

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2009-13

Contract for Elevator and Escalator Maintenance Services for SeaTac/Airport Station

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	1/22/09	Discussion/Possible Action to Recommend Board Approval	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	1/29/09	Action	Vicki Youngs, Deputy Director, Transportation Services Ron Lewis, Airport Link Project Director	(206) 398-5024 (206) 398-5294

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<input checked="" type="checkbox"/>
Competitive Procurement		Execute New Contract/Agreement	<input checked="" type="checkbox"/>
Sole Source	<input checked="" type="checkbox"/>	Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Airport Link

PROPOSED ACTION

Authorizes the chief executive officer to execute a sole source contract with ThyssenKrupp Elevator to provide maintenance service for elevators and escalators at the SeaTac/Airport Station for four years following the 12-month warranty period, for a total authorized contract amount not to exceed \$300,000.

KEY FEATURES of PROPOSED ACTION

- The purpose of this action is to provide for service and maintenance of the three elevators and four escalators at the SeaTac/Airport Station by the original equipment vendor and warrantor, ThyssenKrupp Elevator (TKE) for four years following the 12-month warranty period.
- In February 2008, Sound Transit amended the Airport Link C430R construction contract with Mowat to add the station finishes elements. The elevators and escalators are being provided by ThyssenKrupp Elevator through the C430R contract and have a 12-month warranty period for preventive maintenance services. The contract amendment included a provision that Sound Transit execute a maintenance contract with TKE to commence after the warranty period.
- The ThyssenKrupp Elevator warranty specifically states that if any maintenance or servicing of the elevators or escalators is performed by a person or persons not previously authorized by that manufacturer, the warranty is voided. The proposed contract defines a scope of work that will help ensure the elevators and escalators achieve their fully anticipated service life and will minimize service disruptions and replacement costs. In addition to scheduled monthly preventative maintenance services, the contract provides for unscheduled service and repair. The requested authorization includes a contingency for unscheduled service and repair in excess of the base contract. This contingency will be controlled by Sound Transit.
- While the agreement has been facilitated by Link, this scope of work will be covered by the Link light rail transit operations budget.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed action would authorize the chief executive officer to execute a sole source contract with ThyssenKrupp Elevator to provide maintenance service for three elevators and four escalators at the SeaTac/Airport Station for a four year period in a not to exceed amount of \$300,000.

This scope of work will be covered by the Link light rail transit operations budget, maintenance of facilities and right of way category. For 2009, there is a total of \$1,124,880 budget for the maintenance of facilities and the right of way. The expenditures authorized in this contract would not occur until after the expiration of the warranty period, projected to be no earlier than 2010. As such, the costs contemplated in this contract have been incorporated in the long term forecasts for Link operations and will be included in the budget for facilities maintenance costs in the 2010 transit operations budget and future years for the duration of the contract.

There are no impacts to the 2009 Link transit operations budget.

BUDGET TABLE

Summary for Board Action (X \$1,000)

Action Item: Contract with ThyssenKrupp Elevator for elevator and escalator maintenance services at Airport Link Station.

	(A)	(B)	(C)	(D)
	Adopted 2009 Budget	Spent to date in 2009	Contract Expenditures 2009	Remaining 2009 Budget
1 Current Year Budget				
2 Link Facilities Maintenance	1,125	-	-	1,125
3 Other Services	4,548	-	-	4,548
4 Total	5,673	-	-	5,673

Budget Shortfall

	Level	Shortfall	Resources	Funding Source
4	N/A	-	-	N/A

Contract Spending Plan	Prior Year(s) Spending	2009 Spending	Future Expenditures	Total
5 ThyssenKrupp Elevator	-	-	-	-
6 ThyssenKrupp Elevator (This Action)	-	-	300	300
	-	-	300	300

	Current Approved Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
7 ThyssenKrupp Elevator	-	-	300	300
8 Contingency	-	-	-	-
9 Total Contract	-	-	300	300
10 Percent Contingency	-	-	0%	0%

Notes:

The Adopted 2009 Budget was approved by the Board on December 11, 2008. The budget can be found on page 56 of the Proposed 2009 Budget Book, as amended by Resolution # R2008-14.

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

ThyssenKrupp Elevator is a specialty firm retained for these services and is not anticipated to utilize subcontractors.

Equal Employment Workforce Profile

ThyssenKrupp Elevator workforce demographics are 5% women and 6% people of color.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The southern terminus of the Airport Link project is an elevated light rail station near Sea-Tac International Airport's main terminal near South 176th Street, just east of the airport terminal and parking garage. The mezzanine level of the station will be connected to the airport terminal via a pedestrian bridge to the airport parking garage and a walkway through the fourth floor of the parking garage leading to the passenger check-in level of the airport terminal. Another pedestrian bridge will connect the station mezzanine to a community access point (kiss-and-ride) facility on the east side of International Boulevard. SeaTac/Airport Station has two pairs of escalators and two elevators connecting the center platform to the mezzanine level of the

station. One of the elevators in the station extends to the ground level below to provide maintenance access. There is also an elevator on the east end of the pedestrian bridge over International Boulevard to connect to the ground level at the community access point. In total, the SeaTac/Airport Station includes three elevators and four escalators.

The SeaTac/Airport Station, the pedestrian bridge over International Boulevard, and the community access point facility are currently being constructed under Sound Transit's C430R Airport Station Contract. The pedestrian bridge to the parking garage will be constructed under a Port of Seattle construction contract beginning in March 2009.

Sound Transit advertised the C430R Airport Station Contract in December 2006. In March 2007, Sound Transit received a single bid from Mowat Construction (Mowat) that was approximately \$42 million above the Sound Transit engineer's estimate. In order to maintain the overall Airport Link project schedule, Sound Transit converted the procurement to a negotiated procurement and in July 2007, awarded a sole source contract to Mowat Construction for a reduced portion of the scope in the original bid package that included the reinforced concrete structural elements of the station. Sound Transit then proceeded to redesign the remaining scope elements in order to reduce overall project cost while maintaining functionality. The C430R contract provided that Sound Transit could, at its sole discretion, add all or part of the station finishes elements, the International Boulevard Plaza and pedestrian bridge, and the airport parking garage pedestrian bridge as additional construction scope to the C430R contract. In August 2007, after the engineering documents for the station finishes elements had been advanced to the 30% level of design completion, Sound Transit initiated negotiations with Mowat regarding the remaining scope elements. Collaboration at this design stage provided Sound Transit the opportunity to pursue efficiencies through value engineering and consideration of alternative construction means and methods. The design team advanced the engineering documents to a level sufficient for Mowat to prepare a price proposal in November 2007.

Negotiation of the price and other terms were completed based on the November 2007 documents. A significant cost factor in Mowat's proposal was for supplying the elevators and escalators. Through the negotiating process with Mowat, Sound Transit was able to lower the initially proposed price by approximately \$2 million by interesting a second vendor, ThyssenKrupp Elevator (TKE), to submit a proposal for the elevators and escalators. A condition of the revised price proposal was that Sound Transit would execute a four year maintenance agreement with TKE. While it was originally intended that this work would be included within the construction agreement, it was determined that it would be more efficient, practical, and economical for Sound Transit to contract directly with TKE.

In view of the specialized nature of elevators and escalators, it was determined that the interests of Sound Transit would be best served though the continuity of the service provider for these components. Due to the geographical spread of facilities requiring elevator services and the potential need for timely emergency response times, outsourcing elevator maintenance services at this time provides an effective contractual alternative for the agency. In addition, elevator maintenance professionals require specialized certification and licensing and immediate access to repair parts inventory

The use of a direct contract between Sound Transit and ThyssenKrupp Elevator permits the work to be provided without the burden of general contractor markups, and will allow for direct communication between Sound Transit and ThyssenKrupp Elevator.

Sole Source Justification

The sole source procurement for Maintenance of Airport Station and Elevators and Escalators is being requested under Section 9.h. of the FTA Circular 4220.1F, Chapter VI, subsection (3)(i)(3)(b), and under Sound Transit's procurement regulations. This action has no FTA funds. This maintenance agreement will be paid with local funds.

The overall cost for the Airport Station elevators and escalators was reduced by approximately \$2 million, in part, based on the execution of a maintenance agreement.

The elevators and escalators are custom fabricated to meet the service requirements of Sound Transit and ThyssenKrupp Elevator has begun the process of providing these components under the Airport Link C430R Contract. ThyssenKrupp Elevator will provide a one year warranty period on the elevators and escalators through the requirements of the C430R Contract to build the station. The elevators and escalators will require maintenance by personnel certified by ThyssenKrupp Elevator in order to comply with the terms of the warranty. The risk of loss of the warranty protection caused by entities other than the installer and provider of the warranty is eliminated by continuing the services of ThyssenKrupp Elevator. While not anticipated to be required, the terms of the agreement permit Sound Transit to terminate ThyssenKrupp Elevator for failure to perform.

In addition to the scheduled monthly preventative maintenance services, the contract provides for unscheduled service and repair work.

Prior Board/Committee Actions

Motion/Resolution Number and Date	Summary of Action
M2008-27 02/28/08	Authorized the CEO to execute an amendment to an existing and previously authorized negotiated sole source contract with Mowat Construction Company for the construction of station finishes elements of the SeaTac/Airport Station in the amount of \$37,226,000, with a contingency of \$1,000,000, for a total authorized contract amount not to exceed \$74,026,000.
M2007-79 07/29/07	Authorized the CEO to execute a contract with Mowat Construction Company for the construction of selected elements of the SeaTac/Airport Station and trackwork in the amount of \$34,800,000, with a contract contingency of \$1,000,000, for a total authorized contract amount not to exceed \$35,800,000.

CONSEQUENCES of DELAY

A short delay in the approval of this action could be accommodated with minimal impact on the project. However, it is highly desirable to complete this action in a timely fashion so that all necessary contracts are in place well in advance of the transition from construction into revenue service.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

Jl, 01/05/09

LEGAL REVIEW

JN 1/15/09

SOUND TRANSIT

MOTION NO. M2009-13

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a sole source contract with ThyssenKrupp Elevator to provide maintenance service for elevators and escalators at the SeaTac/Airport Station for four years following the 12-month warranty period, for a total authorized contract amount not to exceed \$300,000.

Background:

The southern terminus of the Airport Link project is an elevated light rail station near Sea-Tac International Airport's main terminal near South 176th Street, just east of the airport terminal and parking garage. The mezzanine level of the station will be connected to the airport terminal via a pedestrian bridge to the airport parking garage and a walkway through the fourth floor of the parking garage leading to the passenger check-in level of the airport terminal. Another pedestrian bridge will connect the station mezzanine to a community access point (kiss-and-ride) facility on the east side of International Boulevard. SeaTac/Airport Station has two pairs of escalators and two elevators connecting the center platform to the mezzanine level of the station. One of the elevators in the station extends to the ground level below to provide maintenance access. There is also an elevator on the east end of the pedestrian bridge over International Boulevard to connect to the ground level at the community access point. In total, the SeaTac/Airport Station includes three elevators and four escalators.

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Negotiation of the price and other terms were completed based on the November 2007 documents. A significant cost factor in Mowat's proposal was for supplying the elevators and escalators. Through the negotiating process with Mowat, Sound Transit was able to lower the initially proposed price by approximately \$2 million by interesting a second vendor, ThyssenKrupp Elevator (TKE), to submit a proposal for the elevators and escalators. A condition of the revised price proposal was that Sound Transit would execute a four year maintenance agreement with TKE. While it was originally intended that this work would be included within the construction agreement, it was determined that it would be more efficient, practical, and economical for Sound Transit to contract directly with TKE.

In view of the specialized nature of elevators and escalators, it was determined that the interests of Sound Transit would be best served through the continuity of the service provider for these components. Due to the geographical spread of facilities requiring elevator services and the potential need for timely emergency

response times, outsourcing elevator maintenance services at this time provides an effective contractual alternative for the agency. In addition, elevator maintenance professionals require specialized certification and licensing and immediate access to repair parts inventory

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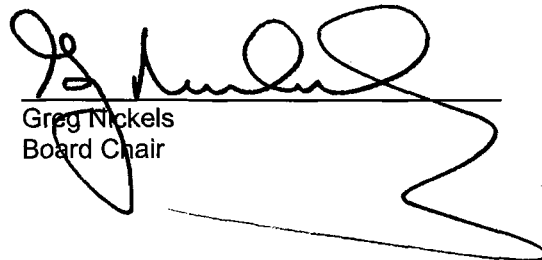
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In addition to the scheduled monthly preventative maintenance services, the contract provides for unscheduled service and repair work.

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 sole source contract with ThyssenKrupp Elevator to provide maintenance service for elevators and escalators at the SeaTac/Airport Station for four years following the 12-month warranty period, for a total authorized contract amount not to exceed \$300,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 29, 2009.



Greg Nickels
Board Chair

ATTEST:



Marcia Walker
Board Administrator