

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2007-09**

**Contract Amendment for Airport Link Traction Electrification**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	1/18/07	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Director	(206) 398-5389
Board	1/25/07		<b>Ron Lewis, Airport Link Project Manager</b> <b>Steve Procter, Deputy Systems Construction Manager</b>	(206) 689-4905 (206) 370-5509

<b>Contract/Agreement Type:</b>	✓	<b>Requested Action:</b>	✓
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 execute a contract amendment with Mass Electric Construction Co. to provide the traction electrification system for Airport Link in the amount of \$6,200,000, with a contingency of 7% totaling \$434,000, for a new total authorized contract amount not to exceed \$45,597,386.

**KEY FEATURES of PROPOSED ACTION**

- The purpose of this action is to contract for implementation of a complete traction electrification system for the Airport Link that is fully compatible and integrated with the Initial Segment signal system and supports the operational requirements of the combined system.
- The amendment defines a scope of work to perform all design, procurement, manufacturing, installation, and testing necessary to provide a complete and working traction electrification system for the Airport Link extension to the Central Link light rail line. Field work is estimated to commence in October 2008, with an estimated completion in March 2009.
- The C807 Traction Electrification procurement for the Central Link Initial Segment provided that the Sound Transit Board may, at its sole discretion, exercise an option to add to the scope of the contract the design and construction of the traction electrification system for all or any portion of the light rail extension for Airport Link.

- This action enables the contractor to sequence design and manufacturing of equipment and systems to provide for continuous, uninterrupted work tasks utilizing the same personnel and suppliers that are currently working on the Initial Segment.

**BUDGET IMPACT SUMMARY**

Current Project Phase: Construction  
 Projected Completion Date: December 2009

<b>Action Outside of Adopted Budget:</b>	<b>✓</b>	<b>Comments on Checked Items</b>
This Project		
This Phase		
This Task	✓	Proposed action requires funding from construction phase unallocated contingency
Budget Amendment Required		

<b>Key Financial Indicators:</b>	<b>✓</b>	<b>Comments on Checked Items</b>
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)		

Not checked = action is assumed in current Board-adopted budget. No budget action or adjustment to financial plan required.

**BUDGET and FINANCIAL PLAN DISCUSSION**

The proposed action authorizes execution of a contract amendment with Mass Electric Construction Co. to provide the traction electrification system for Airport Link in the amount of \$6,200,000, with a contingency of 7% totaling \$434,000 for a new total authorized contract amount not to exceed \$45,597,386.

The Adopted 2007 Budget for Airport Link is \$243.6 million. Within that amount, \$12,176,151 has been set aside for negotiated procurements in the construction phase. When added to current commitments and pending board motions for the train signal systems and communications system, the proposed action would increase the commitment for this budget line item to \$15,812,881 and result in a budget shortfall of \$3,636,730, which would be funded from unallocated contingency within the construction phase. Should the proposed action be approved, the Airport Link construction phase unallocated contingency would have a remaining balance of \$1,306,744.

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:** Mass Electric Construction Co. (provide the traction electrification system (C847) for Airport Link)

(Year of Expenditure \$000)

<b>Airport Link</b>		Adopted 2007 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1	Agency Administration	5,000	2,555		2,555	2,445
2	Preliminary Engineering	5,073	4,726		4,726	347
3	Final Design	15,405	13,528		13,528	1,877
4	Right of Way	20,000	12,414		12,414	7,586
5	Construction	163,522	100,707	6,634	107,341	56,181
6	Construction Services	10,500	6,413		6,413	4,087
7	Third Party Agreements	2,600	1,635		1,635	965
8	Vehicles	15,500	14,587		14,587	913
9	Contingency	6,000	-		-	6,000
10	<b>Total Current Budget</b>	<b>243,600</b>	<b>156,565</b>	<b>6,634</b>	<b>163,199</b>	<b>80,401</b>

<b>Construction Phase Detail</b>						
11	Negotiated Procurements	12,176	9,179	6,634	15,813	(3,637)
12	Other Construction	146,402	91,528		91,528	54,875
13	Construction Unallocated Contingency	4,943	-		-	4,943
14	<b>Total Phase</b>	<b>163,522</b>	<b>100,707</b>	<b>6,634</b>	<b>107,341</b>	<b>56,181</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)
15	Contract Amount	36,414	35,843	6,200	42,614	42,043
16	Contingency	2,549	3,120	434	2,983	3,554
17	<b>Total Contract</b>	<b>38,963</b>	<b>38,963</b>	<b>6,634</b>	<b>45,597</b>	<b>45,597</b>
18	Percent Contingency	7%	9%	7%	7%	8%

<b>Budget Shortfall Task Level</b>		\$Shortfall (K)	Potential Resources (L)	Source (M)
19	Negotiated Procurements	3,637	4,943	Construction phase unallocated contingency

Notes:

(B) COMMITTED TO DATE amounts are from the Agency WBS Report as of November 2006 + approved and pending board actions not recorded as of 11/30/06.

11(B) COMMITTED TO DATE includes pending board motions for procurement of systems contracts C842 and C843.

## M/W/DBE – SMALL BUSINESS PARTICIPATION

Mass Electric Construction Co. (MEC) is the prime contractor for this contract. MEC is committed to a 9% Small Business goal with 6% M/W/DBE participation. To date, MEC has achieved 8.79% Small Business participation, with 5.96% M/W/DBE participation. There are fewer subcontracting opportunities in the Airport segment than in the original contract. However, MEC remains committed to its overall participation goals, and will utilize small businesses and M/W/DBE companies wherever possible. With the amended contract amount, the projected overall participation percentages are 8.42% Small Business with 5.68% M/W/DBE.

### Utilization Breakdown Table

Subconsultant	Business Type	% of Work	Dollar Value
Integrity Wire	DBE	3.85%	\$238,588
North Coast Electric	SBE	2.44%	\$151,146
<b>Total</b>			

### EEO Commitment

MEC workforce demographics for this project are 3% women and 28% minorities.

### Apprentice Utilization Commitment

MEC has committed to 20% apprentice utilization. To date, MEC has achieved 9% apprentice utilization.

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

On December 31, 2003, Sound Transit issued a Request for Technical Proposal (RFTP) for the Link Light Rail Traction Electrification System for the Initial Segment of the Central Link Light Rail Project. On September 9, 2004, the Sound Transit Board authorized the chief executive officer to execute a contract with Mass Electric Construction Co. (MEC).

The original competitively bid contract documents contained provisions identifying the Airport scope in a general context and alerting all bidders to the possibility that the work would be the subject of a future amendment. This amendment allows for the same equipment and design to be used for Airport Link as was used for the Initial Segment. This amendment is being brought to the Board in order to integrate design and manufacturing activities for Airport Link with similar activities that are ongoing for the Initial Segment. By executing the amendment now, the Contractor will be able to sequence design and manufacturing of equipment and systems to provide for continuous, uninterrupted work tasks utilizing the same personnel and suppliers that are currently working on the Initial Segment.

On July 14, 2006, the Sound Transit Board selected the Airport Link project to be constructed and operated as part of Central Link light rail. Airport Link will extend the Initial Segment from South 154<sup>th</sup> Street to a light rail station at the main terminal of SeaTac International Airport. The 1.7 mile Airport Link extension will be fully integrated into the Initial Segment and is planned to be completed by the end of 2009.

From an original cost proposal of \$9,685,858 the negotiated cost of \$6,200,000 still exceeds both the budget and the independent cost estimate amounts. This can be attributed to underestimated contractor overhead costs to support the field installation team and the rapid increase in base metal costs, both copper and steel. Although the cost exceeds the budget amount, an amendment to this contract provides Sound Transit with the best solution for the Airport extension by insuring full system compatibility between the Airport extension and the Initial Segment. Taking this contract to bid could have resulted in different substation equipment and OCS hardware resulting in difficulty in the interface with the existing SCADA system and overall higher maintenance costs.

Pursuant to the National Environmental Policy Act (NEPA) and the State Environmental Policy Act (SEPA), Sound Transit, the Port of Seattle and the Federal Transit Administration (FTA) issued the Airport Link Environmental Assessment/SEPA Addendum (EA) on May 26, 2005. The EA is an update to the Central Link Final Environmental Impact Statement (EIS) issued in November 1999 and the Tukwila Freeway Route Supplemental EIS issued in November 2001 and discusses the environmental effects of Airport Link. The Federal Transit Administration (FTA) issued a Record of Decision on the Airport Link project on September 13, 2005.

The Airport Link project includes a new light rail station adjacent to the SeaTac Airport parking structure, the extension of the light rail guideway and track from Tukwila International Boulevard Station, and the systems infrastructure to operate.

This amendment to the MEC contract will provide the Traction Electrification System necessary for the airport extension.

**Prior Board/Committee Actions on this Project**

<b>Motion/Resolution Number and Date</b>	<b>Summary of Action</b>
R2005-16 6/14/05	Selected the Airport Link alignment and station locations and selected the portion of Airport Link to be constructed and operated as part of the Central Link Light Rail Project by the end of 2009; increased the Airport Link lifetime Adopted 2005 Budget; increased the Airport Link annual Adopted 2005 Budget; and for planning purposed reducing the minimum debt service coverage ratio for south King County subarea to 1.15x for the Airport Link Finance Plan.
M2004-90 9/9/04	Executed a contract with Mass Electric Construction Co. to engineer, manufacture, furnish, install, and test the power supply system for the Central Link Light Rail Initial Segment in the amount of \$36,414,379, with a 7% contingency of \$2,549,006, for a total authorized contract amount not to exceed \$38,963,386.
R2001-16 11/29/01	Selected the Initial Segment of the Central Link Light Rail Project to be constructed and operated by 2009.

**CONSEQUENCES of DELAY**

This amendment is being brought to the Board in order to integrate design and manufacturing activities for Airport Link with similar activities that are ongoing for the Initial Segment. By executing the amendment now, the contractor will be able to sequence design and manufacturing of equipment and systems to provide for continuous, uninterrupted work tasks utilizing the same personnel and suppliers that are currently working on the Initial Segment.

A delay would jeopardize the contractor’s ability to fully integrate the Airport Link scope, thereby loosing some efficiency including the concurrent manufacturing of equipment and procurement of long lead items.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**ENVIRONMENTAL COMPLIANCE**

JI 12/13/06

**LEGAL REVIEW**

DLB 1/2/07

## **SOUND TRANSIT**

### **MOTION NO. M2007-09**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract amendment with Mass Electric Construction Co. to provide the traction electrification system for Airport Link in the amount of \$6,200,000, with a contingency of 7% totaling \$434,000, for a new total authorized contract amount not to exceed \$45,597,386.

#### **Background:**

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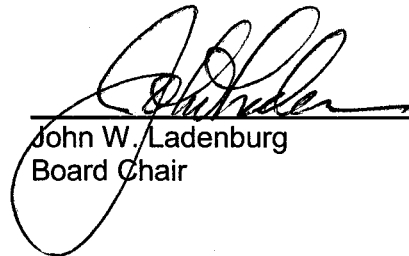
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This amendment to the MEC contract will provide the Traction Electrification System necessary for the airport extension.

**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 Mass Electric Construction Co. to provide the traction electrification system for Airport Link in the amount of \$6,200,000, with a contingency of 7% totaling \$434,000, for a new total authorized contract amount not to exceed \$45,597,386.

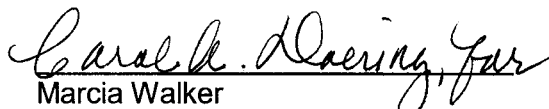
APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 25, 2007.



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John W. Ladenburg  
Board Chair

ATTEST:



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Marcia Walker  
Board Administrator