

SOUND TRANSIT

MOTION NO. M99-50

Authorization to Purchase Furnishings, Fixtures, Equipment and Computers for Occupancy at the Opus East Development BACKGROUND AND COMMENTS

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	8/5/99	Discussion/Possible Action to Recommend Board Approval	Paul Bay Bill Houppermans Jan Hendrickson	398-5134 398-5125 398-5097
Board of Directors	8/26/99	Approval		

ACTION:

Approval of Motion No. M99-50 would authorize the Executive Director to purchase all necessary furnishings, fixtures, equipment, computers and consultant services for space planning and tenant improvements to implement the move to Opus East. Approval establishes a budget for this equipment and these services for an amount not to exceed \$6,039,118. Motion No. M99-29 authorized execution of the leases with Opus Union Station Development and an interim lease at 1100 2nd Avenue.

BACKGROUND:

The Board has selected Union Station as the new headquarters for Sound Transit and staff will relocate there in fall of 1999. The Board also authorized the Executive Director to enter into a five-year lease beginning July 1, 2000, at the proposed Opus Development and approved a short-term interim lease at 1100 2nd Avenue in order to co-locate consultants near Sound Transit headquarters. Previous actions did not include the authorization to make certain changes necessary to allow continued occupancy of the existing headquarters until the Opus East lease commences, nor did they authorize the purchase of all necessary furnishings, fixtures, equipment, computers and consultant services for space planning and tenant improvements to implement the move to Opus East. Although there is a net cost in setting up offices for co-location, there will be net savings when considering both design and construction costs as a whole.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- ◆ Resolution No. 78-1 Procurement of materials, work and services for the acquisition and use of property and property rights (April 9, 1998)
- ◆ Motion No. M99-29, authorizing the Executive Director to enter into a five-year lease beginning July 1, 2000, at the proposed Opus Development and approve a short-term interim lease at 1100 2nd Avenue (third floor) from February 23, 2000 through July 31, 2000.

FUNDING:

The funding will be provided through the adopted 1999 Link Light Rail design/pre-engineering budget, which totals \$48.2 million. Monies for the design and construction of the light rail project are included in *Sound Move*.

Cost Summary:

Costs approved in this Motion can be summarized as follows (please refer to the attached Exhibits A, B and C which outline these costs in detail):

Cost of Facilities (tenant improvements, furniture and implementation)	\$3,550,430
Cost of computer equipment	<u>\$2,488,688</u>
Total	\$6,039,118

Projected Cost Savings:

Design consultants selected for the Link project (present and future) are required to co-locate, but because we provide space and furniture for them, our contracts specify a lower overhead rate in their billings. That savings over the design period will be approximately \$7.5 million, as shown Exhibit C. The overall summary of costs and savings is thus:

Lease costs	\$3,506,211
Facilities	\$3,550,430
Computers	\$2,488,688
Overhead Savings	(\$7,503,387)
Net Cost - Hard Dollars	\$2,041,942

Additional costs that will be avoided (cost of re-work, travel time, city and third party costs, delay to the work, poor construction bids, risk of schedule delay, etc.) \$10-50,000,000

ALTERNATIVES:

Alt. 1. Consultants to purchase their own furnishings, fixtures and equipment including computers. These costs would be passed onto Sound Transit. There would be inconsistency in equipment, furnishings, and fixtures. Computer hardware and software inconsistencies themselves would diminish the advantages of co-location.

Alt. 2. Lease all computer hardware and software, furnishings and fixtures. Leased equipment typically costs more. This would enable Sound Transit to have the latest technology in computers and equipment available.

CONSEQUENCES OF DELAY:

To avoid disruption to the planned move of Sound Transit staff to Union Station in November, it is important to start work on the modification to the 3rd floor of 1100 2nd Avenue at the end of July (i.e. move the server room) so that this work will not interfere with the work associated with the Union Station move. We also need to start work on the actual space layout and tenant improvements for Opus East by the end of July to allow the Opus East developer to plan for our needs during construction of the building.

LEGAL REVIEW:

The Legal Department has reviewed and approved this Background and Discussion paper.

SOUND TRANSIT

MOTION NO. M99-50

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to purchase all necessary furnishings, fixtures, equipment, computers and consultant services for space planning and tenant improvements and to implement the move for Sound Transit occupancy at Opus East, in an amount not to exceed \$6,039,118.

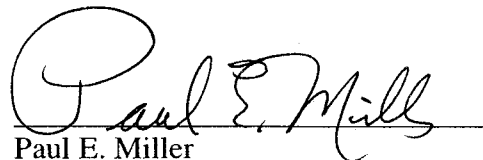
Background:

The Board has selected Union Station as the new headquarters for Sound Transit and staff will relocate there in fall of 1999. The Board also authorized the Executive Director to enter into a five-year lease beginning July 1, 2000, at the proposed Opus Development and approve a short-term interim lease at 1100 2nd Avenue in order to co-locate consultants near Sound Transit headquarters. Previous actions did not include the authorization to make certain changes necessary to allow continued occupancy of the existing headquarters until the Opus East lease commences, nor did they authorize the purchase of all necessary furnishings, fixtures, equipment, computers and consultant services for space planning and tenant improvements to implement the move to Opus East. Although there is a net cost in setting up offices for co-location, there will be net savings when considering both design and construction costs as a whole.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority to delegate authority to the Executive Director to purchase all necessary furnishings, fixtures, equipment, computers and consultant services for space planning and tenant improvements and to implement the move for Sound Transit occupancy at Opus East. The authorized purchases shall be consistent with the budgets referenced in Exhibits A, B and C and shall not exceed \$6,039,118.

Approved by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof on the 26th day of ~~September~~
August, 1999.


Paul E. Miller
Board Chair

ATTEST:

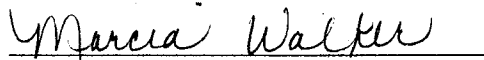

Marcia Walker
Board Administrator

Exhibit A
Projected Facilities Cost for Co-Location during Final Design

SQUARE FOOTAGE	58,000
SF PER PERSON USED IN ESTIMATING SPACE	205.00
NO OF LR STAFF/CONSULTANTS	282.93

CONSTRUCTION	TOTAL BUDGET
TENANT IMPROVEMENTS @ \$25/sf	\$1,450,000
GRAPHIC I.D. & SIGNAGE	\$30,000
SALES TAX - CONSTRUCTION	\$127,280
CONSTRUCTION CONTINGENCY @ 30%	\$435,000
PERMITS	\$15,000
SUBTOTAL CONSTRUCTION	\$2,057,280

FIXTURES, FURNISHINGS & EQUIPMENT	
WORKSTATION FURNITURE - purchase from 1100 2nd Ave	150,000
REFURBISH FURNITURE, MOVE, & REWIRE	225,000
FFE ESTIMATED AT \$350,000	350,000
PHONE EQUIP	300,000
SALES TAX	88,150
SUBTOTAL FF&E	\$1,113,150

DESIGN & ADMINISTRATION FEES	
SPACE PLANNER/DESIGN FEES	\$75,000
TELECOMM DESIGN FEES	\$30,000
OWNER'S REPRESENTATIVE: PROJ MGMT & CONST MGMT	\$95,000
MOVING, STARTUP & OPENING EXPENSES	\$75,000
REIMBURSABLES	\$10,000
SUBTOTAL D & A	\$285,000

DEVELOPMENT COSTS AT 1100 SECOND AVE	
COSTS FOR THIRD FLOOR SERVER ROOM AT 1100 2ND AVE	\$95,000

TOTAL FACILITIES COSTS **\$3,550,430**

LEASE COSTS	
OPUS EAST - JULY 1, 2000 TO JULY 1, 2002	\$3,206,211
1100 2ND AVE - MARCH 1, 2000 TO AUGUST 1, 2000	\$300,000

TOTAL LEASE COSTS **\$3,506,211**

TOTAL FACILITIES & LEASE COSTS **\$7,056,641**

Exhibit B
Projected IS Cost for Co-Location during Final Design

Server Components	Cost	Qty	Extended
Data / Print Server	\$35,000	1	\$35,000
Web / Email Server	\$35,000	1	\$35,000
Application / DB Server / Back-Up	\$35,000	1	\$35,000
BDC / Name Resolution / DHCP Server	\$20,000	1	\$20,000
Fail - Over / Backup System Server	\$35,000	0	\$0
Backup Software	\$15,000	1	\$15,000
Server Software & Licenses	\$50,000	1	\$50,000
Project Management Server	\$25,000	0	\$0
Project Development Server	\$20,000	0	\$0
Tape Silo (backup system)	\$90,000	1	\$90,000
35/70 DLT Tapes	\$110	180	\$19,800
MetaStor Drive Array	\$90,000	1	\$90,000
Supplemental Storage (up to 500 GB)	\$120,000	1	\$120,000
Racks / Cables / Misc	\$40,000	1	\$40,000
Server Room Relocation (plus ST resources)	\$10,000	2	\$20,000
Server Room Cooling Modifications	\$25,000	2	\$50,000
Server Room Cabling & Power Requirements	\$18,000	2	\$36,000
SUBTOTAL			\$655,800
Backbone Components	Cost	Qty	Extended
Baystack 450 Workstation Switches	\$3,595	14	\$50,330
Cascade Module for 450	\$495	14	\$6,930
MDA 1GB Port for 450	\$1,495	14	\$20,930
Phone Plus w/Next Day Parts for 450	\$225	14	\$3,150
Baystack 303 Workstation Switches	\$1,625	2	\$3,250
Accelar 1200 Chasis	\$3,495	2	\$6,990
Accelar Switch Fabric Module	\$8,995	2	\$17,990
Accelar Flash Memory Card	\$495	2	\$990
Accelar Power Supply Module	\$1,995	4	\$7,980
Accelar 2 port Gigabit Blades	\$5,495	8	\$43,960
Accelar 10/100 Blades	\$9,995	2	\$19,990
Phone Plus w/Next Day Parts for 1200	\$3,799	2	\$7,598
SUBTOTAL			\$190,088
Office Equipment	Cost	Qty	Extended
Standard Workstation	\$3,700	206	\$762,200
CADD Station	\$5,000	44	\$220,000
CADD Software and misc software	\$7,500	44	\$330,000
Laptops	\$5,800	5	\$29,000
FAX Machines	\$800	4	\$3,200
Copiers	\$5,000	2	\$10,000
B & W Printers	\$3,000	6	\$18,000
Color Laser Printers	\$7,100	2	\$14,200
Plotters (to replace Union Station move)	\$8,000	6	\$48,000
SUBTOTAL			\$1,434,600
Miscellaneous	Cost	Qty	Extended
Workstation Cabling Costs (Opus West)	\$85,000	1	\$85,000
Other misc. hardware and software	\$50,000	1	\$50,000
SUBTOTAL			\$135,000
Interoffice Connection	Cost	Qty	Extended
Communications EQ for Interoffice Connection	\$12,000	2	\$24,000
Interoffice Connection Installation Cost	\$3,000	2	\$6,000
Interoffice Connection Service Fees (Monthly)	\$1,800	24	\$43,200
SUBTOTAL			\$73,200
TOTAL EQUIPMENT COSTS			\$2,488,688

Exhibit C
Projected Overhead Savings for Co-Location during Final Design

Assume 70% Co-Location of Prime Contractor @ OH Savings of 40%
 Assume 40% Co-Location of Subcontractors @ OH Savings of 25%
 Assume prime OH rate of 170% and Sub OH rate of 180%
 Assume 10% fee, 5% direct costs

Contract	Approx. Contract Value	Anticipated Value of Prime Contract	Anticipated Value of Subcontracts	Savings in OH Rate
PSTC*	\$17,000,000	\$10,200,000	\$6,800,000	\$1,319,282
LTK*	\$14,000,000	\$7,000,000	\$7,000,000	\$839,646
MSC*	\$6,000,000	\$4,500,000	\$1,500,000	\$586,039
Real Estate	\$10,000,000	\$7,500,000	\$2,500,000	\$796,807
Other	\$10,000,000	\$7,500,000	\$2,500,000	\$796,807
N250	\$3,000,000	\$1,200,000	\$1,800,000	\$162,994
N260	\$3,000,000	\$1,200,000	\$1,800,000	\$162,994
C500	\$2,500,000	\$1,000,000	\$1,500,000	\$135,829
S700	\$3,500,000	\$1,400,000	\$2,100,000	\$190,160
M600	\$1,750,000	\$700,000	\$1,050,000	\$95,080
S710	\$7,500,000	\$3,000,000	\$4,500,000	\$407,486
S720	\$2,250,000	\$900,000	\$1,350,000	\$122,246
S730	\$5,000,000	\$2,000,000	\$3,000,000	\$271,657
S740	\$6,500,000	\$2,600,000	\$3,900,000	\$353,154
S750	\$6,500,000	\$2,600,000	\$3,900,000	\$353,154
S760	\$3,750,000	\$1,500,000	\$2,250,000	\$203,743
S770	\$9,000,000	\$3,600,000	\$5,400,000	\$488,983
S780	\$4,000,000	\$1,600,000	\$2,400,000	\$217,326
	\$115,250,000	\$60,000,000	\$55,250,000	\$7,503,387

* used actual OH numbers