

STAFF REPORT

SOUND TRANSIT MOTION NO. M2001-24

Agreement with Puget Sound Energy for Natural Gas Line Utility Relocation Work Associated with Link Light Rail Project

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Board	3/22/01	Discussion/Possible Action	James Weber, Senior Civil Engineer, Link Eric Mendelsohn, Legal Counsel	(206)398-5130 (206) 398-5224

PROPOSED ACTION

The proposed action would authorize the Executive Director to execute an agreement with Puget Sound Energy for reimbursement for work completed for natural gas utility line relocation costs associated with the Link Light Rail project. The requested amount includes the estimated cost share to Sound Transit of \$1,375,000 plus a contingency of \$375,000 for a total authorized amount not to exceed \$1,750,000.

KEY FEATURES

Highlights of Proposed Action:

- ◆ Authorizes the Executive Director to execute an agreement with Puget Sound Energy for natural gas line relocation work for the amount of \$1,375,000 plus a contingency of \$375,000 for a total authorized amount not to exceed \$1,750,000.
- ◆ Puget Sound Energy will complete relocation of natural gas facilities based on the schedule needs of the Link Light Rail project.
- ◆ Agreement applies to only natural gas line utility relocation and only on the Link Light Rail project. It would not establish a precedent with respect for future utility relocation agreements with private utilities.
- ◆ Provides for re-negotiation of the terms in the event Sound Transit agrees to more favorable terms with another private utility for relocation work associated with the Link Light Rail project.

Discussion of Proposed Action:

The construction of the Link Light Rail project will require the relocation or protection of a number of natural gas facilities located along the Link Light Rail alignment through Tacoma, Tukwila, and SeaTac. Puget Sound Energy (PSE) has franchises or right of way use agreements with each of these jurisdictions with varying language regarding allocation of costs associated with relocation for public projects. Although Sound Transit and PSE engaged in extensive discussions, agreement could not be reached regarding the extent that franchise agreements with the jurisdictions, applicable state and local laws, and right of way use agreements affect the allocation of utility relocation costs between PSE and Sound Transit.

The proposed agreement represents a negotiated effort for allocation of natural gas line relocation costs in a manner that defines schedule and costs, minimizes the potential of delay and cost associated with any legal action. The agreement applies only to natural gas line utility relocation and only to the Link Light Rail project. It would not establish a precedent with respect to future utility relocation agreements with private utilities.

Under the proposed agreement, PSE and Sound Transit have jointly developed the relocation costs based on review of Link Light Rail project plans and typical relocation unit prices provided by PSE. Sound Transit would reimburse PSE at a rate of 55% of the costs for utility relocation work on a time and materials basis. Pricing will also include design, construction administration, inspection, and change orders as contemplated under the agreement. The agreement further provides for renegotiation of the 55% Sound Transit reimbursement rate in the event Sound Transit agrees to more favorable terms with another private utility for relocation work associated with the Link Light Rail project. Sound Transit would have oversight of the schedule and budget for work completed by PSE. Work will be phased in accordance with the Link Light Rail construction schedule.

The agreement also establishes a Joint Technical Committee to coordinate the work and address implementation issues. Technical staff from Sound Transit and PSE will serve on the Technical Committee.

BUDGET

Funding for the scope of work specified in this agreement will come from funds identified for miscellaneous construction activities in both the Central Link (which has a construction budget amount of \$2,482,908,000) and the Tacoma Link (which has a construction budget of \$47,912,000). With the budget developed for the Central Link configuration as adopted by the Board on January 11, 2001, and in the Tacoma Link budget approved by the Board for 2001, there is sufficient funding to complete the remaining construction work.

ALTERNATIVES

If the proposed agreement is not executed, Sound Transit and PSE could seek legal action to resolve allocation of natural relocation costs based on existing franchises and right of way use agreements with the respective jurisdiction. Litigation has inherent risks and would likely have an adverse impact on project costs and schedule.

CONSEQUENCES OF DELAY

A delay in executing this agreement would have two immediate impacts. First, Tacoma Link requires relocation of a critical high pressure natural gas main. This element of work is scheduled as one of the first activities to be completed in summer of 2001. If this agreement is delayed, PSE may delay relocation work in Tacoma which will affect the Link construction contractor. Second, executing this agreement will demonstrate that Sound Transit is willing to negotiate reasonable and fair relocation agreements, and motivate other private utility companies to join Sound Transit at the bargaining table.

REGIONAL PARTNERSHIP AND COOPERATION

NOT APPLICABLE

PUBLIC INVOLVEMENT

PSE will be the lead agency for notifying customers affected by short-term utility interruptions. Mitigation of traffic and other impacts will be through permits issued by the affected jurisdiction.

LEGAL REVIEW

MBL 3/16/01

SOUND TRANSIT

MOTION NO. M2001-24

A motion of the Board of Directors of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute an agreement with Puget Sound Energy for reimbursement for work completed for natural gas utility line relocation costs associated with the Link Light Rail project. The requested amount includes the estimated cost share to Sound Transit of \$1,375,000 plus a contingency of \$375,000 for a total authorized amount not to exceed \$1,750,000.

Background:

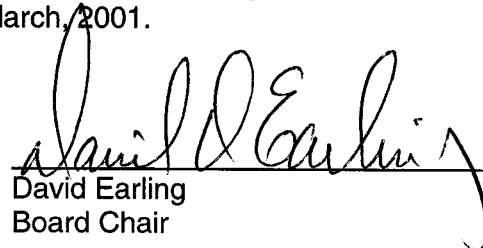
The construction of the Link Light Rail project will require the relocation or protection of a number of natural gas facilities located along the Link Light Rail alignment through Tacoma, Tukwila, and SeaTac. Puget Sound Energy (PSE) has franchises or right of way use agreements with each of these jurisdictions with varying language regarding allocation of costs associated with relocation for public projects. Although Sound Transit and PSE engaged in extensive discussions, agreement could not be reached regarding the extent that franchise agreements with the jurisdictions, applicable state and local laws, and right of way use agreements affect the allocation of utility relocation costs between PSE and Sound Transit.

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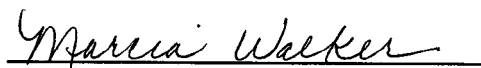
Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute an agreement with Puget Sound Energy for reimbursement for work completed for natural gas utility line relocation costs associated with the Link Light Rail project. The requested amount includes the estimated cost share to Sound Transit of \$1,375,000 plus a contingency of \$375,000 for a total authorized amount not to exceed \$1,750,000.

APPROVED by the Board of Directors of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 22nd day of March, 2001.


David Earling
Board Chair

ATTEST:


Marcia Walker
Board Administrator