

MOTION NO. M2012-01

Stipend Agreements for Design-Build Contract Procurement for South Link – Airport to South 200th Project

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Capital Committee	01/12/12	Final Action	Ahmad Fazel, DECM Executive Director Ron Lewis, Interim Project Director	206-398-5389 206-689-4905

PROPOSED ACTION

Authorizes the chief executive officer to execute up to four stipend agreements with the contractors selected to submit proposals for a design-build contract to provide the aerial guideway and station elements of the South Link - Airport to South 200th project in the amount of \$400,000 each for a total authorized amount not to exceed \$1,600,000.

KEY FEATURES

- RCW 39.10.330 requires honorarium payments, in the form of stipends, to finalists submitting responsive proposals that are not awarded the design-build contract.
- This action provides for execution of up to four stipend agreements with the finalists for the preparation of detailed design-build proposals.
- A stipend would be paid to any finalist that executes the stipend agreement, submits a responsive proposal, and is ultimately not awarded a contract under this procurement. A stipend will not be paid to the finalist that is awarded the design-build contract.

PROJECT DESCRIPTION

South Link Airport to South 200th is a 1.6-mile light rail extension on an aerial guideway alignment from the SeaTac/Airport Station to South 200th Street along 28th Avenue South, in the City of SeaTac. The project also includes an elevated station at South 200th Street with off street parking, a passenger drop-off area, bus transfer facilities, and pedestrian and bicycle improvements.

FISCAL INFORMATION

Project Budget

South Link-Airport to S 200th	2012 TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	16,064	2,215		2,215	13,849
Preliminary Engineering	5,878	5,743		5,743	135
Final Design	20,005	4,238		4,238	15,767
Right of Way	43,549	13,511		13,511	30,038
Construction	275,725	-	1,600	1,600	274,125
Construction Services	15,135	-		-	15,135
Third Party Agreements	6,885	904		904	5,981
Vehicles	-	-		-	-
Total Current Budget	383,241	26,610	1,600	28,210	355,031

Phase Detail

Construction

Honoraria	1,193	-	1,600	1,600	(407)
Other Construction	259,581	-		-	259,581
Construction Unallocated Contingency	14,951	-		-	14,951
Total Phase	275,725	-	1,600	1,600	274,125

Contract Detail

Contract Detail	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract Amount	-	-	1,600	1,600
Contingency	-	-	-	-
Total	-	-	1,600	1,600
Percent Contingency	0%	0%	0%	0%

Budget Shortfall	407
Construction Unallocated Contingency	407
Total Funding	407

Notes:

Amounts are expressed in Year of Expenditure \$000s.

Board Approvals = Committed To-Date + Contingency, and includes pending Board actions.

Project Budget is located on page 42 of the Proposed 2012 Transit Improvement Plan (TIP) as amended and adopted by resolution of the ST Board in December 2011 (Resolution R2011-18, approved 12/15/11).

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

BACKGROUND

In July 2011, the Sound Transit Board adopted the South Link – Airport to South 200th Street Project baseline schedule for extension of Link light rail to South 200th Street by September 2016, four years earlier than contemplated in the Sound Transit 2 Plan. The major elements of the project, the aerial guideway and station, are planned to be delivered using a design-build contract which is scheduled to begin in September 2012.

A request for qualifications (RFQ) was issued on October 13, 2011. On November 18, 2011, eleven statements of qualifications (SOQ) were submitted by interested design/build teams. The

SOQs were reviewed and evaluated for responsiveness to the criteria in the RFQ, and four finalists have been selected to receive the request for proposals (RFP). The scope of work included in the RFP, includes the aerial guideway, station, and LRT systems elements. The parking garage, station area roadway improvements, SCADA and fare collections systems, and advance utility relocation work will be procured separately. The final RFP is scheduled to be issued in February 2012, and final proposals are scheduled to be due in June 2012. The selection of the preferred design-build contractor will be based on a "best value" formula that includes technical factors and price.

Per RCW 39.10.330, public bodies using the design-build contracting method "... shall provide appropriate honorarium payments to finalists submitting responsive proposals that are not awarded a design-build contract. Honorarium payments shall be sufficient to generate meaningful competition among potential proposers on design-build projects. In determining the amount of the honorarium, the public body shall consider the level of effort required to meet the selection criteria." The statute also requires that the public body list in the RFQ, "the amount to be paid to finalists submitting responsive proposals and who are not awarded a design-build contract". Sound Transit has complied with the statute for design-build procurements by stating in the South Link RFQ that Sound Transit will pay a stipend (honorarium) in the amount of \$300,000 to 500,000 to each firm that executes the stipend agreement, submits a responsive proposal, and is ultimately not awarded a contract under this procurement. A stipend will not be paid to the finalist that is awarded the design-build contract.

It is recommended that \$400,000 for each stipend be provided. This recommendation is based on the industry standard typically paid by public transportation agencies around the U.S. The stipend amount is usually one-third to one-half of the estimated proposal development cost. A total authorization of \$1,600,000 is recommended to allow for the potential event that all four finalists meet the requirements for receipt of a stipend, but Sound Transit determines not to award a contract under this procurement.

ENVIRONMENTAL COMPLIANCE

JI 1/3/2012

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2011-05: (1) Accelerates the South Link – Airport to South 200th Street Project and establishes a project completion schedule milestone of September 2016; (2) approves Gates 4 and 5 within Sound Transit's Phase Gate system; (3) amends the Project Lifetime Budget to increase it by \$341,849,600, from \$41,391,400 to \$383,241,000; and (4) amends the Adopted 2011 Annual Project Budget to increase it by \$500,829, from \$11,338,347 to \$11,839,175.

Resolution No. R2008-04: Amended the Adopted 2008 Budget to (a) revise the Airport Link lifetime budget to \$269.1 million; (b) add a project for the light rail segment from South 176th to South 200th with a budget of \$3.767 million; and (c) treat as property for resale and record separately from the Airport Link project budget the previously authorized \$4.1 million acquisition costs for the "kiss-and-ride" facility at the Airport Link Station.

Resolution No. R2005-16: Selected the final route, profile, and station locations for the Airport Link Light Rail Project from the Tukwila International Boulevard to South 200th Street.

TIME CONSTRAINTS

Board approval in January is consistent with the adopted project schedule, and would facilitate the issuance of the design-build RFP in February 2012. While a one month delay could be accommodated, it would use all available float for this critical procurement milestone.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

LA 1/6/12

MOTION NO. M2012-01

A motion of the Capital Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute up to four stipend agreements with the contractors selected to submit proposals for a design-build contract to provide the aerial guideway and station elements of the South Link - Airport to South 200th project in the amount of \$400,000 each for a total authorized amount not to exceed \$1,600,000.

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MOTION:

It is hereby moved by the Capital Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute up to four stipend agreements with the contractors selected to submit proposals for a design-build contract to provide the aerial guideway and station elements of the South Link - Airport to South 200th project in the amount of \$400,000 each for a total authorized amount not to exceed \$1,600,000.

APPROVED by the Capital Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 12, 2012.



Fred Butler
Capital Committee Chair

ATTEST:



Marcia Walker
Board Administrator