



Motion No. M2024-25

Contract Modification with Mass Electric Construction Company for the East Link Extensions Systems Construction Contract

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	05/09/2024	Recommend to Board	Terri Mestas, Deputy CEO, Chief Mega Capital Programs Officer
Board	05/23/2024	Final action	Ron Lewis, DECM Executive Director Tracy Reed, DECM Deputy Executive Director Jon Lebo, Executive Project Director – East Link

Proposed action

Authorizes the chief executive officer to increase the contract contingency with Mass Electric Construction Company for the East Link Systems Construction contract in the amount of \$5,000,000 for a new total authorized contract amount not to exceed \$438,450,000, with \$326,556,534 allocated from the East Link Extension project, all within the Board approved project budget.

Key features summary

- In April 2017, the Board authorized a Heavy Civil GC/CM construction contract with Mass Electric Construction (MEC) Company for systems construction of the Northgate Link and East Link extensions. This is a single contract with MEC with costs tracked separately between the extensions.
- While the Northgate scope of work is complete and Acceptance has been reached, delays to completion of the predecessor civil construction contracts has resulted in added costs to the East Link Systems contract.
- This action will fund the costs of open pending change items, additional scopes of work including higher than anticipated pedestrian crossing enhancement improvements costs, insurance premiums due to theft, the ongoing costs of the camera security system and onsite security presence and patrols.
- In a previous ST Board action contingency authorization was allocated to allow for an interim payment of \$33 million of a currently forecasted delay claim of \$65-\$68 million arising from civil contractor delays impacting MEC. Sound Transit continues to assess the merit of additional delays to MEC.
- Sound Transit has negotiated the impact costs due to civil delays on the Bellevue to Redmond segments as part of the global settlement agreements with the respective civil contracts. This leaves only the I-90 civil contractor-caused delays to MEC for resolution. Sound Transit will aggressively pursue the civil contractor for costs resulting from delays it caused on the I-90 segment related to the impacts to MEC on this contract.

- To the extent that the extended durations and additional costs such as those referenced here are the result of the actions or inactions of East Link contractors, designers and/or construction management consultants, Sound Transit will aggressively pursue reimbursement of the costs.

Background

In February 2013, Sound Transit made the decision to combine the Systems construction contract for the Northgate Link and East Link extensions into one construction package based on a Value Engineering recommendation. The Systems Construction Contract Package (N830/E750) includes installation of signals, traction electrification, traction power substations, overhead catenary systems (OCS), communications, and SCADA (supervisory control and data acquisition) systems across the combined Northgate and East Link extensions, covering 18 miles of the light rail system.

Northgate Link and East Link extensions are complex, requiring close coordination of work and access between the civil contractors and the MEC. Thus far, this approach has proven successful. The coordination efforts with the civil contractors and a unified approach to contract completion has greatly facilitated the agency's decision to open East Link Starter Line, putting the agency in an excellent position to open the full 2-Line as early as possible.

Sound Transit and MEC are meeting regularly to plan the continuation of work on the I-90 segment, as the civil contract has a phased turnover of the completed track sections. Understanding the dependencies between the I-90 segment and this work has informed our estimate at completion for all remaining change-related costs. This action includes the pending and potential change issues. The final settlement for the delay costs is the subject of an ongoing claim and negotiations.

During the delay period, MEC has remained engaged, performing schedule-critical change work, including the East Link Starter Line, pedestrian-grade crossing enhancements, and WSDOT transformer replacement within the Homer M. Hadley floating bridge.

Project status

○					
Project Identification	Alternatives Identification	Conceptual Engineering/ Draft EIS	Preliminary Engineering/ Final EIS	Final Design	Construction

Projected revenue service: 2025

Project scope, schedule and budget summary are located on page 33 of the February 2024 Agency Progress Report.

Procurement information

This contract was procured on June 2, 2015, through the GC/CM procurement method. Request for Qualifications (RFC) were due on July 11, 2015. Sound Transit received four RFQs. On September 14, 2015, the evaluation team shortlisted the two most qualified submitters.

The Request for Final Proposal (RFFP) was issued to the two finalists on October 21, 2015. The evaluation team selected Mass Electric as the highest qualified company.

This modification is within the original scope of work executed in the contract.

Fiscal information

This is a concurrent action with following Board motions and resolution:

1. M2024-24: Increase contingency for Design Services during construction with WSP USA, Inc. for the East Link Extension,
2. M2024-26: Contract Modification with Northwest Transit Systems Partners for the East Link Extensions Systems Construction Management Consultant Services,
3. M2024-27: Contract Modification with Kiewit-Hoffman, East Link Constructors, for the East Link Extension Seattle to South Bellevue Segment,
4. M2024-28: Contract Modification with Jacobs Project Management Company for Construction Management Services for the East Link Extension Seattle to South Bellevue Segment, and
5. R2024-13: East Link Extension Phase Budget Transfer.

This action is within the baseline budget and sufficient monies remain after approval of this action to fund the remaining work in the Construction phase. The current project budget is included in the existing Long Range Financial Plan.

The baseline budget for the East Link project is \$3,677,150,000. Within that amount, \$2,557,942,014 has been set aside in the construction phase. Within the construction phase, \$328,200,000 has been allocated to the budget line item for E750 East Link Systems. The action would commit \$5,000,000 to this line item and leave a budget balance of \$275,000.

East Link Extension

(in thousands)

Project Phase	Total Baseline Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Administration	\$176,100	\$151,023	\$0	\$151,023	\$25,077
Preliminary Engineering	54,776	54,776	-	54,776	-
Final Design	264,468	262,268	-	262,268	2,201
Third Parties	46,650	41,717	-	41,717	4,933
Right of Way	283,516	281,150	-	281,150	2,367
Construction	2,557,942	2,495,346	5,000	2,500,346	57,596
Construction Services	293,697	291,985	-	291,985	1,713
Total Current Budget	\$3,677,150	\$3,578,264	\$5,000	\$3,583,264	\$93,886

Phase Detail -

Construction					
E750 East Link Systems	\$328,200	\$322,925	\$5,000	\$327,925	\$275
Other Construction	2,229,742	2,172,421	-	2,172,421	57,321
Total Phase	\$2,557,942	\$2,495,346	\$5,000	\$2,500,346	\$57,596

Mass Electric Construction Company	Board Approvals to Date	Proposed Action	Proposed Total for Board Approval	Current Contract Spend Status
East Link Contract Amount	\$264,651		\$264,651	\$271,261
East Link Contingency	56,905	5,000	61,905	0
Northgate Contract Amount	107,807		107,807	107,403
Northgate Contingency	2,082		2,082	0
Convention Place Retrofit Contract	2,004		2,004	2,004
Convention Place Retrofit Contingency	0		0	0
Total Contract Amount	\$433,450	\$5,000	\$438,450	\$380,668
Percent Contingency	16%		17%	0%

Notes:

Amounts are expressed in Year of Expenditure \$000s.
 For detailed project information, see page 115 of 224 of the 2024 Financial Plan & Adopted Budget.
 * Board Approvals = Commitment and PO Contingency Remaining as of 3/31/2024.

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 established and below is the current small business/DBE participation:

Small business and disadvantaged business enterprise (DBE) goals	
DBE goal: 3%	Sound Transit small business goal: 6%
DBE commitment: 3%	Small business commitment: 6%
Current DBE Participation: 5.52%	Current Small Business Participation: 7.34%

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would not create a significant impact to the project schedule.

Prior Board/Committee actions

Motion No. M2023-71: Authorized the chief executive officer to increase the contract contingency with Mass Electric Construction Company for the East Link Systems Construction contract in the amount of \$38,000,000 for a new total authorized contract amount not to exceed \$433,450,000, with \$321,556,534 allocated from the East Link Extension, all within the Board approved baseline budget.

Motion No. M2023-24: Authorized the chief executive officer to increase the contract contingency with Mass Electric Construction Company for the East Link Systems Construction contract in the amount of \$15,000,000, for a new total authorized contract amount not to exceed \$395,450,000, with \$283,556,534 allocated to the East Link Extension, all within the Board approved project budget.

Motion No. M2017-49: Authorized the chief executive officer to execute a construction contract with Mass Electric Construction Company to provide Heavy Civil General Contractor/Construction Manager services for the Northgate Link and East Link Extensions systems construction in the amount of \$360,428,571 with a 5% contingency of \$18,021,429 for a total authorized contract amount not to exceed \$378,450,000.

Motion No. M2015-118: Authorized the chief executive officer to execute a contract with Mass Electric Construction Company to provide pre-construction services for the Northgate Link and East Link Extensions systems construction in the amount of \$2,993,538, with a 10% contingency of \$299,354, for a total authorized contract amount not to exceed \$3,292,892.

Environmental review – KH 4/22/24

Legal review – JEN 05/02/24

Motion No. M2024-25

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contract contingency with Mass Electric Construction Company for the East Link Systems Construction contract in the amount of \$5,000,000 for a new total authorized contract amount not to exceed \$438,450,000, with \$326,556,534 allocated from the East Link Extension project, all within the Board approved project budget.

Background

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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 increase the contract contingency with Mass Electric Construction Company for the East Link Systems Construction contract in the amount of \$5,000,000 for a new total authorized contract amount not to exceed \$438,450,000, with \$326,556,534 allocated from the East Link Extension project, all within the Board approved project budget.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Dow Constantine
Board Chair

Attest:

Kathryn Flores
Board Administrator