

REGIONAL TRANSIT AUTHORITY

RESOLUTION NO. 98-14

**Management Systems and Project Control Support Contract Award
BACKGROUND AND COMMENTS**

Meeting:	Date:	Agenda Item:	Staff Contact:	Phone:
Finance Committee	4/2/98	No. 10	Jan Hendrickson	206-689-3148
Board	4/9/98		Hugh Simpson Clint Chapin	206-684-1717 206-684-1365

ACTION:

Approval of a Board Resolution, based upon recommendation of the Finance Committee, to award a contract in the amount of \$5,793,821 to KJM, Inc. for the development, installation and maintenance of a management reporting and project controls system for Sound Move. Additionally, this contract will provide dedicated project controls resources to Link Light Rail, Sounder Commuter Rail and Regional Express. An additional \$1,898,764 is requested to be authorized as a contingency reserve.

Note: The contingency reserve is not part of the consultant contract. The contingency reserve will be used, if necessary, to cover additions in the scope of work. The Director of Finance and Administration will be responsible in managing the contingency reserve.

BACKGROUND:

On January 20, 1998, the RTA received proposals from eight consultant teams to perform management and project control services (Management Systems Consultant) for Sound Transit in response to RTA's Request for Qualifications. Three consultant teams that submitted written qualifications were selected for oral interviews held on February 9, 1998. The RTA selection committee recommended that the RTA pursue negotiations with KJM, Inc. based on written qualifications and the results of the oral interview.

Contract terms have been negotiated with KJM, Inc. KJM, Inc. has proposed overhead rates for itself and for its eight sub-consultant firms. Metro Audit Services has analyzed the overhead rates for KJM, Inc. and their sub-consultants and has documented their findings. These findings were presented to KJM, Inc. and agreement was reached on overhead rates for KJM and the sub-consultants. The overhead rate is inclusive of the co-location requirement of KJM, Inc. and the sub-consultants.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- ← Adoption of *Sound Move*, The Ten-Year Regional Transit System Plan (May 31, 1996)
- ← Adoption of Resolution No. 78 (December 13, 1996)

- ← Adoption of Implementation Guide (May 22, 1997)
- ← Adoption of First Moves (May 22, 1997)
- ← Adoption of Fiscal Year 1998 Budget (December 11, 1997)

KEY FEATURES:

- KJM, Inc. will develop procedures and systems that assist the modal departments short-term and long-term project reporting, cost and schedule control objectives (project control) in an efficient and cost effective manner.
- KJM, Inc. will provide support to the RTA in developing and supporting the agency's project management systems and the integration of these systems with RTA's interim and long-term accounting system. The emphasis of these systems will be to facilitate the RTA's decision making and development of management tools without creating a process that unnecessarily results in delays and increased costs.
- Due to the nature of the work in monitoring Sound Transit projects, the negotiated Management Systems Consultant overhead rate reflects the requirement to co-locate in RTA offices.
- KJM, Inc. is a certified WBE firm, and accounts for 80% of the total contract amount.
- Initial proposed contract is for January 1998 to January 2000 with the possibility of yearly renewal to a total of 5 years. Because of the nature of the work, the FTA may be asked for an exemption to the "5 year rule" in the event the RTA believes it is in the agency's best interest to renew this contract beyond the 5 year period. Detailed department costs are as follows:

DEPARTMENT COSTS OVER INITIAL TWO YEAR CONTRACT:

	Commuter Rail	Regional Express	Total LRT (Distributed + exclusive)	Total LOB's
Contract Total	\$590,708	\$758,534	\$4,444,580	\$5,793,821
Contingency	\$107,149	\$138,308	\$853,307	\$1,098,764
Commuter Rail & Regional Express Contingency	\$400,000	\$400,000	\$0	\$800,000
Sub Total Contingency	\$507,149	\$538,308	\$853,307	\$1,898,764
Total Contract and Contingency	\$1,097,857	\$1,296,841	\$5,297,887	\$7,692,585
Percent of Total	14%	17%	69%	

Assumes a 123% overhead

FUNDING:

Funding is provided in the Fiscal Year 1998 budget for \$2,000,000 split between the lines of business. This dollar amount is adequate for 1998 costs and future year costs will be addressed in the 1999 budget process.

ALTERNATIVES:

- Develop in house staff resources that would set back project schedules and timely reporting to the Board.
- Pursue negotiations with the second ranked team.

CONSEQUENCES OF DELAY:

Delay in awarding this contract will result in the management reporting systems and project control procedures/systems not being implemented in a timely fashion. Development of these procedures and systems is paramount to managing the project and providing a level of confidence to the Federal Transit Administration and their Project Management Oversight consultant. Additionally, the RTA Board and staff, Citizens Oversight Panel, and other interested parties are eagerly awaiting projects status reports.

HOW WILL THIS CONTRACT RELATE TO THE FINANCIAL SYSTEMS CONTRACT?

Staff believes that an integrated management reporting/accounting system where the accounting system forms the basis for reporting actual costs is a priority and is critical to Sound Move's success. Although few capital projects have attained this goal, staff has reason to believe this goal is achievable and desirable.

A complementary Financial Systems contract is currently being procured. It is the intention of the RTA for the Financial Systems Consultant and the Management Systems Consultant to work together, at the direction of RTA staff, to produce an integrated financial system that will meet both accounting and project reporting needs.

WHAT ROLE DOES THIS CONTRACT HAVE IN THE MANAGEMENT OF LINK LIGHT RAIL, SOUNDER COMMUTER RAIL AND REGIONAL EXPRESS?

The Link Light Rail project is the largest new start light rail system in the United States and is estimated to cost over \$ 2 Billion dollars. The management tools this contract provides will facilitate the detailed monitoring of the design and construction phases including schedule control, cost control, configuration control, change control and sophisticated reporting systems.

Quality assurance tasks are included in this contract that will enable RTA management to insure the quality of design, construction and performance characteristics of the RTA's three transportation projects.

Additionally, technical project controls support will be provided by this contract in an as-needed basis to Sounder Commuter Rail and Regional Express departments.

WHAT RESTRICTIONS ARE PLACED ON THIS CONTRACTOR AND SUB CONTRACTORS THAT IS DIFFERENT FROM OTHER CONTRACTS?

Because the scope of work includes the monitoring and reporting of other RTA contracts, the contractors participating in this contract are restricted from most other work, either as primes or as part of a consultant team.

HOW DOES THIS CONTRACT FIT INTO THE OVERALL SOUND MOVE PROGRAM?

The management and project control services contract will provide dedicated services to the Finance and Administration Department's role in providing financial and quality assurance oversight to the RTA's three "Lines of Business." Systems developed through this contract will track actual capital outlays to budgets in the Sound Move program. The quality assurance tasks will be integrated into project tracking systems to insure project requirements are enforced.

Additionally, this contract will provide dedicated project control resources to the Link Light Rail Department; with additional services provided to the Sounder Commuter Rail Department and the Regional Express Department. These resources include the capacity to track detailed schedules and estimates with forecasts of project expenditures.

HOW WILL THIS CONTRACT BE ADMINISTERED?

Overall, contract responsibility will be assumed by the Director of Finance and Administration. The Finance and Administration Controller/Treasurer will provide day to day management of this contract for that part of the work regarding agency systems and quality oversight. The LRT Project Control Program Manager will administer the project controls portion of the contract which includes quality control and quality assurance. Commuter Rail and Regional Express departments will receive dedicated project control resources on a work order basis through this contract as administered by the LRT Project Control Program Manager.

EXECUTIVE SUMMARY OF THE SCOPE OF WORK

Management Systems

Task 1. General Sound Move Management Support

- < Recommend standardization of management systems
- < Project control staff to modal departments as required
- < Prepare and maintain Program Management Plan

Task 2. Quality Assurance

- < Design and develop an agency-wide Quality Assurance program
- < Provide audit functions and services as required

Task 3. Management Information System

- < Design and develop project reporting systems
- < Design and develop contract management systems

Task 4. Develop a work breakdown structure (WBS), i.e., numbering systems that facilitates the integration of the accounting and other management systems.

Task 5. Provide budget and contingency control support

Light Rail Project Controls Support

Task 1. Refine and maintain currency of the LRT Program Management Plan (PMP) and additional supplemental plans.

Task 2. Document Control

- < Develop and publish drafting standards
- < Coordinate and track design reviews
- < Develop master specifications and contract document library
- < Develop a CAD and GIS records management system.
- < Develop a document tracking system
- < Provide dedicated technical engineering computer support

Task 3. Configuration Management

- < Design, develop, manage and staff all aspects of the management and control of the Light Rail project's baseline and evolving configurations.
- < Design and develop change control procedures
- < Implement change control system

Task 4. Progress Reporting

- < Integrate reporting functions with Agency reporting functions
- < Develop detailed reports regarding the cost budget, configuration and schedule of light rail activities

Task 5. Develop a Quality Assurance program for the Link Light Rail project.

Task 6. Cost Estimates

- < Provide independent cost estimates
- < Design and develop a cost-estimating

Task 7. Schedules

- < Provide scheduling support
- < Implement program wide scheduling procedures

Task 7. Cost Engineering Support

REGIONAL TRANSIT AUTHORITY

RESOLUTION NO. 98-14

A RESOLUTION of the Board of the Regional Transit Authority for the Pierce, King and Snohomish Counties region authorizing the Executive Director to execute a contract with the firm of KJM, Inc. to provide management systems and project controls support for the RTA.

WHEREAS, a Regional Transit Authority (“RTA”) has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, on November 5, 1996 at a general election held within the RTA District, the voters approved local-option taxes to support implementation of the Ten-Year Regional Transit System Plan; and

WHEREAS, the RTA ten-year plan includes the design and construction of three modal lines: Link Light Rail, Sounder Commuter Rail, and Regional Express; and

WHEREAS, the construction of these modal lines will require management services and project controls support; and

WHEREAS, the RTA solicited proposals through a competitive process procurement process for the management services and project controls support necessary to construct the modal lines; and

WHEREAS, the selection committee charged with the evaluation of the solicited proposals determined that the consultant team lead by KJM, Inc. was the most-qualified team to implement and support the management systems and project controls support; and

WHEREAS, the RTA has determined that the fees, costs, terms and conditions negotiated with KJM, Inc. to perform the management systems and project controls support are fair and reasonable and in the best interest of the RTA:

NOW, THEREFORE, BE IT RESOLVED by the Board of the Regional Transit Authority that:

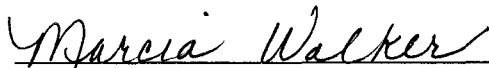
The Executive Director is hereby authorized to execute a contract with KJM, Inc. to provide management systems and project controls support to the RTA pursuant to such terms and conditions as are appropriate, usual and customary for governmental agencies, provided that the base fees and expenses paid for such services shall not exceed \$5,793,821 and contingent funds, if required, shall not exceed \$1,898,764.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 9TH day of April 1998.



Bob Drewel
Board Chair

ATTEST:



Marcia Walker
Board Administrator