

MOTION NO. M2017-72

Contract for Design Build Services for the Link Operations and Maintenance Facility: East

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	05/11/2017	Recommend to Board	Ahmad Fazel, DECM Executive Director
Board	05/25/2017	Final Action	Tracy Reed, Executive Project Director – OMF East Eza Agoes, Construction Manager

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract with Hensel Phelps Construction Co. to provide design-build construction services for the Link Operations and Maintenance Facility: East project in the amount of \$218,912,000, with a 10% contingency of \$21,891,200 for a total authorized contract amount not to exceed \$240,803,200.

KEY FEATURES SUMMARY

- The proposed action will authorize design-build construction services for the Link Operations and Maintenance Facility: East (OMF East).
- This contract will design, permit and construct the Link OMF East project in the City of Bellevue.
- The contract scope includes:
 - Final design and construction of the operations and maintenance facility
 - Utility relocations
 - Demolition, landscaping, and civil improvements
 - Furnishings and equipment
 - Testing and commissioning
 - Master Development Plan for future Transit-Oriented Development (TOD)
 - Interim pedestrian and bicycle trail improvements
 - LEED Silver Certification minimum
- Sound Transit used a two-phase, best value procurement process for this design-build contract in accordance with RCW 39.10.
- The proposal provides for viable future transit-oriented development without requiring additional capital investment or amendment to the project baseline at this time.

BACKGROUND

The OMF East is a design-build project for construction of a new light rail operations and maintenance facility in support of Link system expansion. The OMF East site is approximately 28 acres located in the City of Bellevue, bounded by the Eastside Rail Corridor on the west and 120th Avenue NE on the east, SR 520 to the north and NE 12th Street to the south.

The Sound Transit 2 (ST2) Plan provides funding to locate, design, and construct additional operations and maintenance facility capacity to accommodate an expanded Link light rail fleet and system operation. Sound Transit’s Forest Street Operations and Maintenance Facility in Seattle, can serve up to 104 LRVs. The OMF East will accommodate the inspection, service, maintenance, storage, and deployment of 96 additional LRVs. Sound Transit currently owns and operates 62 light rail vehicles (LRV) and to support the Link extension program will have expanded to a total fleet size of 184 LRVs by the year 2023.

A Final EIS for the project was issued under the State Environmental Policy Act (SEPA) by Sound Transit on September 25, 2015 and under the National Environmental Policy Act (NEPA) by the FTA on October 2, 2015 using a project name of Link Operations and Maintenance Satellite Facility. On October 22, 2015, the Board selected the project to be built and the project was subsequently named the Link Operations and Maintenance Facility: East (OMF East). The FTA issued its Record of Decision for the project in November 2015.

The OMF East project baseline was adopted by Resolution R2016-18 of the Sound Transit Board in July 2016. The facility includes 14 service bays, a LRV wash facility, yard storage for up to 96 light rail vehicles, materials storage and handling equipment, parking and office space for administration and support staff. A Maintenance of Way facility is also provided to accommodate service and storage of trackway and train systems infrastructure such as traction power substations, train signal bungalows, overhead traction power as well as non-revenue vehicle, station janitorial and landscape maintenance services. The OMF East is to be substantially complete by 4th Quarter 2020, and ready to receive vehicles in support of the expanding fleet.

Per the May 2015 Amended and Restated Memorandum of Understanding with the City of Bellevue, the project will also provide an interim bike and pedestrian trail connecting the interim King County trail at the SR520 bridge to the north with the future Sound Transit Wilburton Station to the south. A connection from the interim East Side Rail Corridor (ERC) trail will also be provided to 120th Ave NE at the north and along the eastern frontage of the OMF East site.

To clarify the OMF East permit and collaborative design review steps appropriate in a design-build context, Sound Transit entered into an Implementation Agreement (IA) with the City of Bellevue in August 2016 that outlined a process to ensure that the parties' common interest of optimizing potential TOD on surplus property are clearly weighed and evaluated as part of the OMF East proposal evaluation and subsequent TOD procurement.

The OMF East contractor will identify the surplus property available following construction, and obtain a Master Development Plan approved by the City of Bellevue entitling the TOD land use for a future developer. The Hensel Phelps proposal provides for viable future Transit-Oriented Development on surplus property in a configuration such that no additional investment in TOD-enabling elements is identified for Board consideration at this time.

PROJECT STATUS

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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Projected Completion Date for Construction Phase: Q4 2020
 Project scope, schedule and budget summary located on page 69 of the February 2017 Agency Progress Report.

PROCUREMENT INFORMATION

Prior to issuing the procurement for the Operations and Maintenance Facility: East project, Sound Transit evaluated the project scope, schedule, complexity, and other critical elements and determined that the Design-Build delivery method was the most advantageous. The Design-Build

delivery method is a two-phase procurement process; a Request for Qualifications phase and a Request for Proposals phase.

Sound Transit advertised its Request for Qualifications in April 2016. Five firms submitted Statements of Qualifications. After thoroughly evaluating each Statement of Qualification and conducting interviews with each firm, Sound Transit selected the three most qualified firms to receive the Request for Proposals. All three firms' proposals were evaluated based on the advertised evaluation criteria which included points for the firms' design concept and technical approach, S/DBE commitment and outreach efforts, potential TOD opportunities, and price. After evaluating the three proposals, Sound Transit determined that Hensel Phelps submitted the best value proposal. The final proposal amount is \$218,912,000.00 and is within the budget for the OMF East Project.

In accordance with RCW 39.10.330, stipend agreements signed by the proposers, and as previously approved by the Board under Motion No. M2016-72, a \$450,000 stipend will be paid to each of the two unsuccessful finalists.

FISCAL INFORMATION

This action is within the baseline budget and sufficient monies remain after approval of this action to fund the remaining work in the construction services phase as contained in the current cost estimates.

The baseline budget for the Operation & Maintenance Facility: East project is \$449,200,000. Within the construction phase, \$240,803,200 has been allocated to the budget line item for the design build contract. The proposed action would commit \$240,803,200 to this line item and leave no remaining budget balance.

Operation & Maintenance Facility East

(in thousands)

	Baseline Budget	Board Approvals	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$17,573	\$2,532	\$	\$2,532	\$15,041
Preliminary Engineering	9,536	9,536		9,536	
Final Design	386				386
Third Party Agreements	3,107				3,107
Right of Way	134,529	39,411		39,411	95,118
Construction	264,753	8	240,803	240,811	23,942
Construction Services	19,337	18,800		18,800	537
Vehicles					
Total Current Budget	\$449,220	\$70,287	\$240,803	\$311,090	\$138,130
Phase Detail					
Construction					
DB Contract - M200	\$240,803	\$	\$240,803	\$240,803	\$
Other Construction	23,950	8		8	23,942
Total Phase	\$264,753	\$8	\$240,803	\$240,811	\$23,942
Contract Detail					
Hensel Phelps Construction Co.	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval	
Contract Amount	\$	\$	\$218,912	\$218,912	
Contingency Amount			21,891	21,891	
Total Contract	\$	\$	\$240,803	\$240,803	
Percent Contingency			10%	10%	

Notes:

Amounts are expressed in Year of Expenditure.

Board approvals = Committed to-date + contingency as of Mar 17, and includes pending Board actions.

For detailed project information, see page 21 or 147 in the Adopted 2017 Transit Improvement Plan.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Consistent with Sound Transit Policies and Federal Regulations, Sound Transit has established Small Business/DBE goals for this contract. These goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

For the Link OMF East contract, the following goals were set and the Hensel Phelps has committed to the following Small Business/DBE Participation:

Design Services

Sound Transit's Goal:

Small Business: 12%

DBE: 6%

Hensel Phelps' Commitment:

Small Business: 12.4%

DBE: 12.4%

Construction Services

Sound Transit's Goal:

Small Business: 12%

DBE: 6%

Hensel Phelps' Commitment:

Small Business: 13.1%

DBE: 6.6%

PUBLIC INVOLVEMENT

Sound Transit and City of Bellevue staff continue to coordinate on a number of public outreach activities, including stakeholder meetings. Sound Transit will work closely with the design-build team on open houses and public outreach activities during design and construction phases.

TIME CONSTRAINTS

A one-month delay would impact the ability to issue Notice to Proceed per the baseline project schedule and result in a reciprocal delay to the project delivery schedule.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2017-46: Authorized the chief executive officer to execute a contract with KBA Inc. to provide Design Build Project Management services for the final design and construction of the Link Operations & Maintenance Facility: East in the amount of \$17,512,000, with a 7% contingency of \$1,288,000, for a total authorized contract amount not to exceed \$18,800,000.

Motion No. M2016-72: Authorized the chief executive officer to execute up to four stipend agreements with contractors selected to submit proposals for a design-build contract for the Operations & Maintenance Satellite Facility for a total authorized amount not to exceed \$2,000,000, contingent upon Board approval of Resolution No. R2016-18 adopting the Project's baseline scope, schedule and budget.

Motion No. M2016-73: Authorized the chief executive officer to execute an Implementation Agreement with the City of Bellevue regarding the Link Operations and Maintenance Satellite Facility.

Resolution No. R2016-18: (1) Adopted the Operations and Maintenance Satellite Facility baseline scope, schedule and budget by (a) establishing December 2020 as the project completion milestone, (b) establishing a baseline budget of \$449,220,000 for the project, and (c) decreasing the Adopted 2016 Annual Budget from \$49,853,439 to \$26,052,866; (2) approved passage through Gates 5 and 6 within Sound Transit's Phase Gate Process; (3) approved Link Operations and Maintenance Facility: East (OMF East) as the facility name.

ENVIRONMENTAL REVIEW

JI 5/3/2017

LEGAL REVIEW

AJP 5/5/2017

MOTION NO. M2017-72

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Hensel Phelps Construction Co. to provide design-build construction services for the Link Operations and Maintenance Facility: East project in the amount of \$218,912,000, with a 10% contingency of \$21,891,200 for a total authorized contract amount not to exceed \$240,803,200.

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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 execute a contract with Hensel Phelps Construction Co. to provide design-build construction services for the Link Operations and Maintenance Facility: East project in the amount of \$218,912,000, with a 10% contingency of \$21,891,200 for a total authorized contract amount not to exceed \$240,803,200.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 25, 2017.



Dave Somers
Board Chair

ATTEST:



Kathryn Flores
Board Administrator