

Transportation Committee

Meeting date: November 9, 2015

For the Metropolitan Council meeting of November 18, 2015

Subject: Authorization to award and execute a construction contract for the Downtown East Pedestrian Bridge.

District(s), Member(s): District 7 – Gary Cunningham

Policy/Legal Reference: Council Expenditure Policy 3-3 Procurement of Good and Services

Staff Prepared/Presented: Brian Lamb, General Manager, 612-349-7510

Marilyn Porter, Director Engineering & Facilities, 612-349-7689

Pat Jones, Asst. Director Facilities Engineering, 612-349-7606

James Harwood, Lead Project Manager, 612-349-7339

Division/Department: Metro Transit/Engineering & Facilities

Proposed Action

That the Metropolitan Council (Council) authorize the Regional Administrator to award and execute a contract with the lowest responsive and responsible bidder, LS Black Constructors, for the construction of the Downtown East Pedestrian Bridge Project at a cost of \$9,650,000.

Background

At the Metropolitan Council meeting on July 8, 2015, Business Item 2015-160 authorized the Regional Administrator to execute an agreement with the Minnesota Sports Facilities Authority (MSFA) and the Minnesota Vikings. One of the terms of that agreement was that the Vikings will fund 50% of the actual cost of a proposed pedestrian bridge up to the amount of \$3,500,000 in exchange 50% of all revenues generated from advertising at the LRT Station Platform for a period of 30 years. The construction cost estimate developed at that time for the project was \$7M.

After that meeting, negotiations with the Vikings and the MSFA continued based upon the terms presented to and approved by the Council. Additionally, the bridge design plans were finalized and issued for construction bids. Two bids were received on October 14th both considerably higher than the \$7,000,000 budget. Metro Transit believes a variety of factors contributed to this overage including labor shortages, subcontractor availability, limited site control, and schedule constraints to name a few.

Additional discussions with the Vikings and the MSFA after the bid opening led to renegotiated terms of our agreement. The new terms would increase the Council contribution to the project to \$4,000,000. The contribution from the Vikings would increase from \$3.5M to an amount not to exceed \$6,000,000 for construction of the bridge. In exchange, 90% of the advertising revenues at the station will go to repaying the initial capital contribution of the Vikings for a period of 30 years or until a point that the \$6.0M contribution, in net present value, is repaid.

An 11% MCUB goal was assigned to the project. The Office of Equal Opportunity (OEO) has reviewed the two bids and the low, responsible, and responsive bidder passed the OEO review.

Rationale

The execution of a construction contract in excess of \$2,500,000 requires Council approval.

Funding

The construction budget, including contingency, is \$10,000,000. As stated above, \$6,000,000 of that will be funded by the Vikings via the Construction and Transit Operations and Maintenance Interface Agreement with newly negotiated terms. \$4,000,000 will be funded by the Council. The additional funding provided by the Vikings will be brought to the Council in a budget amendment at the December 9th meeting after execution of the agreement with the Vikings and the MSFA.

Known Support / Opposition

Concerns were raised by some Council members based upon the negotiated terms of the agreement that was brought forward as part of Business Item 2015-160. That business item was approved by the Council.