Motion No. M2024-43

Contract with JTM Construction, Inc. for the construction of a second elevator at SeaTac/Airport Station Passenger Pick-Up

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	07/18/2024	Final action	Russ Arnold, Deputy CEO, Chief Service Delivery Officer **Scott Bash, Deputy Executive Director, Operations Assets and Technology**

Proposed Action

Authorizes the chief executive officer to execute a contract with JTM Construction, Inc. for construction services for a second SeaTac elevator in the amount of $5,399,380 with a 10 percent contingency of $539,938, for a total authorized contract amount not to exceed $5,939,318.

Key Features Summary

- The project scope includes the procurement of necessary materials and services for the construction of new elevator at the SeaTac/Airport Station Passenger Pick-Up located at 2918 S 176th St, SeaTac, WA 98188.
- All bids received were more than 20% higher than Sound Transit's Independent Cost Estimate (ICE).
- 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 Rider Experience and Operations Committee's authority.
- Factors that contributed most to the variance between the ICE and low bid were 1) failure to capture market fluctuations for the cost of materials and services from 2021 and 2024, 2) the general complexity of the electrical required for the project, and 3) higher material costs for the elevator, the electrical work, and earthwork required for construction.

Background

At the east side of the SeaTac/Airport Station pedestrian bridge, there is a single elevator providing access from the pickup/drop-off site and the Tukwila International Boulevard to bridge level and then on to the SeaTac/Airport Link Station. This elevator has historically suffered from frequent outages and maintenance challenges.

When this elevator is out of service, there is no other means of ADA access from the SeaTac Link Station to the Passenger Pick-Up lot, requiring passengers who need elevator access to take a 10-minute, 1.7 mile, ride on the A-Line bus to Tukwila International Boulevard Station to access Link. Currently this elevator is a single point of failure for ADA access. To this end, Sound Transit seeks to provide vertical redundancy from the east side of Pacific Highway, improving ADA access to the SeaTac Airport Link Station.

During the procurements process, Sound Transit construction cost estimate of $3,582,799 was exceeded by $1,816,581. This cost discrepancy was due to the proposed design being more technically complex than forecasted. This was informed by Sound Transit's design requiring an elevator with features to interact with building management and security systems, while also requiring cabling to be routed across a pedestrian bridge to connect to SeaTac Link Station electrical infrastructure. Additionally, when Sound Transit revised its cost estimate to reflect 2024 material pricing, a CPI of 8.26% was applied which reflected material costs of 2022. After review, a CPI of 17.95% should have been revised due to material costs needing to reflect 2021 costs, when the original estimate was created.

Procurement Information

On April 1, 2024, Sound Transit advertised IFB RTA/CN 0024-24 for the Second SeaTac Elevator Construction Project. The award of the contract to JTM Construction, Inc. in the amount of $5,399,380 is based upon the lowest total Bid Price as submitted in a responsive bid, by a responsible bidder.

Sound Transit received two (2) timely bids on May 03, 2024. The two bids were opened at a public bid opening. The two bids received were for Total Bid Prices of $5,399,380 and $6,008,280. All bids were higher than the Independent Cost Estimate (ICE) amount of $3,609,695 resulting in a low bid that was significantly higher than Sound Transit's ICE.

Through internal analysis of the cost proposal, and meeting with the low bidder via bid evaluation conference, Sound Transit identified that the following areas contributed most to the variance between the ICE and low bidder:

1. Sound Transit underestimated three-line items (212213, 14200, and 260000), which resulted in an under estimation of $804,937.
2. It was determined that when the cost estimate was revised, project staff should have applied the CPI from 2021 to reflect a CPI of 17.95% as opposed to 2022 which reflected a CPI of 8.26%. This discrepancy was due to the incorrect application of the CPI when updating the cost estimate to reflect 2024 prices.

Taking into consideration that the two bids received were in a competitive price range, and after further information gained from bid evaluation conference and price analysis, Sound Transit Procurement and Contracts determined that the price for this contract, at $5,399,380, is fair and reasonable.

Fiscal Information

This action is funded by the project's authorized allocation and there are projected sufficient amounts to fund the remaining work. The current project budget and authorized allocation (in the Board-approved Transit Improvement Plan) are included in the latest Long Range Financial Plan projections.

The authorized project allocation for the SeaTac Airport Second Elevator project is $9,734,960. Within that amount, $8,107,647 has been allocated to the construction phase for the elevator. The action would commit $5,939,318 in the construction phase and leave a budget balance of $2,038,351.

SeaTac Airport Second Elevator

(in thousands)

	Authorized Project Allocation or Baseline Budget	Total Commitment to Date	This Action	Total Commitment Plus Action	Uncommitted / (Shortfall)
Administration	$238	$73	$0	$73	$165
Preliminary Engineering	117	116	-	116	1
Final Design	639	541		541	98
Third Party Agreements	-	-	-	-	-
Right of Way	-	-	-	-	-
Construction	8,108	130	5,939	6,069	2,038
Construction Services	633	-	-	-	633
Vehicles	-	-	-	-	-
Project Contingency	-	-	-	-	-
Total Current Budget	**$9,735**	**$861**	**$5,939**	**$6,800**	**$2,935**

JTM Construction	Board Approvals to Date	Proposed Action	Proposed Total for Board Approval
Agreement/Contract Amount	$0	$5,399	$5,399
Contingency	-	540	540
Total	**$0**	**$5,939**	**$5,939**
Percent Contingency	0%	10%	10%

Notes:
Amounts are expressed in Year of Expenditure.
Board Approvals = Committed To-Date + Contingency as of May, 2024 and includes pending Board actions.
This project is managed under the Ops ENH Portfolio; see portfolio details on page 205 of 224 of the 2024 Financial Plan & Adopted Budget.

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 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 this specific contract, the following goals were set and the successful Bidder/Proposer has committed to the following participation:

Small business goal	
Sound Transit goal: 7%	**Commitment: 8.91%**

Apprentice utilization commitment

Apprentice Utilization	
Apprentice utilization goal: 20%	**Commitment: 23%**

Public Involvement

Not applicable to this action.

Time Constraints

Sound Transit is seeking to complete the construction of the second SeaTac elevator ahead of the World Cup in June and July of 2026. Any delay in the procurement poses a risk of the elevator not being ready in time.

Environmental review – EG 7/26/24

Legal review – JEN 07/05/24

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A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with JTM Construction, Inc. for construction services for a second SeaTac elevator in the amount of $5,399,380 with a 10 percent contingency of $539,938, for a total authorized contract amount not to exceed $5,939,318.

Background

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To this end, Sound Transit seeks to provide vertical redundancy from the east side of Pacific Highway, improving ADA access to the SeaTac Airport Link Station. During the procurements process, Sound Transit construction cost estimate of $3,582,799 was exceeded by $1,816,581. This cost discrepancy was due to the proposed design being more technically complex than forecasted. This was informed by Sound Transit's design requiring an elevator with features to interact with building management and security systems, while also requiring cabling to be routed across a pedestrian bridge to connect to SeaTac Link Station electrical infrastructure. Additionally, when Sound Transit revised its cost estimate to reflect 2024 material pricing, a CPI of 8.26% was applied which reflected material costs of 2022. After review, a CPI of 17.95% should have been revised due to material costs needing to reflect 2021 costs, when the original estimate was created. The project scope includes the procurement of necessary materials and services for the construction of new elevator at the SeaTac/Airport Station Passenger Pick-Up located at 2918 S 176th St, SeaTac, WA 98188.

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Motion

It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with JTM Construction, Inc. for construction services for a second SeaTac elevator in the amount of $5,399,380 with a 10 percent contingency of $539,938, for a total authorized contract amount not to exceed $5,939,318.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on July 18, 2024.

K L Walker

Kristina Walker
Rider Experience and Operations Chair

Attest:

Kathryn Flores

Kathryn Flores
Board Administrator