

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2008-85**

**Increase Contract Contingency for Construction of Traction Electrification**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	8/21/08	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	9/11/08		<b>Joe Gildner, Deputy Executive Director</b>	(206) 689-3350

<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	
Sole Source		Amend Existing Contract/Agreement	<input checked="" type="checkbox"/>
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

**PROJECT NAME**

Central Link Light Rail Initial Segment

**PROPOSED ACTION**

Authorizes the chief executive officer to increase the contingency for the contract with Mass Electric Construction Co. for construction of the traction electrification system for the Central Link Light Rail Initial Segment and Airport Link in the amount of \$3,091,000 for a new total authorized contract amount not to exceed \$48,688,386.

**KEY FEATURES of PROPOSED ACTION**

- This contract work was originally scheduled to be substantially complete on June 12, 2008. However, due to delayed access attributable to the predecessor civil contracts, the work is now scheduled to be completed by the first quarter of 2009. This contingency increase will cover the negotiated settlement cost of extended overhead during this time period.
- The contractor was previously directed to accelerate the Rainier Valley and Tukwila Freeway Route projects to accommodate light rail vehicle testing. As part of that acceleration change order, substantial completion was changed to July 12, 2008.
- Acceleration of the traction electrification system construction in the Beacon Hill Tunnel (C710 contract) is needed in order to meet the first quarter of 2009 substantial completion date.

**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 Adopted 2008 Lifetime Capital Budget for the Central Link Light Rail Initial Segment is \$2.07 billion. Within that amount, \$43,440,000 has been set aside for construction contract C807 Traction Power System in the construction phase. When added to current commitments of \$38,717,935, the proposed action would increase this amount by \$3,091,000 to a revised total commitment of \$41,808,935 for this budget line item, and leave a remaining balance of \$1,631,065.

The Mass Electric Construction Co. contract includes traction electrification system work for the Airport Link project in an amount not to exceed \$6,634,000, authorized by Motion No. M2007-09 (adopted 1/11/07). The contract also includes art enhancement for utility poles in Rainier Valley and the operations and maintenance facility in the amount of \$257,054 funded and coordinated by the Sound Transit Art Program (STart), included in the original contract authorized by Motion No. M2004-90 (adopted 9/09/04).

The proposed action is consistent with the current adopted budget, and is affordable within the agency's 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. (increase contingency for the construction of the traction electrification system for the Central Initial Segment project)

(Year of Expenditure \$000)

<b>Initial Segment</b>	Adopted 2008 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	193,274	169,774		169,774	23,500
Preliminary Engineering	33,310	33,310		33,310	(0)
Final Design	147,213	146,422		146,422	791
Right of Way	208,396	207,065		207,065	1,331
Construction	1,191,768	1,145,515	3,091	1,148,606	43,161
Construction Services	100,317	98,915		98,915	1,403
Third Party Agreements	63,414	63,393		63,393	22
Vehicles	132,307	131,799		131,799	508
<b>Total Current Budget</b>	<b>2,070,000</b>	<b>1,996,193</b>	<b>3,091</b>	<b>1,999,284</b>	<b>70,716</b>

**Construction Phase Detail**

C807 Traction Power System	43,440	38,718	3,091	41,809	1,631
Other Construction	1,148,328	1,106,798		1,106,798	41,530
<b>Total Phase</b>	<b>1,191,768</b>	<b>1,145,515</b>	<b>3,091</b>	<b>1,148,606</b>	<b>43,161</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)
Contract Amount	36,174	38,442	-	36,174	38,442
Contingency	2,532	264	3,091	5,623	3,355
<b>Total Contract - Initial Segment</b>	<b>38,706</b>	<b>38,706</b>	<b>3,091</b>	<b>41,797</b>	<b>41,797</b>
Percent Contingency	7%	1%	0%	16%	9%
Airport Link	6,634	6,634		6,634	6,634
STart	257	257		257	257
(1) <b>Total Contract</b>	<b>45,597</b>	<b>45,597</b>	<b>3,091</b>	<b>48,688</b>	<b>48,688</b>

(1) TOTAL CONTRACT includes traction power system work by Mass Electric Construction Co. for the Airport Link project, authorized by Board Motion M2007-09 (adopted 1/11/07), and for the STart Program enhancement of utility poles, included in original contract authorized by Board Motion M2004-90 (adopted 9/09/04).

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of June 2008 + approved and pending board actions not recorded as of 6/30/08, or submitted after that date.

## **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 9.15% Small Business participation, with 7.28% M/W/DBE participation. Because this change is primarily to cover the cost of extended overhead due to Sound Transit civil construction delays, the M/W/DBE and small business participation will not be increased correspondingly.

### Utilization Breakdown Table

<b>Subconsultant</b>	<b>Business Type</b>	<b>% of Work</b>	<b>Dollar Value</b>
Integrity Wire	DBE	4.41%	\$1,132,849.20
North Coast Electric	Small Business	3.94%	\$1,013,145.60
Alindeska Electrical Contractors	DBE	2.16%	\$922,594.00
Mobile Electric	WBE	.94%	\$240,357.00
Warrior Electric	DBE	.77%	\$331,603.00
Puget Sound Pipe	Small Business	.38%	\$97,290.60
Monterrey Electrical	DBE	.20%	\$84,125.00
The Fiber Guys	WBE/DBE	.14%	\$59,520.00
Port a Pro Welding	MBE	.08%	\$32,430.00
<b>Total</b>		<b>13.02%</b>	<b>\$3,913,914.40</b>

### EEO Commitment

MEC workforce demographics for this project are 0.76% women and 18.77% minorities. MEC workforce totals include all apprentice and journeyman hours worked.

### Apprentice Utilization Commitment

MEC has committed to 20% apprentice utilization. To date, MEC has achieved 17.26% 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 Central Link Light Rail Initial Segment project. On September 9, 2004, the Sound Transit Board authorized the Chief Executive Officer to execute a contract with Mass Electric Construction Co.

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. 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. The original competitively bid contract documents contained provisions identifying the Airport Link scope in a general context and alerting all bidders to the possibility that the work would be the subject of a future amendment.

On January 11, 2007, the Sound Transit Board approved an amendment to the contract with Mass Electric Construction Co., to provide the traction electrification system for Airport Link allowing 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.

The work was scheduled to be substantially complete on June 12, 2008. However, due to delayed access into every civil line segment, the work is now scheduled to be completed on January 20, 2009. This contract amendment will cover the cost of extended overhead during this time period.

**Prior Board/Committee Actions**

<b>Motion/Resolution Number and Date</b>	<b>Summary of Action</b>
M2007-09 1/11/07	Authorized 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.
M2004-90 9/09/04	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.

**CONSEQUENCES of DELAY**

This amendment is being brought to the Board in order to complete the traction electrification contract by first quarter of 2009 and allow sufficient time for pre-revenue vehicle operation over the entire alignment prior to opening. Delaying Board action will limit contractor crews and accrue additional costs.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**ENVIRONMENTAL COMPLIANCE**

Jl, 7/17/08

**LEGAL REVIEW**

LA 8/14/08

## SOUND TRANSIT

### MOTION NO. M2008-85

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contingency for the contract with Mass Electric Construction Co. for construction of the traction electrification system for the Central Link Light Rail Initial Segment and Airport Link in the amount of \$3,091,000 for a new total authorized contract amount not to exceed \$48,688,386.

#### Background:

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

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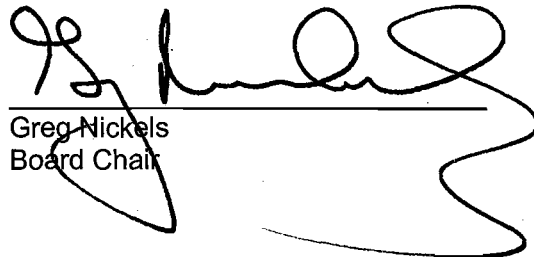
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The work was scheduled to be substantially complete on June 12, 2008. However, due to delayed access into every civil line segment, the work is now scheduled to be completed on January 20, 2009. This contract amendment will cover the cost of extended overhead during this time period.

#### Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to increase the contingency for the contract with Mass Electric Construction Co. for construction of the traction electrification system for the Central Link Light Rail Initial Segment and Airport Link in the amount of \$3,091,000 for a new total authorized contract amount not to exceed \$48,688,386.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 11, 2008.



Greg Nickels  
Board Chair

ATTEST:



Marcia Walker  
Board Administrator