

## STAFF REPORT

### SOUND TRANSIT MOTION NO. M2000-42

#### Management Systems and Project Control Support Contract Change

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	5/18/00	Discussion/Possible Action to Recommend	Hugh Simpson	206-398-5082
Board	5/25/00	Board Action Discussion/Possible Action	Tony Morris	206-689-3340

#### **PROPOSED ACTION**

Authorize the Executive Director to execute a change order to exercise the option to extend the Management Systems Contract with KJM & Associates, Inc. for one year, to amend the scope of work, and to add additional funds. This action exercises one of three, one-year options to extend this contract. The amount of the amendment is \$1,778,771 with a contingency of 10% (\$177,877) for a total authorized amount not to exceed \$1,956,648. The total amount of the original contract and contingency in the amount of \$7,692,585 and this amendment is not to exceed \$9,649,233.

Note: The contingency is not part of the consultant contract and will be used for authorized change orders to this contract. The Director of Finance and Administration will be responsible for managing the contract contingency.

#### **KEY FEATURES**

##### **Highlights of Proposed Action:**

- ◆ Revises the scope of the contract to reflect Sound Transit's management systems and project control support needs for the next year.
- ◆ Ensures adequate project control support to all Sound Transit departments and assists them with meeting the requirements defined in the Sound Move Program Management Plan.
- ◆ Authorizes the Executive Director to execute a change order with KJM & Associates, Inc. extending their contract and amending the contract to provide management systems and project control support services an amount of \$1,778,771, with a contingency of 10 % (\$177,877), for a total authorized amount not to exceed \$1,956,648.

**Discussion of Proposed Action:**

On April 9, 1998, the Board authorized (Resolution No. 98-14) the approval of a contract with KJM & Associates, Inc. for the development, installation, and maintenance of a management reporting and project control system for Sound Move. Additionally, the contract provided for dedicated project control resources for Link Light Rail, Sounder Commuter Rail, and Regional Express bus. The original amount of the contract was \$5,793,821 with an additional amount for contingency (\$1,898,764) resulting in a total not to exceed amount of \$7,692,585. The term of the contract was two years with three, one-year options.

Sound Transit staff has conducted an assessment to determine the project control and management systems needs for each of the departments. Included within this contract amendment are scope tasks deemed necessary to cover those needs. This action will provide support to Link light rail, Sounder commuter rail, and Regional Express bus, as well as other agency departments. The support includes development of agency procedures, assistance with agency reporting, involvement in the implementation of the agency's financial/project management systems, document management, MIS support, scheduling, and cost control. The Agency Project Control Manager will coordinate the work under this contract.

Staff recommends that this action be taken to help ensure that the agency has adequate management systems and project control support for each department in implementing the Sound Move program.

**BUDGET**

Funding for this scope of work is included in Sound Move and in the FY 2000 Budget. The budget for completion of these Management Systems Consultant tasks is identified as a combination of operating and capital expenditures. With this budget, as adopted by the Board on November 18, 1999, there is sufficient funding to complete the identified tasks. The term of this extension runs through March 31, 2001; therefore, the total amount of this amendment covers costs for 2000 and 2001. The table below depicts the total amount requested in this action for the year 2000. The remaining amount projected for the year 2001 will be addressed as part of the 2001 budget process.

Total Project Budget	Budget for this Task (A)	Expenditures to Date** (B)	Total Amount Requested*** (C)	Shortfall* or Surplus (A-[B+C])
N/A	\$3,111,348	\$990,796	\$1,249,714	\$870,838
*Amount of Shortfall	Potential Revenues	Funding Sources		

\*\*For work performed from January 1 through March 31, 2000

\*\*\*Covers remainder of 2000 only.

## **ALTERNATIVES**

The alternative to this action is to hire permanent staff to provide this support. This alternative is not recommended since the tasks are discrete bodies of work well suited for consultants and would limit flexibility in responding to peaks and valleys in the workload. Additionally, the consultants are able to provide the necessary expertise required for particular tasks.

As Sound Transit reviewed and determined the scope of work for this contract, an analysis to determine the benefits of hiring permanent staff to perform certain well-defined, long-term functions was conducted. The results of this analysis have indicated that it is cost effective to hire staff to perform these functions and the scope of this contract has been adjusted accordingly. In summary, the average annual expenditures for the first two years of the contract have been approximately \$3.4 million. The estimated value of this one-year option is approximately \$1.8 million, excluding contingency.

## **CONSEQUENCES OF DELAY**

Delaying approval of this motion will disrupt the work that this consultant is currently providing to each department, resulting in delays to tasks such as procedures development, implementation of document control systems, agency reporting, MIS support, project scheduling, and cost control.

## **REGIONAL PARTNERSHIP AND COOPERATION**

Not applicable.

## **PUBLIC INVOLVEMENT**

Not applicable.

## **LEGAL REVIEW**

MBL 5/9/00

## **SOUND TRANSIT**

### **MOTION NO. M2000-42**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a change order to exercise the option to extend the Management Systems Contract with KJM & Associates, Inc. for management systems and project control support for one-year, to add additional funds and to amend the scope of work for an amount of \$1,778,771, plus a 10% contingency for a total amount not to exceed \$1,956,648.

#### **Background:**

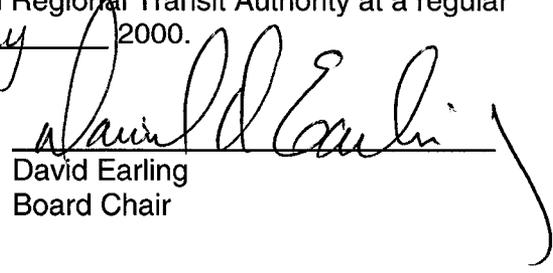
On April 9, 1998, the Board authorized (Resolution No. 98-14) the approval of a contract with KJM & Associates, Inc. for the development, installation and maintenance of a management reporting and project control system for Sound Move. Additionally, the contract provided for dedicated project control resources for Link Light Rail, Sounder Commuter Rail, and Regional Express bus. The original amount of the contract was \$5,793,821 with an additional amount for contingency (\$1,898,764) resulting in a total not to exceed amount of \$7,692,585. The term of the contract was two years with three, one-year options.

Sound Transit staff has conducted an assessment of the original scope of work to determine the project control and management systems needs for each of the departments. Included within this contract amendment are scope tasks deemed necessary to cover those needs. This action will provide support to Link Light Rail, Sounder Commuter Rail, and Regional Express bus as well as other support departments. The support includes development of agency procedures, assistance with agency reporting, involvement in the implementation of the agency's financial/project management systems, document management, MIS support, scheduling and cost control. The Agency Project Control Manager will coordinate the work under this contract.

#### **Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute a change order to exercise the option to extend the Management Systems Contract with KJM & Associates, Inc. for management systems and project control support for one-year, to add additional funds and to amend the scope of work for an amount of \$1,778,771, plus a 10% contingency for a total amount not to exceed \$1,956,648. The total approved amount of the contract including the original contract amount and contingency of \$7,692,585 plus this amendment is not to exceed \$9,649,233.

Approved by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof on the 25<sup>th</sup> day of May 2000.

  
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David Earling  
Board Chair

ATTEST:

  
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Marcia Walker  
Board Administrator