

**T** Transportation Committee  
For Metropolitan Council meeting of April 27, 2011

**Date** April 12, 2011  
**Prepared:**  
**Subject:** Hiawatha Light Rail Facility Expansion, Project 64910

**Proposed Action:**

Authorize the Regional Administrator to award and execute a contract with the lowest responsive and responsible bidder, Shaw-Lundquist Associates, for the construction of the Hiawatha Light Rail Transit Operations and Maintenance (HLRT O&M) Facility Expansion at a cost of \$13,653,828.

**Summary of Committee Discussion / Questions:**

MarySue Abel, Metro Transit Project Manager, Engineering and Facilities, presented.

Council Member Smith asked about the decision to award the contract to Shaw-Lundquist, when their Disadvantaged Business Enterprise (DBE) commitment is only 11.7% and the goal was 15%. Staff responded that the Office of Diversity (ODEO) reviewed the DBE goal commitments for the contractor. In addition to the numeric goal, ODEO reviews the Good Faith Efforts of the contractor. ODEO determined that Shaw-Lundquist passed the DBE requirements for this project.

Council Member Duininck asked if there are any penalties for a contractor not meeting the DBE goal. General Manager Lamb suggested that we invite Wanda Kirkpatrick, Director for the Office of Diversity and Equal Opportunity with the Metropolitan Council, to present an Information Item to the Council on the DBE process. Mr. Lamb went on to explain that the ODEO evaluates the contractor's Good Faith Efforts in order to establish the contract commitment. After the contract is executed, Engineering and ODEO staff perform monthly audits to ensure that the contractor is meeting that commitment. Following this Transportation Committee meeting, staff discussed the process of tracking DBE participation with ODEO. ODEO tracks the contractor's DBE participation on a monthly basis. If the participation is not meeting the contractor's commitment, ODEO will meet with the contractor to discuss corrective measures. If the contractor continues to not meet their commitment, ODEO does have options to impose sanctions on the contractor, such as withholding payments and preventing future bidding on projects.

Motion by Council Member Duininck, seconded by Council Member Brimeyer and passed unanimously.

# T Transportation Committee

Meeting date: April 11, 2011

For Metropolitan Council Meeting: April 27, 2011

## ADVISORY INFORMATION

**Date:** April 5, 2011  
**Subject:** Hiawatha Light Rail Facility Expansion, Project 64910  
**District(s), Member(s):** All  
**Policy/Legal Reference:** MN Statutes 473.405 and 471.59  
**Staff Prepared/Presented:** Brian Lamb, General Manager, 612-349-7510  
Tom Thorstenson, Director, E&F, 612-349-7689  
MarySue Abel, Project Manager, E&F 612-349-7638  
**Division/Department:** Metro Transit/Engineering &Facilities

### Proposed Action

Authorize the Regional Administrator to award and execute a contract with the lowest responsive and responsible bidder, Shaw-Lundquist Associates, for the construction of the Hiawatha Light Rail Transit Operations and Maintenance (HLRT O&M) Facility Expansion at a cost of \$13,653,828.

### Background

The HLRT O&M Facility is to be expanded to accommodate the new light rail vehicles (LRV's) that will be purchased for the Hiawatha 3-car train program. The expansion will include additional vehicle storage space, a new in-floor hoist, and additional parts storage, facility maintenance and shop spaces.

Seven (7) bids were received and opened publicly on March 1, 2011 and ranged in value from \$13,653,828 to \$15,007,700. The engineer's estimate for this work was \$12,100,000. The lowest bid of \$13,653,828 was 12.8% above the engineer's estimate. After a review of the bids and comparison with the engineer's estimate, staff concluded that the Shaw-Lundquist Associates bid is fair and reasonable. This conclusion is based substantially on the competitiveness and closeness of the seven (7) bids (within 9% of each other), recent increases in commodity prices and the extensive amount of light rail projects currently in construction. Shaw-Lundquist Associates committed 11.7% of the work to be directed to Disadvantaged Business Enterprise (DBE) companies versus a DBE target of 15%.

### Rationale

The first LRV delivery is likely to begin in September 2012. The HLRT O & M Expansion is to be completed prior to the arrival of the new vehicles so that the new vehicles can be properly stored and maintained.

### Funding

Sufficient funding is available within project 64910. Funding sources include FTA Grant MN-05-0018 and Regional Transit Capital (RTC) funds. In addition, a TIGGER II grant was awarded to this project for Greenhouse Gas Emission Reductions, which will offset the cost of a geothermal system to be installed as part of this project. The TIGGER II

grant is expected to be available in June 2011. This grant will replace \$1.2 million in RTC funds currently set aside for this project.

**Known Support / Opposition**

There is no known opposition.