

SOUND TRANSIT

MOTION NO. M98-85

Regional Express Bus Contract Management Project BACKGROUND AND COMMENTS

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	12/3/98	Approval	Veronica Parker, Program Manager, Regional Bus Agnes Govern, Director, Regional Express	(206) 689-3533 (206) 689-1673

ACTION:

Approval of Motion M98-85 will authorize the execution of a project level agreement with King County Metro for the Sound Transit Bus Contract Management Project. This agreement relates to the provision of contract management services for the Regional Express Bus procurements of seventy 40' Gillig and twenty-five 60' New Flyer heavy-duty transit buses. The scope of work includes change order coordination, cost/price analysis, contract administration, prototype review and testing, on-site inspection, service preparation, and Buy America Pre-Award and Post Delivery audits.

BACKGROUND:

The Regional Express bus system is scheduled to begin operation in September 1999. The System Plan contains a proposed schedule of implementation for the regional routes. The *Sound Move* budget assumed the acquisition of approximately 175 buses for the operation of this service.

Sound Transit Board of Directors has approved the purchase of twenty-five 60' New Flyer and seventy 40' Gillig buses exercising King County Metro's option on contract MB 94-1. Both New Flyer and Gillig will begin production in January 1999.

Sound Transit and Metro have entered into a Memorandum of Understanding Establishing a Cooperative Relationship between the two entities dated May 11, 1998. The purpose of the Memorandum is, in part, to establish working principles between Sound Transit and King County Metro to facilitate the design, integration, and implementation of public transportation service provided by each agency. This project level agreement is entered into consistent with the principles agreed to in the May 11, 1998 Memorandum of Understanding

King County Metro has experience in inspecting buses at both plants, and they are familiar with the technical requirement of the Sound Transit vehicles.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- Adoption of Resolution R98-16, authorizing execution of the New Flyer Industries contract (April 9, 1998).
- Memorandum of Understanding Establishing a Cooperative Relationship between Sound Transit and King County Metro (May 11, 1998).
- Adoption of Resolution R98-34, authorizing execution of the Gillig Corporation contract (July 23, 1998).

KEY FEATURES:

The Agreement will cover the following:

- Develop the project and deliver services consistent with the scope of work within the approved budget and schedule.
- Minimize conflicts regarding fleet manufacturing, delivery and acceptance of the vehicles and quickly resolve conflicts that may arise.
- Prepare documents and reports that Sound Transit staff can use in preparing presentations for decision purposes.
- Maintain communication among all five partnering agencies throughout the process as necessary, including during the planning for the Gillig prototype review, planning for special tools and equipment, and the acceptance and delivery of both fleets of buses.
- Develop operational plans that minimize project impacts, costs and fleet allocation.
- Build effective, ongoing intergovernmental cooperation between the Parties and the other partnering transit agencies.
- Develop all pertinent project information in timely manner.
- The cost reimbursements for King County Metro by Sound Transit will not exceed \$577,500 for required tasks listed in the agreement.

FUNDING:

The Project costs have been included in the 1999 budget.

ALTERNATIVES:

Not to establish an agreement with King County Metro. Develop a procurement solicitation for a private third party contract.

CONSEQUENCES OF DELAY:

Seeking other contractors to perform these tasks will cause delay of fleet preparation resulting in a longer lead time to receive and accept the Sound Transit bus fleet.

LEGAL REVIEW:

The background and comments and motion have been reviewed and approved by the Legal Department.

SOUND TRANSIT

MOTION NO. M98-85

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute the intergovernmental agreement with King County Metro for the Regional Express Bus Contract Management Project for an amount not to exceed \$577,500.

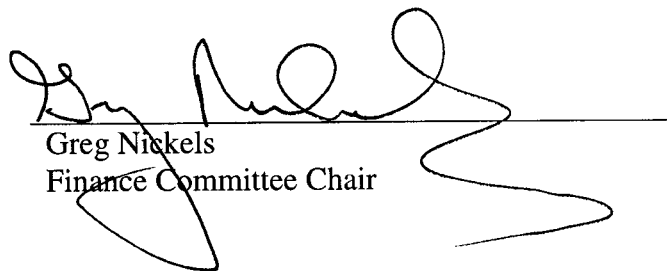
Background:

Sound Transit Board of Directors has approved the purchase of twenty-five 60' New Flyer and seventy 40' Gillig buses exercising King County Metro's option on contract MB 94-1. Both New Flyer Industries and Gillig Corporation will begin production in January 1999. This Agreement relates to the Regional Express Bus Procurement Project. The Project includes change order coordination, cost/price analysis, contract administration, prototype review and testing, on-site inspection, service preparation, and Buy America Pre-Award and Post Delivery audits.

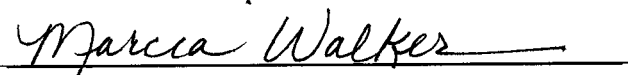
Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to enter into a contract with King County Metro for an amount not to exceed \$577,500 for the provisions of contract management services for the Regional Express Bus Contract Management Project.

Approved by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof on the 3rd day of December, 1998.


Greg Nickels
Finance Committee Chair

ATTEST:


Marcia Walker
Board Administrator

DRAFT
MEMORANDUM OF AGREEMENT
GOVERNMENTAL COOPERATION FOR THE
REGIONAL EXPRESS BUS CONTRACT MANAGEMENT PROJECT

This MEMORANDUM OF AGREEMENT (the "Agreement"), dated this _____ day of _____, 1998 is made by and between the Central Puget Sound Regional Transit Authority (hereinafter referred to as "Sound Transit"), and King County Metro, (hereinafter referred to as "Metro"). Throughout this Agreement, Sound Transit and Metro will be referred to collectively as the "Parties."

I. RECITALS

- A. Sound Transit is a duly organized regional transit authority existing under Chapters 81.104 and 81.112 RCW and has all powers necessary to implement a high capacity transportation ("HCT") system. On November 5, 1996, Central Puget Sound area voters approved local funding for *Sound Move*, Sound Transit's ten-year regional transit plan. The plan includes three new types of regional transportation -- light rail, commuter rail, and regional express bus/HOV system -- that will be integrated with local transit systems and use a single or integrated, regional fare structure.
- B. Metro owns and operates an extensive system of buses, vanpools, accessible service vehicles, and provides extensive transportation services within King County.
- C. Sound Transit and Metro have entered into a Memorandum of Understanding Establishing a Cooperative Relationship between the two entities dated May 11, 1998. The purpose of the Agreement is, in part, to establish working principles between Sound Transit and Metro to facilitate the design, integration, and implementation of public transportation service provided by each agency. This Agreement is consistent with the principles in the May 11, 1998 Memorandum of Understanding.
- D. Sound Transit Board of Directors has approved the purchase of twenty-five 60' New Flyer and seventy 40' Gillig buses.
- E. This Agreement relates to the provision of contract management services for Regional Express Bus Procurement of the aforementioned buses ("Project"). The Project includes change order coordination, cost/price analysis, contract administration, prototype review and testing, on-site inspection, service preparation, and Buy America Pre-Award and Post-Delivery audits. Metro agrees to perform the scope of work in Tables 1 and 2.
- F. It is the intent of Sound Transit to negotiate operating and maintenance agreements with the following transit systems for the purpose of operating buses purchased by Sound Transit:
 - Community Transit
 - King County Metro

- Pierce Transit
- Everett Transit

G. The Parties have the following common objectives:

- Manage and administer the New Flyer Industries and Gillig Corporation bus procurement contracts in an efficient and effective manner.
- Develop the Project and deliver services consistent with scope of work (Tables 1 and 2) within the approved budget and schedule.
- Minimize conflicts regarding fleet manufacturing, delivery, and acceptance of the vehicles and quickly resolve conflicts that may arise.
- Maintain safe workplace for the Parties' employees.
- Prepare documents and reports that Sound Transit staff can use in preparing presentations for decision purposes.
- Maintain communication among all five partnering agencies throughout the process, as necessary, including during the planning for the Gillig prototype review, planning for special tools and equipment, and the acceptance and delivery of both fleets of buses.
- Develop operational plans that minimize project impacts, costs, and fleet allocation.
- Build effective, ongoing intergovernmental cooperation between the Parties and the other partnering transit agencies.
- Delivery of all pertinent project information in a timely manner.

II. INTERGOVERNMENTAL COORDINATION

A. Designated Representatives

To ensure effective intergovernmental cooperation and efficient project review, Sound Transit and Metro will each designate a representative responsible for communications between the Parties (the "Designated Representative"). All tasks and services undertaken pursuant to this Agreement shall be administered on behalf of Sound Transit by the Regional Bus Program Manager (Sound Transit Project Manager) who will represent Sound Transit in administering all tasks covered by the Agreement, and on behalf of Metro by the Transit Fleet Contract Management Supervisor (Metro Project Manager), who will represent Metro in administering tasks covered by the Agreement. The Designated Representatives will meet at least monthly and will schedule additional meetings with project staff. The names, telephone numbers, and fax numbers of the Designated Representatives and appropriate deputy or back-up in the event of the Designated Representative's extended absence will be provided in writing and updated as necessary.

Designated Representatives shall also be known as Project Managers. Each Project Manager shall have the right to delegate authority to another representative of their respective team.

B. Coordination and Furthering Objectives

The Project managers are responsible for working toward the Parties' objectives stated in the Recitals, the schedule objectives and target dates stated in work plan, and the approved budget. The Project Managers are also responsible for coordinating the various governmental agency or department staff assigned to the Project.

The Project Managers shall use their best efforts to resolve disputes and issues arising out of, or related to, the tasks and services covered by this Agreement. The Project Managers shall communicate regularly to discuss the status of the tasks and services to be performed and to resolve any issues or disputes related to the successful performance of this Agreement. The Project Managers will cooperate in providing staff support to facilitate the performance of this Agreement and the resolution of any issues or disputes arising during the term of the Agreement.

In the event of a dispute between the Project Managers, the dispute resolution process agreed to in Section 8 of the Master Memorandum of Understanding will be followed. Each Project Manager shall notify the other in writing of any problem or dispute that the Project Manager believes should be resolved. The Project Managers shall meet within three (3) business days of receiving the written notice in an attempt to resolve the dispute.

In the event the Project Managers cannot resolve the dispute, the Sound Transit Director of Regional Express and the Metro Service Development Section Manager shall meet within five (5) business days and engage in good faith to negotiations to resolve the dispute.

Sound Transit and Metro agree that they shall have no right to seek relief in a court of law until and unless each of these procedural steps is exhausted.

III. GENERAL APPROACH TO SOUND TRANSIT REIMBURSEMENT FOR METRO SERVICES AND PRODUCTS

- A. The Parties recognize that cooperative and joint efforts are required to complete the Regional Express bus procurement on schedule and within budget. To help accomplish this, Sound Transit recognizes that it is in Sound Transit's interest to contract with Metro for certain services and products related to bus contract management and to reimburse Metro for the costs of these services and products.
- B. Sound Transit agrees to reimburse Metro, not to exceed \$550,000 (except as noted below) for the costs associated with specific tasks that are:
- Outlined in Tables 1 and 2.
 - Not otherwise Metro's responsibility to undertake.
 - Sound Transit asks Metro to undertake within the scope of Tables 1 and 2.
- C. In general, Sound Transit will not reimburse Metro for the costs associated with the following:
- Coordination between Sound Transit and Metro that would normally be provided between governmental agencies.
 - Metro services provided in the ordinary course of business, and at no cost to other governmental units, and on the Metro's usual time schedule.
 - Metro services that are already covered by existing governmental agreements.

- D. Metro's scope of work does not include the following tasks:
Negotiate change orders to the existing Community Transit New Flyer technical specification and the existing Metro Gillig contract for the Sound Transit buses. Provide information on Sound Transit designs (exterior paint, interior seating and finishes) in a timely manner as requested by the bus builders. Coordinate requests for, and distribution of, training, maintenance and parts manuals, special tools and test equipment among transit systems that will operate the buses.

IV. WORK PLAN DEVELOPMENT

The major work tasks and deliverables for these services are identified below.

1. Project Administration

Task 1.1 Develop Project Schedule

Objective: To develop an appropriate project schedule that corresponds to Tables 1 and 2 and is in either Microsoft Word 6.0 (or higher) or Excel 5.0 (or higher).

Approach: The schedule will provide for management at the sub-task level, including tasks assigned with the ability to be rolled up into a task summary report. This schedule should carefully outline tasks that are required in order to complete tasks outlined in Tables 1 and 2.

Product: Appropriate project schedule.

Task 1.2 Develop Project Decision Process

Objective: Make project decisions that are timely and consistent with project needs.

Approach: The Metro Project Manager will work with Sound Transit's Project Manager for regular review and approval of reports, strategies, change orders, budget amendments, etc.

Schedule: Begins immediately following notice to proceed.

Products: Table 1 and project schedule.

Task 1.3 Project Management

Objective: To ensure timely and adequate communication, project direction, and control consistent with the roles and responsibilities of all team members.

Approach: The Metro project manager is responsible for:

- Procurement management and reporting.
- Maintaining project schedule.
- Meeting regularly with Sound Transit Regional Bus Program Manager.

Schedule: On-going until buses are delivered and determined to be suitable for acceptance by Metro.

Products: Monthly reports, line inspection reports (if requested by Sound Transit), and other products as required to administer the project, as mutually agreed upon.

A list (including Tables 1 and 2) addressing these issues will be finalized and will be supplied by Metro. The work plan to be reviewed and approved by Sound Transit.

TABLE 1
MANANGEMENT TASKS FOR BUS CONSTRUCTION (70 40' GILLIG PHANTOMS)

TASK	HOURS EST.	UNITS OF WORK	LABOR	OTHER EXPENSES	TOTAL ESTIMATE
1. Buy America Pre-award audit. Lead = Steve Policar	up to 100 hrs	One	\$70/hr=7,000	Policar \$1,000	\$8,000
2. Cost/price analysis for sole source procurement. Lead = Steve Policar	up to 100 hrs	one(assumed)	\$70/hr=7,000	Policar \$1,000	\$8,000
3. Contract Admin: Design Review through prototype bus build, March 1998 - February 1999. Lead = Mike Voris Staff = Jay Costa Admin = Linda Nomellini	100 hrs 90 hrs 180 hrs	One One One	\$62/hr=6,200 \$45/hr=4,050 \$34/hr=6,120	Travel to Gillig Voris \$210 Costa \$250 Voris \$750 Costa \$750 Daniels \$750	\$19,080
4. Prototype bus on-site inspection January 1999. = On-Site Inspector(s) (2)	160 hrs 160 hrs	One One	\$45 /hr=7,200 \$45 /hr =7,200	Inspector room & board at Gillig Plant for 4 weeks, plus car rental & travel @ 1,431/wk=\$5,724 each inspector Office equipment and supplies, materials and test equipment usage estimated at \$75/wk at 4 weeks = \$300	\$26,148
5. Prototype review and test, February 1999. Lead = Jay Costa Staff = Bus Procurement Team Admin = Linda Nomellini	80 hrs 80 hrs 20 hrs	One One One	\$45/hr=6,00 \$62/hr=4,960 \$34/hr=680		\$9,240
6. Contract Admin: Prototype through production and delivery, March 1999 November 1999. Lead = Mike Voris Staff = Jay Costa Admin = Linda Nomellini	360 hrs 360 hrs 216 hrs	One One One	\$62/hr=22,320 \$45/hr= 16,200 \$34/hr= 7,344		\$45,864
7. On-site inspection for 70 units June - November 1999. = On-Site Inspector(s) (2)	1440 hrs	Two	\$45/hr=64,800	Inspector room & board at Gillig for 18 weeks, plus car & travel, estimated at \$22,388/person. Total Estimated \$44,776 Office equipment, materials and test equipment usage estimated at \$75/wk at 18 weeks = \$1,350	\$110,926
8. Service Prep* for each unit. Lead = Doug Daniels	17.25 hrs per bus Total 1225 hrs	Seventy -one (prototype is twice)	\$42/hr=51,450	Assumes delivery point is Tukwila. Materials, supplies, fluids, testing \$100/bus=\$7,100	\$58,550
9. Buy America Post delivery audit Lead = Steve Policar	100 hrs.	one per delivery period	\$70/hr=7,000	Policar \$1,000	\$8,000
10. Contingency @ 10%					\$29,380.80
TOTAL					\$323,188.80

TABLE 2
MANAGEMENT TASKS FOR BUS CONSTRUCTION (25 NEW FLYER ARTIC BUSES)

TASK	HOURS EST.	UNITS OF WORK	LABOR	OTHER EXPENSES	TOTAL ESTIMATE
1. Buy America Pre-award audit. Lead = Steve Policar	up to 100 hrs	One	\$70/hr=7,000	Policar \$1,000	\$8,000
2. Cost price analysis for sole source procurement. Lead = Steve Policar	up to 100 hrs	one(assumed)	\$70/hr=7,000	Policar \$1,000	\$8,000
3. Contract administration from change order through start of production, March 1998 - December 1998. Lead = Mike Voris Staff = Jay Costa Admin = Linda Nomellini	100 hrs 90 hrs 100 hrs	One One One	\$62/hr=6,200 \$45/hr=4,050 \$34/hr=3,400	Travel to New Flyer Voris \$1400 Costa \$1400 Voris \$1400 Costa \$1400 Daniels \$1400	\$20,650
4. Contract Admin: production and delivery, January 1999 through April 1999. Lead = Mike Voris Staff = Jay Costa = Linda Nomellini	160 hrs 200 hrs 100 hrs	One One One	\$62/hr=9,920 \$45/hr=9,000 \$34/hr=3,400		\$22,320
5. On-site inspection for 25 units January - April 1999. = On-Site Inspector(s) (4)	320 hrs 320 hrs 320 hrs 320 hrs	One One One One	\$45/hr=14,400 \$45/hr=14,400 \$45/hr=14,400 \$45/hr=14,400	Inspector room & board at New Flyer, Winnipeg & Crookston for 8 weeks, plus car & travel, estimated at \$13,700 / person. Total Estimated \$54,800 Office equipment and supplies, materials and test equipment usage estimated at \$75/wk at 8 weeks = \$600	\$113,000
6. Service Prep* for each unit. Lead = Doug Daniels	17.25 hrs per bus Total 431.25	twenty five	\$42/hr=18,113	Assumes delivery point is Tukwila. Materials, supplies, fluids, testing \$100/bus= \$2,500	\$20,613
7. Buy America Post delivery audit report. Lead = Steve Policar	100 hrs	one per delivery period.	\$70/hr=7,000	Policar \$1,000	\$8,000
8. Contingency @ 10%					\$20,058.30
TOTAL					\$220,641.30

- Tables 1 and 2 are in 1998 dollars; all amounts escalated at 3.5%/year to year of expenditure.
- Service preparation for buses allocated to Metro include radio and farebox installation; radios and fareboxes for other transit systems are their responsibility.
- After service preparation and acceptance, buses not allocated to Metro are released by Metro and are no longer the responsibility of Metro.
- The FTA requires a separate Buy America Post-Delivery Audit to be conducted for each delivery group; e.g. if the 70 Gilligs are delivered in two groups, then two Buy America Post-Delivery Audits need to be conducted. Tables 1 and 2 provide for only one post-delivery audit for each bus manufacturer, and do not include cost estimates for these additional audits.
- Bus quantity options - for each option to acquire additional buses beyond the 70 Gilligs and the 25

New Flyers, the FTA requires separate Buy America Pre-Award and Post-Delivery Audits to be conducted for each option exercised. Tables 1 and 2 do not include cost estimates for these additional audits.

- If FTA requires additional audits, they will be performed, and their costs will be added to this agreement.

V. MISCELLANEOUS

- A. This Agreement is effective when it is signed and authorization by each Party's respective governing body. The Parties may amend this Agreement or enter into subsequent agreements, as desired, with the appropriate authorization of each Party.
- B. This Agreement, including its Recitals and Attachments, embodies the Parties' entire fully integrated agreement on the specific items covered by it, except as supplemented by subsequent written agreements of the Parties. All prior negotiations and draft written agreements are merged into and superseded by this Agreement.
- C. If any portion of this Agreement is found to be unenforceable by a court of competent jurisdiction, the remaining terms and provisions unaffected thereby will remain in full force and effect. This Agreement is governed by the laws of the State of Washington.
- D. This Agreement may be terminated upon mutual agreement of the Parties. It is the intent of Sound Transit and Metro that this Agreement will remain in effect until such time as the buses manufactured by Gillig Corporation and New Flyer Industries have been delivered, inspected, and released by Metro to Sound Transit and accepted by Sound Transit. It may be terminated by either party without further liability or obligation to the other party at an earlier date upon written notice to the other agency's Executive Director at least 60 days in advance. Upon receipt of a notice of termination, Metro shall not perform (and Sound Transit shall not be obligated to pay for) any other work under the Agreement except necessary close out activities.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the date first written above.

CENTRAL PUGET SOUND
REGIONAL TRANSIT AUTHORITY

KING COUNTY METRO

By: _____
Robert K. White, Executive Director

By: _____
Rick Walsh, General Manager

Date: _____

Date: _____

Approved as to form

Approved as to form

Sound Transit Legal Counsel

King County Legal Counsel

ATTACHMENT A

Designated Representatives

SOUND TRANSIT

Veronica Parker
Regional Bus Program Manager
Regional Express Department
Phone: (206) 689-3533
Fax: (206) 689-3523

KING COUNTY METRO

Mike Voris
Supervisor
Transit Fleet Contract Management Group
Phone: (206) 684-1629
Fax: (206) 684-1651