

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2008-119

Contingency Increase for Communications Systems Construction Contract

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	12/4/08	Discussion/Possible Action to Recommend Board Approval	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	12/11/08	Action	Joe Gildner, Initial Segment Project Director Gene Overly, Link Systems Engineering Manager	(206) 689-3350 (206) 398-5243

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement	✓	Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	✓
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Central Link Initial Segment

PROPOSED ACTION

Authorizes the chief executive officer to increase the contingency for the contract with GE Transportation Systems Global Signaling, LLC to provide communications systems for construction of the Central Link Light Rail Initial Segment project in the amount of \$3,800,000, for a new total authorized contract amount not to exceed \$47,904,051, which includes costs reimbursable to Sound Transit from third parties.

KEY FEATURES of PROPOSED ACTION

- Additional funds are required for the following:
 - This contract work was scheduled to be substantially complete on September 8, 2008, but due to delayed access attributable to the predecessor civil contracts, the work is now scheduled to be completed at the end of March 2009. This contingency increase will cover the negotiated settlement of all costs during this period.
 - Resequencing the communications systems construction in the Beacon Hill tunnels and the Beacon Hill and Mt. Baker Stations including contractor's partial access and cohabitations with other contractors. Resequencing is needed in order to meet the substantial completion in March 2009.
 - Risk allocation for remaining design, construction and testing work associated with the communications systems based on lessons learned to date in both the work associated with the Downtown Seattle Transit Tunnel and other work on the project.
- The previous total authorization contract amount of \$44,104,951 includes cost reimbursements to Sound Transit by third parties in an amount estimated to be approximately \$410,162.
- The interagency agreement with King County Metro allows for a sharing of change order cost to the extent the change impacts bus operations.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The Adopted 2008 Lifetime Capital Budget for the Central Link Initial Segment is \$2.07 billion. Within that amount, \$43,553,430 has been set aside for Sound Transit’s share for Communications Systems (C803) in the construction phase. The proposed action would increase commitments for this budget line item by \$3,800,000 to a revised total commitment of \$42,075,064, leaving a remaining balance of \$1,478,366.

The proposed action is consistent with the current adopted budget and the Proposed 2009 Budget, and is affordable within the agency’s long-term financial plan and subarea financial capacity. The action will have no new revenue impact on Sound Transit.

BUDGET TABLE

Action Item: GE Transportation Systems Global Signaling, LLC (Increase contingency for the contract to provide communications systems for the Central Link Initial Segment project)

(Year of Expenditure \$000)

Initial Segment	Adopted 2008 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	193,274	170,020		170,020	23,254
Preliminary Engineering	33,310	33,310		33,310	(0)
Final Design	147,213	146,902		146,902	311
Right of Way	208,396	203,601		203,601	4,796
Construction	1,191,768	1,154,502	3,800	1,158,302	33,466
Construction Services	100,317	101,809		101,809	(1,492)
Third Party Agreements	63,414	63,406		63,406	8
Vehicles	132,307	131,799		131,799	508
Total Current Budget	2,070,000	2,005,350	3,800	2,009,150	60,850

Construction Phase Detail					
C803 Communications	43,553	38,275	3,800	42,075	1,478
Other Construction	1,148,214	1,116,227		1,116,227	31,987
Total Phase	1,191,768	1,154,502	3,800	1,158,302	33,466

Contract Amount	Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
Contract Amount	35,948	43,574	-	35,948	43,574
Contingency	8,156	530	3,800	11,956	4,330
Total Contract	44,104	44,104	3,800	47,904	47,904
Percent Contingency	23%	1%	100%	33%	10%
Less Airport Link	5,303	5,303	-	5,303	5,303
Less Third Party Reimbursements	410	410	-	410	410
Total ST Share - Initial Segment	38,391	38,391	3,800	42,191	42,191

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of October 2008 + approved and pending board actions not recorded as of 10/31/08, or submitted after that date.

(F) TOTAL CONTRACT includes communications systems work by GE Transportation Systems Global Signaling, LLC for the Airport Link project, authorized by Board Motion M2007-11 (adopted 1/25/07), as modified by the Adopted 2008 Budget, and reimbursements from third parties for C510 Downtown Tunnels work.

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

General Electric Transportation Systems Global Signaling, LLC (GETS) is the prime contractor for this contract. GETS is committed to a 12% Small Business goal with 8% M/W/DBE participation. Because this change is primarily to cover costs due to Sound Transit delays and reallocation of risk for remaining work, the M/W/DBE and small business participation will not be increased correspondingly.

EEO Commitment

GETS workforce demographics are 17.3% women and 21.2% people of color.

Apprentice Utilization Commitment

GETS has committed to using the PLA and their contract included the customary \$.05 per hr contribution to the apprentice program in that agreement. GETS has committed to 10% apprentice utilization and has achieved 8.8% utilization to date.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

On February 19, 2004, Sound Transit issued a Request for Technical Proposals for the Link Light Rail Communications Systems for the Initial Segment of the Central Link Light Rail Project. After the proposals were reviewed on October 28, 2004, the Sound Transit Board authorized the Chief Executive Officer to execute a contract with GE Transportation Systems Global Signaling, LLC (GETS).

In January 2007, Sound Transit authorized accelerative measures for the timely reopening of the Downtown Seattle Transit Tunnel (DSTT) for buses in September 2007. In September 2007, the DSTT was re-opened for revenue bus service. This measure did not address the many adverse conditions that were later found in the tunnel.

Over the subsequent months, conditions such as blocked conduits, differing size conduits, incorrect as-built drawings, and missing conduits were uncovered and had to be addressed to progress the installation of the systems defined by the contract. These conditions are collectively referred to as unforeseen conditions as they were not known at the commencement of the contract work. Also, development of Emergency Scenario Modifications was advanced and was installed in the DSTT.

Due to inefficiencies caused by access availability at the Operations and Maintenance Facility, the Operations Control Center equipment was located in construction trailers. With the present availability of the OMF, this equipment now needs to be relocated to its permanent location.

In March 2008, a revised access schedule for the Beacon Hill segment was issued to GETS. Sound Transit and GETS have prepared a plan, collaboratively, to begin work prior to the civil substantial completion dates. Access was delayed and the time to complete the work is compressed resulting in the need to accelerate the work while sharing work space with the civil contractor and having primary access only on swing and graveyard shifts.

In August 2008, the contract authority was increased by \$410,162 to reflect commitment from King County Metro (KCM) to reimburse Sound for betterments provided under the Memorandum of Agreement with KCM.

Additional funds are required for the following:

- This contract work was scheduled to be substantially complete on September 8, 2008, but due to delayed access attributable to the predecessor civil contracts, the work is now scheduled to be completed at the end of March 2009. This contingency increase will cover the negotiated settlement of all costs during this period.

- Resequencing the communications systems construction in the Beacon Hill tunnels and the Beacon Hill and Mt. Baker Stations including contractor's partial access and cohabitations with other contractors. Resequencing is needed in order to meet the substantial completion in March 2009.
- Risk allocation for remaining design, construction and testing work associated with the communications systems based on lessons learned to date in both the work associated with the Downtown Seattle Transit Tunnel and other work on the Project.

Prior Board/Committee Actions on this Project

Motion/Resolution Number & Date	Summary of Action
M2007-66 6/28/07	Authorized the ceo to increase the contingency for the contract with GE Transportation Systems Global Signaling, LLC to provide communications systems for construction of the Central Link light rail Initial Segment project in the amount of \$4,900,000, for a new total authorized contract amount not to exceed \$43,693,889
M2007-11 1/25/07	Authorized the ceo to execute a contract amendment with GETS Global Signaling, LLC to provide the communications systems for Airport Link and to complete the communications systems for the Central Link Light Rail Initial Segment in the amount of \$6,450,001, with a contingency of \$346,930, for a new total authorized contract amount not to exceed \$38,793,889.
M2004-111 11/18/04	Authorized ceo to increase the total authorized expenditure amount for a given contract without explicit Sound Transit Board action in order to include public works betterments requested and fully funded by public agencies in the scope of Link Light Rail and Regional Express/Sounder Capital Projects professional services and construction contracts, provided that no individual contract amendment for betterment work exceeds \$500,000 and that incorporation of such betterment work has no adverse impact on Sound Transit project work
M2004-103 10/28/04	Executed a contract with GE Transportation Systems Global Signaling, LLC to engineer, manufacture, furnish, install, and test the communications systems for the Central Link Light Rail Initial Segment in the amount of \$29,088,144, with a 10% contingency of \$2,908,814, for a total authorized contract amount not to exceed \$31,996,958.
M2002-65 6/13/02	Authorized the Executive Director to execute a Memorandum of Agreement between Sound Transit, King County, and the City of Seattle defining the terms and conditions to permit the joint operations of trains and buses in the Downtown Seattle Transit Tunnel.

CONSEQUENCES of DELAY

This amendment is being brought to the Board in order to substantially complete the communications systems construction contract by the end of the first quarter of 2009 and allow sufficient time for pre-revenue vehicle operation over the entire alignment prior to opening. Delaying Board action will limit the opportunities to optimize the sequencing of remaining work (both installation and testing) for this contract.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

Jl, 11/14/08

LEGAL REVIEW

JW 11/26/08

SOUND TRANSIT

MOTION NO. M2008-119

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contingency for the contract with GE Transportation Systems Global Signaling, LLC to provide communications systems for construction of the Central Link Light Rail Initial Segment project in the amount of \$3,800,000, for a new total authorized contract amount not to exceed \$47,904,051, which includes costs reimbursable to Sound Transit from third parties.

Background:

On February 19, 2004, Sound Transit issued a Request for Technical Proposals for the Link Light Rail Communications Systems for the Initial Segment of the Central Link Light Rail Project. After the proposals were reviewed on October 28, 2004, the Sound Transit Board authorized the Chief Executive Officer to execute a contract with GE Transportation Systems Global Signaling, LLC (GETS).

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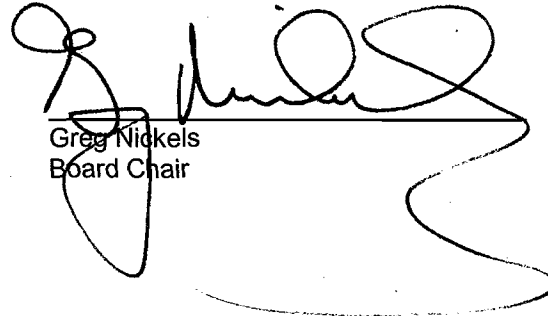
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- Risk allocation for remaining design, construction and testing work associated with the communications systems based on lessons learned to date in both the work associated with the Downtown Seattle Transit Tunnel and other work on the Project.

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 contingency for the contract with GE Transportation Systems Global Signaling, LLC to provide communications systems for construction of the Central Link Light Rail Initial Segment project in the amount of \$3,800,000, for a new total authorized contract amount not to exceed \$47,904,051, which includes costs reimbursable to Sound Transit from third parties.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 11, 2008.



Greg Nickels
Board Chair

ATTEST:



Marcia Walker
Board Administrator