

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2004-24

Contract Amendment for Systems Construction Management Services

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	3/18/04	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Light Rail Director	(206) 398-5389
Board	3/25/04			

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	✓
Interlocal Agreement		Contingency Funds (Budget) Required	
Purchase/Sale Agreement		Budget Amendment Required	

✓ *Applicable to proposed transaction.*

OBJECTIVE OF ACTION

To amend the contract with LTK Engineering Services to provide systems construction management services for five light rail engineering, manufacturing, and installation contracts: Light Rail Vehicles (Contract P801), Signal System (Contract C802), Communications System (Contract C803), Traction Power System (Contract C807), and Fare Collection Equipment (Contract C809).

ACTION

Authorizes the Chief Executive Officer to execute a contract amendment with LTK Engineering Services to provide systems construction management services for the Central Link Light Rail Project Initial Segment in the amount of \$15,420,184, with a 7% contingency of \$1,079,413, totaling \$16,499,597, for a new total authorized contract amount not to exceed \$48,805,451, and to extend the term of the contract through December 2009.

KEY FEATURES

- The scope of systems construction management services includes project management, resident engineering services, office engineering, inspection, change administration, systems engineering support, systems design support for civil construction contracts, diversity administration, systems integration, and start-up.
- An integrated Sound Transit/LTK systems construction management team will administer a total value of contracts of approximately \$250 million.
- The amendment is consistent with the original contract scope of systems services to be provided by LTK for Central Link.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET DISCUSSION

This action authorizes execution of a contract amendment with LTK Engineering Services to provide systems construction management services for the Central Link Light Rail Project Initial Segment in the amount of \$15,420,184, plus \$1,079,413 contingency for a revised total amount not to exceed \$48,805,451.

The adopted capital budget for the Initial Segment is \$2.07 billion. Within that budget, \$16,506,916 has been set aside for systems and vehicle construction management in the construction services phase. Should the proposed action be approved, the balance remaining for these budget items will be \$7,319.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit's current long-term financial plan and the subarea financial capacity. The action will have no new revenue impacts on Sound Transit.

BUDGET TABLE

Action Item: LTK Engineering Services (Systems engineering construction management services for Central Link Initial Segment, including: P801, C802, C803, C807, and C809)

(Year of Expenditure \$000)

Initial Segment	Adopted FY2004 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	226,780	108,821		108,821	117,959
2 Preliminary Engineering	35,000	33,290		33,290	1,710
3 Final Design	123,523	115,418		115,418	8,106
4 Right of Way	233,016	130,392		130,392	102,624
5 Construction	1,171,837	290,847		290,847	880,990
6 Construction Services	82,737	38,913	16,500	55,412	27,325
7 Third Party Agreements	58,800	56,126		56,126	2,674
8 Vehicles	138,307	131,799		131,799	6,508
9 Contingency				-	-
10 Total Current Budget	2,070,000	905,606	16,500	922,106	1,147,894

Phase Budget Detail

11 Systems and Vehicle CM Services	16,507	-	16,500	16,500	7
12 Other Segments	66,230	38,913	-	38,913	27,317
13 Total Phase	82,737	38,913	16,500	55,412	27,325

(B) Committed to Date amounts are from the Link Program Cost Summary Report (HQ Reports) for January 2004 + board motions not yet included in report as follows:

	Final Design	Construction	Construct Svcs	Third Parties	Vehicles
Commitments through January 2004	114,894	132,888	11,151	40,619	-
Other board motions	523	157,959	27,762	15,507	131,799
Total phase commitments	115,418	290,847	38,913	56,126	131,799

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
14 Contract Amount	28,655	30,028	15,420	44,075
15 Contingency	3,651	-	1,079	4,731
16 Total	32,306	30,028	16,500	48,805
17 Percent Contingency	13%	0%	7%	11%

M/W/DBE – SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

LTK is the prime consultant for this contract. The March 14, 2002 Board action authorizing a contract amendment with LTK, stated that LTK's M/W/DBE and small business participation goal is 20.59%. The M/W/DBE and small business participation for this change is 17.63% and LTK is projecting to complete this contract at 21.15%.

Utilization Breakdown Table

Subconsultant	Business Type	% of Work	Dollar Value
ACEX	DBE/MBE	4.06	\$626,708
Bolima	DBE/MBE	3.89	\$600,484
C3MG	DBE/WBE	0.05	\$7,844
CDI Engineers	DBE/MBE	0.38	\$58,027
Eskilsson	DBE/WBE	0.13	\$20,683
Radiance Lighting Design	DBE/WBE	0.09	\$14,014
Pacific Communications Consultants	DBE/MWBE	0.29	\$44,374
Virginkar	DBE/MDE	4.80	\$740,793
To Be Determined	Small Business	2.37	\$364,980
HK Kim	Small Business	0.84	\$129,984
Russell	Small Business	0.72	\$110,520
Total		17.63	\$ 2,718,411

EEO Commitment

LTK Engineering Services' workforce demographics are 22% women and 14% minorities.

Apprentice Utilization Commitment

There are no apprentice utilization requirements since this is a professional services contract.

HISTORY OF PROJECT

On December 15, 1997, Sound Transit advertised and issued a Request for Proposals (RFP) for Systems Preliminary Engineering Design Services for Phase I of the Central Link light rail project. The RFP provided notice that the contract may be amended in the future to include final design and construction management. The selection committee recommended Sound Transit pursue negotiations with LTK Engineering Services. On April 23, 1998, the Board authorized the Executive Director to execute a contract with LTK.

During 2001, Sound Transit re-examined the Central Link project and on September 27, 2001, the Sound Transit Board identified a 14-mile preferred initial segment to be constructed and operated from Convention Place Station in downtown Seattle to South 154th Street. The Board made the final decision on selecting the initial segment on November 29, 2001. Also, on September 27, 2001, the Board authorized staff to complete an 18- to 24-month supplemental EIS and design effort to analyze alternative routes to the north of the initial segment interim terminus at Convention Place.

On March 14, 2002, the Board authorized a contract amendment with LTK Engineering Services for systems final design for Central Link Initial Segment, conceptual and preliminary systems

design for North Link alternatives, and systems construction management, design support services during construction and start-up for Tacoma Link.

As the Tacoma Link and Central Link projects have advanced through the preliminary design, final design, and construction phases, the Board has authorized incremental amendments to the LTK contract to cover specific systems tasks. This approach has allowed staff to effectively inform the Board, maximize oversight of the contract, minimize costs, and respond more effectively to changing project conditions.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2002-25	Execute a contract amendment with LTK Engineering Services for systems engineering final design for the Central Link Initial Segment, conceptual and preliminary systems engineering design for North Link alternatives, and systems construction management and design support services during construction and startup for Tacoma Link through December 31, 2002.	3/14/02
M2000-20	Execute a contract amendment with LTK Engineering Services for systems engineering final design for Central and Tacoma Link, and systems construction management and services during construction and start-up for Tacoma Link Light Rail Project.	3/9/00
R98-17	Execute a contract with LTK Engineering for conceptual and preliminary work.	4/23/98

CONSEQUENCES OF DELAY

The construction for the Initial Segment commenced in December 2003. A significant delay in approval of this contract amendment may delay implementation of construction management assistance to successfully manage contracts currently under construction.

PUBLIC INVOLVEMENT

Not applicable for this action.

LEGAL REVIEW

DLB 3/3/04

SOUND TRANSIT

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Background:

The purpose of this action is to amend the contract with LTK Engineering Services to provide systems engineering construction management services for five light rail engineering, manufacturing and installation contracts: Light Rail Vehicles (Contract P801), Signal System (Contract C802), Communications System (Contract C803), Traction Power System (Contract C807), and Fare Collection Equipment (Contract C809).

The scope of systems engineering construction management services includes project management, resident engineering services, office engineering, inspection, change administration, systems engineering support, systems design support for civil construction contracts, diversity administration, systems integration, and start-up.

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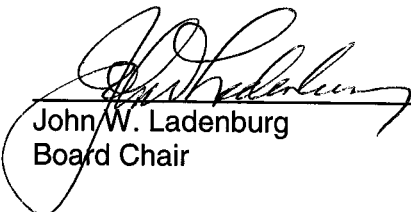
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As the Tacoma Link and Central Link projects have advanced through the preliminary design, final design, and construction phases, the Board has authorized incremental amendments to the LTK contract to cover specific systems engineering tasks. This approach has allowed staff to effectively inform the Board, maximize oversight of the contract, minimize costs, and respond more effectively to changing project conditions.


Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a contract amendment with LTK Engineering Services to provide systems engineering construction management services for the Central Link Light Rail Project Initial Segment in the amount of \$15,420,184, with a 7% contingency of \$1,079,413, totaling \$16,499,597, for a new total authorized contract amount not to exceed \$48,805,451, and to extend the term of the contract through December 2009.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 25, 2004.


John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator