

# T Transportation Committee

**Meeting date: February 9, 2009**

**For Metropolitan Council meeting: February 25, 2009**

<b>ADVISORY INFORMATION</b>	
<b>Date:</b>	January 30, 2009
<b>Subject:</b>	Northstar Corridor Commuter Rail Subordinate Funding Agreement No. 10 with Minnesota Department of Transportation for East Platform Interlocking
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Northstar Corridor Commuter Rail Project Master Cooperation and Delegation Agreement
<b>Staff Prepared/Presented:</b>	Brian J. Lamb, General Manager, 612-349-7510 Mark W. Fuhrmann, Deputy General Manager, 651-602-1942 Richard M. Rovang, Asst. General Mgr.-Transit Systems Dev., 651-602-1941 Chris Weyer, Director-Transit Systems Design & Construction, 651-366-5825
<b>Division/Department:</b>	Metro Transit

## **Proposed Action**

That the Metropolitan Council authorize the Regional Administrator:

- To negotiate and execute a subordinate funding agreement with the Minnesota Department of Transportation (MnDOT), in an amount not to exceed \$611,000, for reimbursement of costs incurred by the Metropolitan Council for construction services related to the Northstar Corridor Commuter Rail East Platform Interlocking project.

## **Background**

Subsequent to the bidding of the Northstar Corridor Commuter Rail Project Downtown Intermodal Station and Light Rail Transit (LRT) Connection construction contract, Northstar project staff identified the need to provide an additional interlocking signal location to allow safe, signalized train operation with remotely requested signals for Northstar Commuter Rail engineers. Burlington Northern Santa Fe (BNSF) operations and safety staff strongly support this modification as a safety enhancement for bringing trains in and out of the downtown Minneapolis station.

In May, 2008, Northstar Project Office issued a Request for Change Proposal to the downtown construction contractor, who provided a proposal in excess of \$1.5 million. The price proposal was approximately three times the engineer's cost estimate. Northstar project staff therefore prepared an Invitation for Bid utilizing the Metropolitan Council's (Council) standard construction contract, which was issued in December, 2008.

On January 26, 2009, two bids were received and opened publicly. The bids were \$561,000 and \$792,000. The engineer's cost estimate for this work was \$540,113. The lowest bid of \$561,000 from Morcon Construction was within 4% of the engineer's estimate. A 17% Disadvantaged Business Enterprise (DBE) goal was assigned to this project by the Council. The Office of Diversity and Equal Opportunity has reviewed and approved the DBE commitment by Morcon considering both their numerical submission and good faith efforts. The Council's Purchasing Department has determined that Morcon, with the bid of \$561,000, is the lowest responsive and responsible bidder.

The Subordinate Funding Agreement authorization request of \$611,000 is comprised of the base bid of \$561,000 and a construction contingency of \$50,000.

### **Rationale**

MnDOT and the Council have entered into a Master Funding Agreement that provides reimbursement to the Council for certain project eligible costs through subordinate funding agreements. These construction services are eligible project expenses for which the Council can be reimbursed. This subordinate funding agreement will provide the mechanism for the Council to seek reimbursement from MnDOT and provide for the commitment of project funds for the payment of these costs.

### **Funding**

This work is currently budgeted in the Northstar Corridor Commuter Rail overall project budget. With the execution of the Northstar Full Funding Grant Agreement on December 11, 2007, federal and local funding to reimburse the Council has been committed. The Council will pay for the construction services and be reimbursed by MnDOT through this subordinate funding agreement.

### **Known Support / Opposition**

The State of Minnesota and Northstar Corridor Development Authority have shown support of Northstar with the commitment of funds for their portion of the project. With the execution of the Full Funding Grant Agreement, the Federal government has confirmed its support and commitment of funding their portion of the Northstar project as well.