MOA, Sound Transit must approve the award of this contract.
- The Port will administer this contract and perform construction management services in coordination with Sound Transit. Sound Transit expenditures to reimburse the Port for contract administration and construction management services performed by the Port on behalf of Sound Transit were previously authorized under Motion M2006-18. All necessary construction permits are expected to be issued in advance of the construction.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed action would authorize approval of the award by the Port of the civil construction of light rail facilities between approximately South 160th Street and South 176th Street and to commit, in accordance with the terms of the MOA between Sound Transit and the Port, Sound Transit funding for the Sound Transit cost share of the contract in the amount of \$40,712,724 and a 10% contingency in the amount of \$4,071,272 for an authorized contract amount not to exceed \$44,783,996.

The total 2006 Adopted Budget for Airport Link is \$243.6 million. Within the construction phase budget of \$158.0 million, \$138,970,000 has been allocated for the Airport Link civil facilities construction. Of this amount, a total of \$45,844,108 has been committed to date (including the pending action for the construction of Contract #1 in the amount of \$38,950,000 under a separate board motion), leaving a balance of \$93,125,892. Approval of the proposed action would result in a budget balance for civil facilities of \$48,341,896.

The proposed action is consistent with 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 impact on Sound Transit.

BUDGET TABLE

Action Item: Port of Seattle (Sound Transit share of civil construction of light rail facilities between S. 160th Street and S. 176th Street in accordance with the terms of the MOA between ST and the Port)

(Year of Expenditure \$000)

Airport Link		Adopted 2006 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1	Agency Administration	5,000	2,522		2,522	2,478
2	Preliminary Engineering	6,095	4,873		4,873	1,222
3	Final Design	15,405	13,528		13,528	1,877
4	Right of Way	23,000	12,106		12,106	10,894
5	Construction	158,000	47,063	44,784	91,847	66,153
6	Construction Services	10,500	6,413		6,413	4,087
7	Third Party Agreements	2,600	1,637		1,637	963
8	Vehicles	17,000	14,587		14,587	2,413
9	Contingency	6,000	-		-	6,000
10	Total Current Budget	243,600	102,728	44,784	147,512	96,088
Construction Phase Detail						
11	Civil Facilities Construction	138,970	45,844	44,784	90,628	48,342
12	Other construction	19,030	1,219		1,219	17,811
13	Total Phase	158,000	47,063	44,784	91,847	66,153
Contract Amount						
		Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
14	Contract Amount	-	-	40,713	40,713	40,713
15	Contingency	-	-	4,071	4,071	4,071
16	Total Contract	-	-	44,784	44,784	44,784
17	Percent Contingency	0%	0%	10%	10%	10%

Notes:

11(B) COMMITTED TO DATE includes pending board motion for the Airport Link Construction Contract #1 (PCL Construction Services)

M/W/DBE – SMALL BUSINESS PARTICIPATION

The Port has established a voluntary Small Business Participation Goal of 11% for this contract. Mowat Construction Company, the apparent lowest responsive and responsible bidder, has committed to a 11.17% participation by small businesses, including participation by M/W/DBE firms in an amount of 10.86%.

Apprentice Utilization Commitment

This contract will be subject to the terms of the Port of Seattle's Project Labor Agreement (PLA). Under the provisions of this PLA, apprentices are to perform 20% of all work hours. Further, women, people of color, and individuals who are disadvantaged and under-represented in the workforce are to perform one-third of all apprentice hours and one-half of all first-year apprentice hours.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

On November 18, 1999, the Sound Transit Board adopted Resolution R99-34, selecting the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line. Resolution R99-34 identified the SeaTac alignment from South 154th to South 200th Streets in the City of SeaTac. In its action identifying the Initial Segment on September 27, 2001, the Sound Transit Board directed the agency to work with the Port of Seattle (Port) and the Cities of SeaTac and Tukwila to extend the Initial Segment south beyond South 154th Street. This process culminated in the execution of term sheets between Sound Transit, the Port, and the City of SeaTac in December of 2004 that defined the proposed light rail project scope. On July 14, 2005, the Sound Transit Board adopted Resolution R2005-16, selecting the Airport Link alignment and station locations between the Tukwila International Boulevard Station and South 200th Street and selecting the portion of Airport Link from the Tukwila International Boulevard Station to Sea-Tac Airport to be constructed and operated as part of the Central Link Light Rail Project by the end of 2009.

The 1.7-mile Airport Link project extends the Initial Segment from South 154th Street to an elevated light rail station at Sea-Tac International Airport's main terminal near South 176th Street. Beginning from the elevated station at Tukwila International and Southcenter Boulevards, the Airport Link route continues south on an elevated structure, crossing above SR-518 and transitioning to grade just north of South 160th Street. The route continues in the median of the relocated North Airport Expressway, passing under the South 160th Street bridge and the future return to terminal loop ramp. The alignment crosses above South 170th Street and continues on an elevated structure to an elevated light rail station just east of the airport garage. A kiss-and-ride facility will be constructed on the east side of International Boulevard.

Sound Transit and the Port have integrated the light rail extension with the Port's capital improvements in the same corridor and have adopted a common project schedule that integrates the construction activities of both parties. Sound Transit and the Port are delivering light rail and Port facilities through an integrated construction packaging plan, as summarized in the project implementation plan presented to the Sound Transit Board on February 10, 2005. Sound Transit and the Port agree that achieving the schedule completion date of December 2009 will require consideration of innovative project delivery strategies.

Airport Link is part of the Central Link Light Rail Line defined in the Sound Move Plan approved by voters in 1996 and the Central Link Project adopted by the Sound Transit Board in November of 1999. This Board action was supported by the Central Link Light Rail Project Final Environmental Impact Statement (November 1999). The Tukwila Freeway Route Final Supplemental EIS was issued in November 2001 addressing changes to the project in Tukwila and the north end of the City of SeaTac. Since that time, the Airport Link project scope has been modified from the alignment and station locations selected by the Board in November 1999. An Environmental Assessment (EA) under the National Environmental Policy Act (NEPA) has been published to address these modifications. This EA also serves as an Addendum under the State Environmental Policy Act (SEPA). The FTA issued a Record of Decision (ROD) on the Airport Link project on September 13, 2005.

Prior Board/Committee Actions on this Project and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2006-18	Authorized execution of a Memorandum of Agreement with the Port of Seattle (Port) specifying the terms and conditions for the development of the Airport Link Project on Port property, allowing the use of Port right-of-way, and defining the integrated delivery strategy for Airport Link light rail and related Port roadway projects; and to execute all other subsequent agreements as may be necessary to implement this Agreement in an amount not to exceed \$12,690,521.	04/13/06
M2006-12	Authorized execution of a Development and Transitway Agreement with the City of SeaTac specifying the terms and conditions for development of the Airport Link Project and to execute necessary subsequent agreements with the City of SeaTac for a total authorized expenditure not to exceed \$7,416,808.	01/26/06
M2005-117	Authorized execution of a contract amendment with Kinkisharyo International, L.L.C./Mitsui & Co. Inc. Joint Venture to manufacture and deliver four additional low floor light rail vehicles to support operational requirements for the Airport Link project.	12/08/05
R2005-16	Selected the Airport Link alignment and station locations between the Tukwila International Boulevard Station and South 200th Street and selected the portion of Airport Link from the Tukwila International Boulevard Station to Sea-Tac Airport to be constructed and operated as part of the Central Link Light Rail Project by the end of 2009.	07/14/05
M2005-65	Authorized the execution of a contract amendment with LTK Engineering Services to provide preliminary engineering services for the Airport Link preferred alternative and to provide final design services for the Airport Link project selected for construction in the amount of \$1,362,280 with a 5% contingency in the amount of \$68,114.	06/23/05
M2005-37	Authorized execution of a sole source contract amendment with Hatch Mott MacDonald in the amount of \$9,077,591 and a 10 percent contingency in the amount of \$907,759 to provide preliminary engineering services for the Airport Link preferred alternative and to provide final design services for the project selected for construction.	04/14/05
M2001-126	Authorized implementation of a work plan to evaluate light rail alternatives to serve the airport by the year 2009.	11/29/01
M2001-103	Identified the preferred Initial Segment to be constructed and operated for Central Link Light Rail and directed Sound Transit staff to work with the Port of Seattle and the Cities of SeaTac and Tukwila to extend the Initial Segment south beyond South 154 th Street.	09/27/01
R99-34	Selected the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line.	11/18/99

CONSEQUENCES OF DELAY

The award of this construction contract is on the critical path of the Airport Link project schedule. A delay in Sound Transit's approval of this contract could delay completion of Airport Link.

PUBLIC INVOLVEMENT

Throughout the development of the Airport Link Project final design plans which have served as the framework for negotiating the MOA, Sound Transit and the Port have conducted an extensive public involvement program including mailings, community open houses, presentations, and meetings with individuals and neighborhood groups.

ENVIRONMENTAL COMPLIANCE

JI 6/20/06

LEGAL REVIEW

SGS 6/20/06

SOUND TRANSIT

MOTION NO. M2006-51

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to approve the contract award by the Port of Seattle (Port) to the lowest responsive and responsible bidder for the civil construction of light rail facilities between approximately South 160th Street and South 176th Street and to commit, in accordance with the terms of the Memorandum of Agreement between Sound Transit and the Port, Sound Transit funding for the light rail transit cost share of the contract in the amount of \$40,712,724 and a 10% contingency in the amount of \$4,071,272 for a total authorized contract amount not to exceed \$44,783,996.

Background:

On November 18, 1999, the Sound Transit Board adopted Resolution R99-34, selecting the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line. Resolution R99-34 identified the SeaTac alignment from South 154th to South 200th Streets in the City of SeaTac. In its action identifying the Initial Segment on September 27, 2001, the Sound Transit Board directed the agency to work with the Port and the Cities of SeaTac and Tukwila to extend the Initial Segment south beyond South 154th Street. This process culminated in the execution of term sheets between Sound Transit, the Port, and the City of SeaTac in December of 2004 that defined the proposed light rail project scope. On July 14, 2005, the Sound Transit Board adopted Resolution R2005-16, selecting the Airport Link alignment and station locations between the Tukwila International Boulevard Station and South 200th Street and selecting the portion of Airport Link from the Tukwila International Boulevard Station to Sea-Tac Airport to be constructed and operated as part of the Central Link Light Rail Project by the end of 2009.

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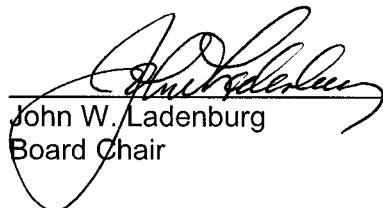
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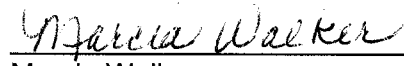
Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to approve the contract award by the Port of Seattle (Port) to the lowest responsive and responsible bidder for the civil construction of light rail facilities between approximately South 160th Street and South 176th Street and to commit, in accordance with the terms of the Memorandum of Agreement between Sound Transit and the Port, Sound Transit funding for the light rail transit cost share of the contract in the amount of \$40,712,724 and a 10% contingency in the amount of \$4,071,272 for a total authorized contract amount not to exceed \$44,783,996.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 22, 2006.


John W. Ladenburg
Board Chair

ATTEST:


Marcia Walker
Board Administrator