

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 5b

**ACTION ITEM**

**Date of Meeting** January 8, 2013

**DATE:** December 27, 2012

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Wayne Grotheer, Director, Aviation Project Management  
Elizabeth Leavitt, Director, Aviation Planning and Environmental Programs

**SUBJECT:** Relocation of Port Utilities Project in support of Sound Transit's South Link.  
WP U00008 (was 104665)

**Amount of This Request:** \$220,000

**Source of Funds:** Airport Development Fund  
(Reimbursed by Sound Transit)

**Est. Jobs Created:** 11

**Total Project Cost:** \$1,170,000

**ACTION REQUESTED:**

Request Commission authorization (1) for the Chief Executive Officer to execute a major works construction contract in the amount of \$666,300 to relocate several Port utilities in advance of and to accommodate Sound Transit's South Link project due to bids exceeding the engineer's estimate by at least 10 percent and (2) request a budget increase of \$220,000 for a revised project budget of \$1,170,000. All costs associated with this work are expected to be reimbursed in full by Sound Transit consistent with the memorandum of agreement dated August 15, 2012.

**SYNOPSIS:**

This project supports Sound Transit's South Link project authorized by their Board to accelerate the extension of light rail service from their Sea-Tac Airport Station to a new station and parking structure at South 200th Street. On August 15, 2012, the Port and Sound Transit executed a memorandum of agreement (MOA) to work cooperatively and support the completion of the South Link project. The MOA committed the Port to expedite relocating several Port utilities in advance of the start of construction by Sound Transit's design-build contractor. In September 2012, Sound Transit awarded the design-build contract to construction company PCL to design and construct the South Link. PCL's estimated schedule is to begin construction in April 2013 in close proximity to the utilities the Port is relocating under this project.

On December 12, 2012, the Port received six bids for this scope of work as a major public works project. On December 13 the apparent low bidder, American Electric Services, withdrew their

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bid due to a bid error. The remaining five bids are more than 10 percent over the engineer's estimate. Staff has analyzed these bids and the engineers estimate did not accurately reflect the costs associated with specification requirements for liners to be installed within storm sewer manholes. The market via the five remaining bids demonstrated the real value of the work. Port staff has received concurrence from Sound Transit staff to proceed with the contract award.

Contactor	Bid	Variance
Engineer's Estimate	\$515,700	0%
American Electrical Services	\$499,380	-3.2%
	<b>Withdrew</b>	
SCI Infrastructure	\$666,300	29.2%
Interwest Construction	\$681,900	32.2%
C.A. Carey	\$731,700	41.9%
Gary Merlino	\$806,840	56.5%
KC Equipment	\$836,221	62.2%

Staff believes the low bid of \$666,300 by SCI Infrastructure offers a fair and reasonable price. Staff recommends that the Commission approve the execution of this contract as provided for by Section 4.2.3.4 of Resolution No. 3605, as amended, which requires Commission approval to proceed in the case of a bid irregularity, such as the bid being greater than 10 percent over the engineer's estimate.

Awarding the contract to SCI Infrastructure requires the Commission to authorize a \$220,000 budget increase as a result of accepting the higher bid and the increase in construction contingency as a percentage of the bid price. The budget increase brings the total budget to \$1,170,000. The entire budget is fully reimbursable by Sound Transit and their staff supports increasing this budget as a requirement of accepting the higher bid.

### **BACKGROUND:**

On July 28, 2011, the Sound Transit Board approved the baseline scope, budget, and accelerated schedule to open the South Link project for revenue service by September 2016. Approval was predicated on using the design-build delivery method. During the planning effort staff of the two agencies determined it would be more efficient for the Port to relocate several utilities that were identified as being impacted by the guideway foundations. It was further agreed the initial preliminary work could be performed under a separate agreement with the balance of the work incorporated into a South Link Memorandum of Agreement (MOA) executed on August 15, 2012.

Expediting this project is necessary to relocate utilities on Port property in advance of Sound Transit's design/build contractor beginning construction, providing certainty for their bidders and a clear path to complete their work. Based on Sound Transit's Board approval it is critical to relocate Port utilities prior to the anticipated start of construction of the light rail extension in April 2013.

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### **PROJECT SCOPE OF WORK AND SCHEDULE:**

#### ***Project Statement:***

Relocate the following Port-owned utilities in advance of the start of construction by Sound Transit on their South Link project:

Relocate approximately:

- 600 linear feet of sanitary sewer line
- 360 linear feet of electrical duct bank
- 400 linear feet of communication duct bank (vacant)

#### ***Project Objectives:***

- Expedite the design and construction of relocating utilities to accommodate Sound Transit's accelerated South Link project schedule.
- Comply with state public bidding laws and Port requirements, policies, and procedures.
- Minimize impacts to Port operations and utilities.

#### ***Project Schedule:***

Design began in December 2011. The project was advertised for bids in November 2012.

Construction is estimated to begin in March 2013; completing no later than June 2013.

<b><u>Activity</u></b>	<b><u>Start</u></b>	<b><u>Finish</u></b>
Pre -Design	September 2011	December 2011
Design	December 2011	October 2012
Advertise and award	November 2012	January 2013
Construction	March 2013	June 2013

### **FINANCIAL IMPLICATIONS:**

#### **Budget/Authorization Summary**

The following budget and authorization summary is for this project and is considered an expense project to be fully reimbursed by Sound Transit.

Original Budget	\$950,000
Previous Authorizations	\$950,000
Current request for authorization	\$220,000
Total Authorizations, including this request	\$1,170,000
Remaining budget to be authorized	\$0
Total Estimated Project Cost	\$1,170,000

#### **Project Cost Breakdown**

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Construction	\$770,000
Construction Management	\$200,000
Design	\$125,000
Project Management	\$69,000
Permitting	\$6,000
State & Local Taxes (estimated)	\$0
Total	\$1,170,000

### **Source of Funds**

All funds for this project are to be expensed from the Airport Development Fund and be reimbursed by Sound Transit in full.

### **STRATEGIC OBJECTIVES:**

This project supports the Port's Century Agenda objective to "Reduce air pollutants and carbon emissions."

### **TRIPLE BOTTOM LINE:**

Supporting Sound Transit's South Link project will provide a long-term solution in regional transportation by providing light rail access to the Airport and enabling the region to continue to receive the economic benefit of light rail. Light rail provides Airport customers with another environmentally friendly, alternative, low-cost method to get to and from the Airport and local communities through the elimination of vehicle trips. This major construction project supports the Port's small business initiatives by providing an opportunity for small businesses to competitively bid on work for the Port.

### **ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:**

- Alternative #1: Do Not Award Contract: Staff evaluated rejecting all bids and re-advertising the contract. This would seriously delay the Port's project, which would impact Sound Transit's design-build contractor's schedule for beginning construction on major footings for the elevated rail immediately south of the Airport Station. Sound Transit Management staff did not support this alternative. This is not a recommended alternative.
- Alternative #2: Sound Transit Relocates Utilities: The Port would reject all bids and turn the contract documents over to Sound Transit. Sound Transit would execute a change order with their design/build contractor to relocate the Port utilities. This alternative presents similar schedule concerns as in Alternative #1. Although the Port's design is complete, Sound Transit's contractor would need to assemble a team of subcontractors and negotiate the work, jeopardizing the overall schedule. Sound Transit Management staff does not support this alternative. Therefore this is not the recommended alternative.

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- Alternative #3: Award Contract: Based upon our analysis of the factors that affected the bid prices, Port staff believes the bid price from SCI Infrastructure is fair and reasonable. Sound Transit Management staff supports this alternative. Staff recommends the Commission authorize for contract award. **This is the preferred alternative.**

### **OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

None.

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

On May 10, 2011, the Port Commission was briefed on the planning and coordination between Sound Transit and the Port regarding South Link and South Access.

On February 14, 2012, the Port Commission authorized the design and construction of the relocation of Port utilities in support of Sound Transit's South Link Project.

On May 22, 2012, the Port Commission authorized the Chief Executive Officer to execute a memorandum of agreement with Central Puget Sound Regional Transit Authority to support completion of South Link.