

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2006-52**

**Airport Link Civil Construction Contract #1 Award**

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

<b>Contract/Agreement Type:</b>	<input checked="" type="checkbox"/>	<b>Requested Action:</b>	<input checked="" type="checkbox"/>
Competitive Procurement	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	<input type="checkbox"/>
Sole Source	<input type="checkbox"/>	Amend Existing Contract/Agreement	<input checked="" type="checkbox"/>
Agreement with Other Jurisdiction(s)	<input checked="" type="checkbox"/>	Budget Amendment	<input type="checkbox"/>
Real Estate	<input type="checkbox"/>	Property Acquisition	<input type="checkbox"/>

**PROJECT NAME**

Airport Link

**PROPOSED ACTION**

Authorizes the Chief Executive Officer to execute a contract amendment with PCL Construction Services, Inc. for the construction of the light rail guideway between Boeing Access Road and South 154<sup>th</sup> Street to include the construction of Airport Link light rail facilities between South 154<sup>th</sup> Street and South 160<sup>th</sup> Street in the amount of \$37,950,000, with a contingency of \$1,000,000, for a new total authorized contract amount not to exceed \$293,792,874.

**KEY FEATURES of PROPOSED ACTION**

- The terms of the C755 contract provide that the Sound Transit Board may, at its sole discretion, exercise an option to add to the scope of the C755 contract the construction of any portion of the light rail extension from South 154<sup>th</sup> Street to Sea-Tac International Airport. Upon completion of the construction packaging plan for Airport Link under which much of the civil light rail construction south of South 160<sup>th</sup> Street is integrated with concurrent work by the Port of Seattle, Sound Transit entered into negotiations with PCL Construction Services, Inc. (PCL) for the construction of the civil light rail facilities, including trackwork, between approximately South 154<sup>th</sup> and South 160<sup>th</sup> Streets (i.e., Contract #1).
- Sound Transit initiated negotiations with PCL beginning in December of 2005 when the engineering documents for this approximately one-half mile long segment had been advanced to the 60% design completion. Coordination with the C755 contractor at this design stage provided Sound Transit the opportunity to pursue efficiencies through consideration of the construction means and methods that had been adopted for the light rail construction in Tukwila. Further, the early start of negotiations with PCL allowed Sound Transit to retain multiple contracting options for the delivery of Contract #1, including the advertisement of a separate contract.

- Under the proposed contract amendment, the Airport Link guideway north of South 160<sup>th</sup> Street would be constructed using the same pre-cast, segmental bridge construction that is currently underway in Tukwila. Delivery of Contract #1 through a new procurement would mean changing the design for this segment to the more conventional cast-in-place construction method, since the segment between South 154<sup>th</sup> and South 160<sup>th</sup> Streets alone is too short to justify the considerable setup cost associated with the segmental construction method. The baseline schedule for Airport Link would provide ample time for Sound Transit to perform this redesign and procure this construction as part of a stand alone contract.
- Constructing Contract #1 through a continuation of the pre-cast, segmental construction would create key efficiencies, given the access to experienced construction supervisors and trained crews, prior mobilization of equipment, reliance on a fully outfitted and operational casting yard, and access to existing construction staging areas and field offices.
- Construction of Contract #1 by the C755 contractor would reduce contract interface burdens, given the elimination of an additional civil construction interface at South 154<sup>th</sup> Street and the reliance on the existing relationships between PCL and follow-one contractors who will be installing these elements for Airport Link. Further, the proposed Contract #1 delivery method would yield organizational efficiencies and associated cost reductions for Sound Transit's construction management and design support efforts.
- Based on consideration of the full range of project costs, including design, property acquisition, construction, and construction management, the cost of the proposed contract amendment was estimated to be generally comparable to that of a separate procurement for this work. In light of current and forecasted construction market conditions and given the continued volatility of key construction commodities, the delivery of Contract #1 through the proposed contract amendment would help to reduce cost and schedule risk for Airport Link.
- Staff recommends assignment of a contract contingency in the amount of \$1,000,000 to provide funding for contract amendments in response to changed conditions encountered during construction.
- All work performed under the proposed contract amendment and any associated expenditures, including any contingency expenditures, would be tracked as part of the Airport Link project budget and would not impact the Initial Segment schedule and budget.

### **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 execution of an amendment to the contract with PCL Construction Services, Inc. to include the construction of Airport Link light rail facilities between South 154<sup>th</sup> Street and South 160<sup>th</sup> Street in an amount of \$37,950,000 and a contingency in the amount of \$1,000,000 for a revised total authorized contract amount not to exceed \$293,792,874.

The total Adopted 2006 Budget for the 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 \$51,678,104 has been committed to date (including the pending action for the funding of light rail elements included in Contract #2 in the amount of \$44,783,996 under a separate board motion), leaving a balance of \$87,291,896. 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:** PCL Construction Services (construct Airport Link light rail facilities between S 154th St and S 160th Street)

(Year of Expenditure \$000)

<b>Airport Link</b>	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	52,897	38,950	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 <b>Total Current Budget</b>	<b>243,600</b>	<b>108,562</b>	<b>38,950</b>	<b>147,512</b>	<b>96,088</b>
<b>Construction Phase Detail</b>					
11 Civil Facilities Construction	138,970	51,678	38,950	90,628	48,342
12 Other construction	19,030	1,219		1,219	17,811
13 <b>Total Phase</b>	<b>158,000</b>	<b>52,897</b>	<b>38,950</b>	<b>91,847</b>	<b>66,153</b>
<b>Contract Amount</b>					
	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	231,675	228,015	37,950	269,625	265,965
15 Contingency	23,168	26,828	1,000	24,168	27,828
16 <b>Total Contract</b>	<b>254,843</b>	<b>254,843</b>	<b>38,950</b>	<b>293,793</b>	<b>293,793</b>
17 Percent Contingency	10%	12%	3%	9%	10%

Notes:

11(B) COMMITTED TO DATE includes pending board motion for the Airport Link Construction Contract #2 (Port of Seattle)

## **M/W/DBE – SMALL BUSINESS PARTICIPATION**

Goals established as part of the C755 contract will apply to the Airport Link Contract #1 extension. Under the C755 Contract, Sound Transit has established an overall goal of at least 20% participation by small businesses, of which 12% is to be accomplished using M/W/DBE. PCL committed to 23% Small Business participation, with 17% M/W/DBE participation. To date, participation by small businesses on the C755 contract is 29.5%, including 21.4% participation by M/W/DBE firms.

### **Apprentice Utilization Commitment**

PCL has committed to a goal of 20% overall apprentice utilization, with 21% of apprentices hours performed by minorities and 12% of apprentice hours performed by women. To date, PCL has achieved 16.6% apprentice utilization, with 38.7% of apprentice hours performed by minorities and 15.9% of apprentice hours performed by women.

## **PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

On November 18, 1999, the Sound Transit Board adopted Resolution No. 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 Initial Segment line. Resolution No. R99-34 identified the SeaTac alignment from South 154<sup>th</sup> to South 200<sup>th</sup> 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 154<sup>th</sup> 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 No. R2005-16, selecting the Airport Link alignment and station locations between the Tukwila International Boulevard Station and South 200<sup>th</sup> 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 154<sup>th</sup> Street to an elevated light rail station at Sea-Tac International Airport's main terminal near South 176<sup>th</sup> 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 160<sup>th</sup> Street. The route continues in the median of the relocated North Airport Expressway, passing under the South 160<sup>th</sup> Street bridge and the future return to terminal loop ramp. The alignment crosses above South 170<sup>th</sup> 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 are delivering light rail and Port facilities through an integrated construction packaging plan. Delivery of light rail elements will rely in part on amendments to existing Initial Segment construction contracts, as provided for in those contracts and described in the project implementation plan presented to the Sound Transit Board on February 10, 2005.

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 has been published to address these modifications. This EA also serves as an Addendum under the State Environmental Policy Act. The Federal Transit Administration issued a Record of Decision 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
M2005-27	Authorized execution of a contract with PCL Construction Services, Inc. for the construction of the light rail guideway between Boeing Access Road and South 154 <sup>th</sup> Street in the City of Tukwila for a total authorized contract amount not to exceed \$254,842,874.	03/10/05
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 <sup>th</sup> Street.	09/27/01
R99-34	Selected the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternatives to be built for the Central Link Light Rail line.	11/18/99

### **CONSEQUENCES OF DELAY**

A delay in the award of the proposed contract amendment would potentially delay the start of construction of the this portion of the Airport Link extension, potentially increasing the cost of this work and reducing schedule flexibility for this fast track project.

### **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. M2006-52

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract amendment with PCL Construction Services, Inc. for the construction of the light rail guideway between Boeing Access Road and South 154<sup>th</sup> Street to include the construction of Airport Link light rail facilities between South 154<sup>th</sup> Street and South 160<sup>th</sup> Street in the amount of \$37,950,000, with a contingency of \$1,000,000, for a new total authorized contract amount not to exceed \$293,792,874.

#### **Background:**

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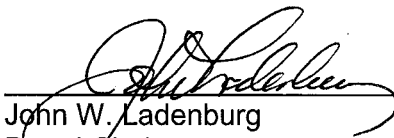
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been modified from the alignment and station locations selected by the Board in November 1999. An Environmental Assessment (EA) under the National Environmental Policy Act has been published to address these modifications. This EA also serves as an Addendum under the State Environmental Policy Act. The Federal Transit Administration issued a Record of Decision on the Airport Link project on September 13, 2005.


**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 amendment with PCL Construction Services, Inc. for the construction of the light rail guideway between Boeing Access Road and South 154<sup>th</sup> Street to include the construction of Airport Link light rail facilities between South 154<sup>th</sup> Street and South 160<sup>th</sup> Street in the amount of \$37,950,000, with a contingency of \$1,000,000, for a new total authorized contract amount not to exceed \$293,792,874.

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

  
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John W. Ladenburg  
Board Chair

ATTEST:

  
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Marcia Walker  
Board Administrator