



Motion No. M2024-04

Contract Award for Construction Services for the Temporary North Maintenance of Way Tenant Improvements with Western Ventures Construction, Inc.

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	02/08/2023	Final action	Ron Lewis, Executive Director, DECM Victoria Morris, Project Director, DECM Nick Datz, Sr. Project Manager, DECM

Proposed action

Authorizes the chief executive officer to execute a contract with Western Ventures Construction, Inc. to provide construction services for the temporary North Maintenance of Way facility in the amount of \$2,849,962 with a 10 percent contingency of \$284,996 for a total authorized contract amount not to exceed \$3,134,958.

Key features summary

- The scope of this contract consists of improvements to the facility including electrical, networking, HVAC, and other modifications to the building and site to facilitate operations support along the northern portion of the 1 Line.
- If the tenant improvements at the temporary North Maintenance of Way facility are not complete by revenue service, Lynnwood Link extension maintenance services will be more challenging to manage, and response times could be impacted.
- All bids received were more than 20% higher than Sound Transit's Independent Cost Estimate (ICE). Three of the four bids received were in a competitive range between \$2.8M and \$3.0M.
- Sound Transit Board approval of construction contracts is required when the bid price is 20 percent or more than the Independent Cost Estimate, in accordance with Resolution No. R2023-30, the Board's Procurement, Agreements and Delegated Authority Policy. Approval of this contract is within the System Expansion Committee's authority.
- Factors that contributed most to the variance between the ICE and low bid were costs for civil, mechanical, and electrical subcontracted work. After review, Sound Transit has determined that the price for this contract, at \$2,849,962, is fair and reasonable.

Background

The temporary North Maintenance of Way (MOW) Tenant Improvements Project was established to support the needs of Link wayside maintenance, Link facilities, Light Rail Vehicle Maintenance fault response, and IT transit systems along the corridor of the Northgate Link Extension and the Lynnwood Link Extension by allowing operations personnel to reach the alignment within a 15-minute travel window.

The need for this facility was identified in the Link Light Rail Service Delivery Support Requirements:

Option Evaluation (“Steer Report”) review of Sound Transit’s operations facilities. The Steer Report identified the North MOW facility as necessary to support Sound Transit Operations response times and increase capacity. The North Seattle area is an ideal location to meet Sound Transit’s goal of responding to incidents within 15 minutes along the entire alignment. Sound Transit Board Motion No. M2021-78 authorized Sound Transit to execute a five-year lease for this property located at 920 N. 137th Street, Seattle, WA 98133, to provide a temporary Maintenance of Way facility. In June 2023, the Board authorized execution of an option to purchase the property with Resolution No. R2023-16.

The existing building on the property requires tenant improvements throughout the building and site to accommodate four maintenance groups. The scope of the temporary North Maintenance of Way Tenant Improvement project includes updates to electrical, mechanical, and plumbing systems, office space renovation, new locker and shower rooms, new workshops, interior and exterior storage, site security upgrades, and parking for non-revenue vehicles and employees. Sound Transit is performing the tenant improvements concurrently with King County and Sound Transit Operations partial occupancy and use of the facility.

The scope of the tenant improvements is exempt from review under the State Environmental Policy Act (SEPA) because the site configuration and uses will remain unchanged (i.e., warehouse and office with limited tenant improvements). Design and environmental review for the permanent facility will begin in 2025, with anticipated completion and delivery of the facility to operations in late 2027.

Procurement information

On November 6, 2023, Sound Transit advertised IFB RTA/CN 0134-23 for North Maintenance of Way (NMOW) Tenant Improvements project. The award of the contract is based upon the lowest Total Bid Price as submitted in a responsive bid, by a responsible bidder.

Sound Transit received four timely bids on December 8, 2023. The four bids were opened at a public bid opening. The four bids received were for Total Bid Prices of \$2,849,962.00, \$2,900,677.50, \$3,055,618.00, and \$3,444,797.00, which are inclusive of taxes.

All bids were higher than the Independent Cost Estimate (ICE) amount of \$1,860,659, resulting in a low bid that was significantly higher than Sound Transit’s ICE.

Through internal analysis of the ICE, cost and price analysis, and meeting with the low bidder, Sound Transit identified that the areas which contributed most to the variance between the ICE and low bidder were civil, mechanical, and electrical subcontracted packages of work. Taking into consideration that three of the four bidders were in a competitive price range from \$2.8M and \$3.0M, review of the ICE, and cost and price analysis, Sound Transit Procurement and Contracts determined that the price for this contract, at \$2,849,962, is fair and reasonable.

Fiscal information

This action is within the authorized project allocation for the construction phase. As this project is pre-baselined, both the authorized project budget and a forecasted cost estimate for the remaining project delivery and construction work are assumed in the Long Range Financial Plan. The forecasted cost estimate in the Long Range Financial Plan, which includes both the temporary and permanent work packages, for the North Corridor Maintenance of Way project is \$58.3 million in 2023\$.

The authorized project allocation for the North Corridor Maintenance of Way project is \$32,009,000. Within that amount, \$4,315,000 has been set aside in the construction phase. Within the construction phase, \$4,189,807 has been allocated to the budget line item for Civil Construction of a temporary facility. The proposed action would commit \$3,134,958 to this line item, leaving a balance of \$272,612 in this line item.

North Corridor MOW

(in thousands)	Total Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Operations and Maintenance	\$307	\$254	\$0	\$254	\$53
Administration	1,780	612	-	612	1,168
Preliminary Engineering	1,864	1,180	-	1,180	684
Final Design	3,127	-	-	-	3,127
Third Parties	459	-	-	-	459
Right of Way	19,007	1,539	-	1,539	17,468
Construction	4,315	792	3,135	3,927	388
Construction Services	1,150	-	-	-	1,150
Total Current Budget	\$32,009	\$4,378	\$3,135	\$7,513	\$24,496

Phase Detail					
Construction					
Civil Construction Temp Facility	\$4,190	\$782	\$3,135	\$3,917	\$273
Other Construction	125	10	-	10	115
Total Phase	\$4,315	\$792	\$3,135	\$3,927	\$388

Western Ventures Construction	Board Approvals to Date	Proposed Action	Proposed Total for Board Approval	Current Contract Spend Status
Contract Amount	\$0	\$2,850	\$2,850	\$0
Contingency		285	285	-
Total Contract Amount	\$0	\$3,135	\$3,135	\$0
Percent Contingency		10%	10%	0%

Notes:

Amounts are expressed in Year of Expenditure \$000s.
 * Board Approvals = Commitment and PO Contingency Remaining as of 12/31/2023.
 For detailed project information, see page 76 of 194 of the Proposed 2024 Financial Plan & Proposed Budget.
 Tables have been updated based on reallocation of funds and JOC commitments have been included.

Disadvantaged and small business participation

Participation by small businesses and disadvantaged business enterprises (DBEs)

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 on an examination of subcontracting opportunities in this contract's work and the number of small businesses/DBEs available to perform such subcontracting work.

For this specific contract, the following goals were set, and the successful Bidder has committed to the following small business/DBE participation:

Small business goal	
Sound Transit Small Business Goal: 15%	Small Business Commitment: *16%

**The subcontractor identified for small business performance on this contract – Kolkay Electric, is also Disadvantaged Business Enterprise (DBE), and Woman Owned Business Enterprise (WBE) certified*

Apprentice utilization commitment

Apprentice utilization	
Apprentice utilization goal: 20%	Commitment: *Apprentice Utilization Plan will be submitted prior to execution of contract

Time constraints

Delays in approving this action by 1 month will not have cost impacts to this project, but there will be a day for day schedule impact on delivering this facility to Link Operations for use in support of Lynnwood Link Extension. Approval delays longer than a month could have cost impacts as the bid is guaranteed until April 2024.

Prior Board/Committee actions

Resolution No. R2023-16: Authorized the chief executive officer to acquire certain real property interests, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants to the extent authorized by law, as necessary for the temporary North Maintenance of Way facility.

Motion No. M2021-78: Authorized the chief executive officer to execute a five-year lease agreement with L&R Linden, LLC for the North Maintenance of Way Facility, in an amount not to exceed \$4,856,466.

Environmental review – KH 1/23/24

Legal review – JSA 2/2/24

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A motion of the System Expansion Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Western Ventures Construction, Inc. to provide construction services for the temporary North Maintenance of Way facility in the amount of \$2,849,962 with a 10 percent contingency of \$284,996 for a total authorized contract amount not to exceed \$3,134,958.

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Motion

It is hereby moved by the System Expansion Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with Western Ventures Construction, Inc. to provide construction services for the temporary North Maintenance of Way facility in the amount of \$2,849,962 with a 10 percent contingency of \$284,996 for a total authorized contract amount not to exceed \$3,134,958.

APPROVED by the System Expansion Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 8, 2024.



Claudia Balducci
System Expansion Committee Chair

Attest:



Kathryn Flores
Board Administrator