MOTION NO. M2018-40
Contract Amendment for Tukwila Traction Power Sub-station Repairs

<table>
<thead>
<tr>
<th>MEETING:</th>
<th>DATE:</th>
<th>TYPE OF ACTION:</th>
<th>STAFF CONTACT:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations and Administration Committee</td>
<td>04/05/2018</td>
<td>Final Action</td>
<td>Bonnie Todd, Executive Director of Operations</td>
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<td>Paul Denison, Light Rail Operations Director</td>
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PROPOSED ACTION

Ratifies a contract amendment with Siemens Industry, Inc. to provide repair services for the Tukwila traction power substation in the amount of $199,102 for a new total authorized contract amount not to exceed $499,102 plus applicable taxes.

KEY FEATURES SUMMARY

- A severe electrical malfunction occurred at the Tukwila traction power sub-station (TPSS) in August 2017 causing extensive damage to all direct current (DC) control components.
- The CEO declared the Tukwila TPSS an emergency, in accordance with Resolution 78-2, Section 7, and authorized a $300,000 contract with Siemens Industries, Inc., the traction power sub-station manufacturer, to complete an assessment, required repair services, and commissioning of the repaired TPSS.
- In December, the Board ratified the CEO’s finding of an emergency and the contract with Siemens Industry, Inc. At the time of Board ratification, the full cost of the repairs was unknown, but it was expected to exceed $300,000.
- Repair work was prioritized and exceed the authorized amount of $300,000 before Sound Transit and Siemens completed cost negotiations. In late February 2018, Siemens submitted a total final cost amount of $499,102.
- Staff is seeking a ratification to cover the total costs needed for the emergency repair work.
- Applicable taxes are currently estimated to be $20,000.

BACKGROUND

During the morning of August 8, 2017, a severe electrical malfunction occurred at the Tukwila traction power substation causing extensive damage to all of the DC circuit wiring, relays, circuit breakers, wiring connections, the cubical itself and SCADA interface devices throughout the control circuit cubical.

The event was contained, but the severity of the damage proved to be outside available resources of the current King County Maintenance traction power technicians and Sound Transit Link light rail maintenance staff members.

Restoration of the Tukwila traction power substation was critical. A failure at either of the adjoining substations along the line could potentially mean a complete loss of traction power and the suspension of service between Rainier Beach and Angle Lake stations.
Given the time sensitive nature and complexity of the repairs and required re-commissioning, an emergency was declared by the CEO September 12, 2017, in order to secure a qualified contractor to complete the repairs as soon as possible.

Negotiations and site visits with Siemens Industries, Inc. took place over the months of September and October 2017. Negotiations resulted in a preliminary agreed upon budget and a scope of work covering three phases: assessment, repair, and commissioning.

The assessment phase of the contract was on-going and consisted of identifying and acquiring the required materials and equipment as well as subcontractors to perform the repairs.

In November, the Deputy CEO signed the emergency repair work contract with Siemens, and the Board ratified the CEO’s declaration of an emergency and the contract in December. Repair work began December 26, 2017.

Siemens prioritized parts acquisition and scheduled technicians to perform the work as quickly as possible and in good faith as cost negotiations continued.

Siemens provided a final price February 27, 2018. At that point remaining work consisted of completing the rebuild by March 2, 2018, and commission testing from March 8 to 23, 2018.

**PROCUREMENT INFORMATION**

Resolution 78-2, Section 7 authorizes the CEO to declare an emergency and enter into contracts. Per these provisions, Sound Transit entered into a contract with Siemens Industry for the assessment, repair and recommissioning of the damaged substation.

**FISCAL INFORMATION**

The proposed action will be funded from the Services category within the Operations department’s annual operating budget. The Services category budget is $67,956,749, of which a total of $549,511 is estimated to be spent in the current year of the contract and is within the agency’s budget authority. After approval of this action, the remaining annual budget amount will be used to fund other department expenditures anticipated in the 2018 annual budget.
Additionally, the Risk Management Division is engaged and will monitor the assessment of damages and cost to repair for any items that would qualify for a claim against the agency’s insurance coverages.

**SMALL BUSINESS/DBE PARTICIPATION**

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE 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.

Sound Transit determined that there were few Small Business and DBE subcontracting opportunities based upon the work described in this contract, so Small Business/DBE goals were not established.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**TIME CONSTRAINTS**

The possibility of an extended power outage and loss of service between Rainier Station and Angle Lake could occur if repairs are delayed.
PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2017-142: (1) Ratified the chief executive officer’s finding of an emergency at the Tukwila traction power substation due to an electrical failure, and (2) ratified a contract with Siemens Industry, Inc. to provide repair services for the Tukwila traction power substation (TPSS) in the amount of $300,000, plus applicable taxes.

ENVIRONMENTAL REVIEW

KH 3/29/2018

LEGAL REVIEW

AJP 3/30/2018
MOTION NO. M2018-40

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority ratifying a contract amendment with Siemens Industry, Inc. to provide repair services for the Tukwila traction power substation in the amount of $199,102 for a new total authorized contract amount not to exceed $499,102 plus applicable taxes.

BACKGROUND:

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Given the time sensitive nature and complexity of the repairs and required re-commissioning, an emergency was declared by the CEO September 12, 2017, in order to secure a qualified contractor to complete the repairs as soon as possible.

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MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority ratifying a contract amendment with Siemens Industry, Inc. to provide repair services for the Tukwila traction power substation in the amount of $199,102 for a new total authorized contract amount not to exceed $499,102 plus applicable taxes.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 5, 2018.

Paul Roberts
Operations and Administration Committee Chair

ATTEST:

Kathryn Flores
Board Administrator