

STAFF REPORT

SOUND TRANSIT MOTION NO. M2001-107

Authorization of a Contract Modification to RTA/CR 44-98 with Raul V. Bravo & Associates for Quality Control, Quality Assurance, and Inspection Services for Sounder Rolling Stock

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	10/18/01	Discussion/Possible Action to Recommend Board Approval	Martin Young, Sounder Program Manager	(206)398-5101

PROPOSED ACTION

The proposed action would authorize the Executive Director to modify contract No. RTA/CR 44-98 with Raul V. Bravo & Associates for Quality Assurance, Quality Control, and inspection by adding \$936,692 to the current contract value of \$2,996,608 for a new total authorized contract value not to exceed \$3,933,300.

KEY FEATURES

Highlights of Action:

- Due to schedule delays to Sounder, the Board approved Motion No. M2001-72 authorizing Sound Transit to negotiate and execute necessary agreements to allow for a like-kind exchange and/or assignment of contract purchase rights to CalTrain for 17 vehicles. Sound Transit is presently negotiating a lease with an option to purchase agreement with CalTrain for those 17 vehicles. If CalTrain exercises its option to purchase during the option period (which will end no later than December 14, 2001), Sound Transit will need to purchase replacement vehicles for Sound Transit's projected needs in 2003.
- The contract with Raul V. Bravo & Associates for Quality Assurance, Quality Control (QA/QC), and Inspection Services for Sound Transit's original order will be extended to the CalTrain purchase, therefore a contract modification will be issued with Raul V. Bravo & Associates to accompany the option order on 17 vehicles delivered by August 2003. (The original solicitation was competitively procured and included option orders.)
- The price CalTrain pays Sound Transit to purchase the vehicles will be equal to the price Sound Transit pays for the replacement vehicles plus QA/QC and inspection of those vehicles.
- If Sound Transit purchases additional replacement vehicles, Sound Transit will need additional QA/QC for these vehicles. If CalTrain does not exercise the option to purchase with Sound Transit, Sound Transit will not go forward with the option to purchase 17 vehicles from Bombardier.
- The Federal Transit Administration has discussed the agreements with CalTrain and Bombardier with Sound Transit and has tentatively approved this transaction.
- There is no net financial loss or gain associated with these agreements or this motion. CalTrain will pay all escalation adjustments including those related to inflation due to a later-assumed contract and revised design specifications due to Federal Railroad Administration Tier 1 crash rollover requirements.

BACKGROUND

This action is tied to a lease with an option to purchase with CalTrain for seven cab cars and ten coaches (17 Bombardier bi-level vehicles) that will be executed in October/November 2001. The Sound Transit /CalTrain agreement includes an assignment of Bravo's QA/QC and inspection services to CalTrain for the 17 vehicles.

The Finance Committee authorized execution of a contact with Bravo for QA/QC and inspection services for the original orders of 38 passenger coaches in August 1998, via Motion No. M98-61. This contract was later modified to include two option orders of ten vehicles each.

This action increases the Bravo contract by an amount not to exceed \$936,692. This completes the QA/QC and Inspection Program under a beneficial cost structure of \$55,000 per unit of rolling stock, compared to the original contract cost of slightly more than \$42,000 per unit (a 31% increase due to upgraded Federal Railroad Administration crash worthiness requirements and inflation).

Both the Sound Transit Program Management Plan and the Sounder Project Management Plan, required by the FTA, commit to establishing an FTA-approved QA/QC program for rolling stock procurement. The scope of Bravo's services are intentionally compliant with and in fulfillment of that commitment. To date, Bravo's implementation of this program has been reviewed and concurred with by the FTA's own project management oversight consultant team.

BUDGET

No new funds are committed with this action; therefore, this action does not endanger any other project elements that are to be funded out of this project. The related budget to this contract award is associated with the Vehicle phase budget of System-wide Track & Facilities Projects found on pages 85-88 of the Adopted 2001 Budget document and supplemented by Resolution R2001-10, the Sounder Cost-to-Complete Budget Amendment. The following table displays the associated budget, obligations and the corresponding impact of this action to those figures.

Table 1 – Capital Budget for Vehicles with Obligations and Impact of Action

Project Description (#)	Column A Total Project Budget	Column B Budget for Vehicle Phase¹ (B)	Column C Obligated To Date² (C)	Column D Total Amount Requested (D)	Column E Shortfall* or Surplus (E=B-C-D)
Everett-to-Seattle (100)	\$131,840,000	\$ 30,076,000	\$ 29,709,345	\$0	\$ 366,655
Seattle-to-Auburn (110)	321,923,000	52,979,500	48,425,718	0	4,553,782
Auburn-to-Tacoma (120) Tacoma-to-Lakewood(130)	307,912,000	60,520,500	60,243,481	0	277,019
Total	\$761,675,000	\$143,576,000	\$138,378,544	\$0	\$5,197,456
*Amount of Shortfall	Potential Revenues		Funding Sources		
\$ 0			CalTrain purchase of earlier-delivered equipment.		

¹The Budget shown reflects the 2001 Adopted Budget and the corresponding reduction in budget from the cost-to-complete budget amendment R2001-10 of \$2,009,500 and \$1,641,500 for projects #110 and #120 respectively.

²An adjustment will be made to equitably distribute incurred costs and commitments according to a final vehicle allocation rule after the Record of Decision has been received on the Tacoma-to-Lakewood corridor.

Table 2 - Impact of Action on Raul Bravo Associates Contract:

Description	Original Contract Value ¹ (A)	Change from Option 1 Motion No. M2000-86 (B) ²	Revised Contract Value (A + B)=C	Proposed Action Contract Value Delta (D)	Proposed Total Contract Value – Not to Exceed (C+D)=E
Base	\$ 1,851,667	\$1,052,358	\$2,904,025	\$ 936,692	\$ 3,840,717
Contingency	92,583	\$0	\$92,583	0	92,583
Total	\$ 1,944,250	\$1,052,358	\$ 2,996,608	\$ 936,692	\$ 3,933,300
Percent Contingency ³	5%		3%	0%	2.4%

¹ See Motion M98-61 dated 8/27/98.

² See Motion M2000-86 dated 9/21/00.

³ Contingency is yet unspent and therefore available for scope associated with this action.

FINANCIAL IMPACTS

This action will not have an impact on the current year budget, the Sound Move budget, the cost-to-complete, or subarea budgets. There will be an escrow account set up that CalTrain will pay into. These payments will go directly to Bravo as services are rendered. Sound Transit staff will oversee these payments.

HISTORY OF PROJECT

Motion or Resolution Number	Summary of Action	Date of Action
M2001-72	Authorization to negotiate and execute agreement for the sale and/or assigned contract purchase rights to CalTrain of 22 units of rolling stock.	8/6/01
M2001-47	Option to execute agreements with transit agencies in the US and Canada to lease Sounder Commuter Rail vehicles that are temporarily in excess of what is required to provide Sounder service.	5/24/01
M2001-22	Executing a lease-to-service contract for current fleet.	3/22/01
M2000-86	Authorizing Change Order Number 1 to contract RTA/CR 44-98 with Raul V. Bravo & Associates for quality control, quality assurance and inspection services to the vehicle option of 20 additional passenger coaches and five locomotives.	9/21/00
M99-81	Exercise option to purchase final 10 passenger coaches.	12/09/99
M99-82	Exercise option to purchase final five additional locomotives for Everett-to-Seattle segment.	12/09/99
M99-72	Option to purchase 10 additional passenger coaches.	10/28/99
M98-61	Awarding Contract RTA/CR 44-98 between Sound Transit and Raul V. Bravo & Associates to provide for Quality Control, Quality Assurance, and Inspection Services for the Sounder Commuter Rail procurement of thirty-eight (38) cab cars and coaches, and six (6) locomotives, in an amount not to exceed \$1,851,667.43, and a 5% contingency amount of \$92,583	8/27/98
98-25	Execute contract for purchase of 18 cab cars and 20 passenger coaches plus contingency.	06/11/98

CONSEQUENCES OF DELAY

Delay of this Motion could affect the execution of the Sound Transit/CalTrain agreement, which includes the cost of the exercise of this option.

REGIONAL PARTNERSHIP AND COOPERATION

The FTA awarded Sound Transit over \$100M for the procurement of Sounder rolling stock and has been kept informed on all transactions related to Sounder vehicles, including quality control, quality assurance, and inspection. Amtrak has a separate agreement with Sound Transit regarding the operation and maintenance of the current fleet of vehicles and has been informed of these transactions.

PUBLIC INVOLVEMENT

Other than attendance at the Finance Committee and Board meetings where Sounder Commuter Rail vehicles were discussed, the public has not been significantly involved in this process.

LEGAL REVIEW

JDW 10/01/01

**SOUND TRANSIT
MOTION NO. M2001-107**

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to modify contract No. RTA/CR 44-98 with Raul V. Bravo & Associates for Quality Assurance, Quality Control, and inspection by adding \$936,692 to the current contract value of \$2,996,608 for a new total authorized contract value not to exceed \$3,933,300.

Background:

Due to schedule delays to Sounder Commuter Rail, the Board approved Motion No. M2001-72 authorizing Sound Transit to negotiate and execute necessary agreements to allow for a like-kind exchange and/or assignment of contract purchase rights to CalTrain for 17 vehicles. Sound Transit is presently negotiating a lease with an option to purchase with CalTrain for those 17 vehicles. If CalTrain exercises its option to purchase during the option period (which will end no later than December 14, 2001), Sound Transit will need to purchase replacement cars for Sound Transit's projected needs in 2003. The price CalTrain pays Sound Transit to purchase the vehicles will be equal to the price that Sound Transit pays for the replacement vehicles plus Quality Assurance, Quality Control (QA/QC), and inspection of those vehicles.

If Sound Transit purchases additional replacement vehicles, Sound Transit will need additional QA/QC and inspection for these vehicles.

If CalTrain does not exercise the option to purchase with Sound Transit, Sound Transit will not go forward with the option to purchase 17 vehicles from Bombardier.

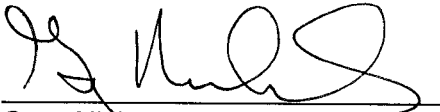
This action is tied to a like-kind exchange arrangement that involves a lease with an option to purchase with CalTrain for seven cab cars and ten coaches (17 Bombardier bi-level vehicles) that is expected to be executed in November 2001 (see Motion No. M2001-72). The Sound Transit /CalTrain lease/option to purchase being negotiated includes Bravo's QA/QC and inspection services for the 17 vehicles being leased or sold. Sound Transit will require additional QA/QC and inspection for 17 replacement vehicles if CalTrain exercises its option to purchase.

The contract with Raul V. Bravo & Associates for QA/QC and inspection for Sound Transit's original order will be extended to the CalTrain purchase, therefore a contract modification will be sought under a separate action to accompany the option order on 17 vehicles delivered by August 2003. (The original solicitation was competitively procured and included option orders.)

Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to modify contract No. RTA/CR 44-98 with Raul V. Bravo & Associates for Quality Assurance, Quality Control, and inspection by adding \$936,692 to the current contract value of \$2,996,608 for a new proposed total authorized contract value not to exceed \$3,933,300.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 18th day of October, 2001.-


Greg Nickels
Finance Committee Chair

ATTEST:


Marcia Walker
Board Administrator