

Motion No. M2024-63

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

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee Board	10/10/2024 10/24/2024	Recommend to Board Final action	Terri Mestas, DCEO, Chief Mega Capital Programs Officer Michael Morgan, Executive Director – Capital Delivery Joe Gildner, Deputy Executive Director – Capital Delivery Randy Harlow, 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 \$30,000,000 for a new total authorized contract amount not to exceed \$468,450,000, contingent upon approval of Resolution No. R2024-23.

Key features summary

- In April 2017, the Board authorized a Heavy Civil General Contractor / Construction Manager (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, quality issues and other factors have led to delays to completion of the predecessor civil construction contracts, particularly the E130 (I-90) segment, and have resulted in delays and added costs to the East Link Systems contract.
- In Motion No. M2023-71, the Board allocated construction phase contingency to allow for an interim payment of \$33 million on a then-forecast delay claim of \$65 million arising from civil contractor delays impacting MEC.
- Following extensive negotiations, an agreement was reached resolving existing MEC claims for costs, delays and impacts through April 23, 2025, and requiring the completion of all fieldwork by March 23, 2025, for which MEC will be paid \$25 million.
- The settlement agreement also includes up to \$5 million in incentive payments for achieving certain schedule milestones.
- Sound Transit staff will seek to recover any delay damages that are the responsibility of other East Link contractors.

Background

East Link extends light rail 14 miles, with 10 stations from Seattle's International District to Judkins Park, across I-90 to Mercer Island and South Bellevue, through downtown Bellevue and the Bel-Red area to Redmond Technology Station. Revenue service commenced in April 2024 between the South Bellevue and Redmond Technology Stations. Revenue service for the full East Link Extension is anticipated to begin in late 2025.

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.

The 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 facilitated the agency's decision to open East Link Starter Line, allowing the agency to open the full 2-Line as early as possible.

Sound Transit, MEC and the I-90 civil contractor now meet weekly to coordinate construction activities on the I-90 segment.

Project status

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

Projected completion date for Construction: Q4 2025

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

Procurement Information

This contract was procured on June 2, 2015, through the Heavy Civil General Contractor / Construction Manager (GC/CM) procurement method. Requests for Qualifications (RFQs) 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 Motion No. M2024-64: Increase Contingency Funds for East Link Extension Agreements and Contracts and contingent upon Board approval of the East Link budget amendment outlined in Resolution No. R2024-23.

The baseline budget for the East Link Extension project is \$3,757,150,000. Within that amount, \$2,607,942,014 has been set aside in the Construction phase. Within the Construction phase, \$358,200,000 has been allocated to the budget line item for E750 East Link Systems. The action would commit \$30,000,000 to this line item and leave a budget balance of \$34,452.

East Link Extension

(in thousands)

Project Phase	Total Baseline Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Administration	\$181,100	\$162,285	\$0	\$162,285	\$18,815
Preliminary Engineering	54,776	54,776	-	54,776	-
Final Design	267,468	266,473	-	266,473	995
Third Parties	48,650	43,454	-	43,454	5,196
Right of Way	283,516	281,043	-	281,043	2,473
Construction	2,607,942	2,523,457	30,000	2,553,457	54,485
Construction Services	313,697	312,035	-	312,035	1,663
Total Current Budget	\$3,757,150	\$3,643,523	\$30,000	\$3,673,523	\$83,627

Phase Detail - Construction

E750 East Link Systems	\$358,200	\$328,166	\$30,000	\$358,166	\$34
Other Construction	2,249,742	2,195,291	-	2,195,291	54,451
Total Phase	\$2,607,942	\$2,523,457	\$30,000	\$2,553,457	\$54,485

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	\$0	264,651	\$287,256
East Link Contingency	61,905	30,000	91,905	-
Northgate Contract Amount	107,807	-	107,807	107,403
Northgate Contingency	2,082	-	2,082	-
Convention Place Retrofit Contract	2,004	-	2,004	2,004
Convention Place Retrofit Contingency	-	-	-	-
Total Contract Amount	\$438,450	\$30,000	\$468,450	\$396,663
Percent Contingency	17%		25%	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 8/31/2024.

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%	Small Business Goal: 6%
DBE Commitment: 3%	Small Business Commitment: 6%

Public involvement

Not applicable to this action.

Time constraints

The claim settlement agreement includes a good-faith effort to seek Sound Transit Board approval as soon as practical. A one-month delay may jeopardize the execution of the settlement agreement, potentially leading to additional claims for delay from the contractor.

Prior Board/Committee actions

Motion No. M2024-25: 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 \$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, all within the Board approved baseline budget.

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 – EG 9/20/24

Legal review – JEN 10/01/24



Motion No. M2024-63

A motion of the of Board 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 \$30,000,000 for a new total authorized contract amount not to exceed \$468,450,000, contingent upon approval of Resolution No. R2024-23.

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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 \$30,000,000 for a new total authorized contract amount not to exceed \$468,450,000, contingent upon approval of Resolution No. R2024-23.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 24, 2024


Dow Constantine
Board Chair

Attest:


Kathryn Flores
Board Administrator