

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2005-12

Sound Transit/Puget Sound Energy Gas Utility Relocation Agreement Amendment #2

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	1/20/05	Discussion/Possible Action	Ahmad Fazel, Link Director Joe Gildner, Link Deputy Director Jim Weber, Sr. Civil Engineer	(206) 398-5389 (206) 689-3350 (206) 398-5130

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.*

ACTION

Authorizes the Chief Executive Officer to execute an amendment to the Master Gas Facility Relocation Agreement with Puget Sound Energy for the relocation of natural gas lines for the Central Link Light Rail Initial Segment, and to increase Sound Transit's share of these relocation costs in the amount of \$475,000, which includes \$63,000 for contingency, for a new total authorized agreement amount not to exceed \$2,965,000.

KEY FEATURES

- Increases Sound Transit funding for additional gas line relocation that has been identified along the Martin Luther King, Jr. Way S. (MLK) corridor.
- Original Master Gas Facility Relocation Agreement (Master Agreement) authorized Sound Transit to share relocation costs with Puget Sound Energy (PSE) to complete necessary relocation of natural gas lines along the Central Link Light Rail Initial Segment project alignments.
- The 55/45 cost sharing split between Sound Transit and PSE, as per the terms of the original Master Agreement, remains in force.
- This amendment will adjust the contingency amount to \$253,000 (\$63,000 increase) based on \$1.3 million balance of uncompleted gas relocation work and Link assessment of risk associated with this work.
- The use of authorized agreement funds will be paid to PSE on a Task Order basis by project and/or line section.
- PSE's share of the relocation costs will increase proportionally per the terms of the Master Agreement. PSE has confirmed that they will secure the funding for this cost increase.

- Other terms of the Master Agreement, as adopted by the Sound Transit Board on March 22, 2001 in Motion No. M2001-24, will remain in force.

BUDGET IMPACT SUMMARY

Project Description: Central Link Initial Segment

Current Status: Final Design / Construction

Projected Completion Date: 2009

Action Outside of Adopted Budget:	Y/N	Y Requires Comment
This Line of Business	N	
This Project	N	
This Phase	N	
This Task	Y	This action requires funding from surplus utility relocation budget and unallocated contingency within the construction phase.
Budget amendment required	N	
Key Financial Indicators:	Y/N	Y Requires Comment
Contingency funds required	N	
Subarea impacts	N	
Funding required from other parties other than what is already assumed in financial plan	N	

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

BUDGET DISCUSSION

The proposed action would authorize the execution of an amendment to the Master Gas Facility Relocation Agreement with Puget Sound Energy for the relocation of natural gas lines for the Initial Segment, and increase Sound Transit’s share of the relocation costs in the amount of \$475,000 for a new total authorized agreement amount not to exceed \$2,965,000.

The adopted 2005 lifetime capital budget for the Initial Segment is \$2.070 billion. Within that budget, \$2,313,700 has been set aside in the construction phase for the relocation of PSE gas lines along the Initial Segment alignment. This action would result in a budget shortfall for this work in the amount of \$389,437, which would be funded by the transfer of \$243,358 from surplus budget for other utility relocation by private companies and the use of \$146,079 from unallocated contingency within the construction phase. Should the proposed action be approved, construction phase unallocated contingency would be reduced from its current level of \$47,012,926 to a remaining balance of \$46,866,847.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

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

BUDGET TABLE

Action Item: Puget Sound Energy (Relocate natural gas lines for the Central Link Initial Segment)

(Year of Expenditure \$000)

Initial Segment	Adopted 2005 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	218,780	111,533	475	112,008	106,772
2 Preliminary Engineering	34,000	33,586		33,586	414
3 Final Design	143,523	138,038		138,038	5,485
4 Right of Way	229,516	171,107		171,107	58,409
5 Construction	1,168,066	778,609		778,609	389,457
6 Construction Services	83,892	80,631		80,631	3,261
7 Third Party Agreements	58,916	52,474		52,474	6,442
8 Vehicles	133,307	131,799		131,799	1,508
9 Total Current Budget	2,070,000	1,497,776	475	1,498,251	571,749
Construction Phase Detail					
10 PSE 520, 700/810, 710, 735, 755	2,314	2,228	475	2,703	(389)
11 Other Utility Relocation	1,248	332		332	915
12 Other Construction	1,117,491	776,048		776,048	341,443
13 Construction Unallocated Contingency	47,013	-		-	47,013
14 Total Phase	1,168,066	778,609	475	779,084	388,982
(B) COMMITTED TO DATE amounts are from the Link Program Cost Summary Report (HQ Reports) for November 2004 + Board motions not yet included in the report. Construction Unallocated Contingency includes \$3.7 million for pending					
Contract Budget	Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
15 Contract Amount	2,300	2,300	412	2,712	2,712
16 Contingency	190	190	63	253	253
17 Total	2,490	2,490	475	2,965	2,965
18 Percent Contingency	8%	8%	15%	9%	9%
Budget Shortfall					
Task Level	\$ (K)	Potential Resources (L)	Source (M)		
19 PSE 510, 700/810, 735, 755	389	47,928	Surplus utility relocation budget and unallocated contingency within the construction phase		

M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable to this action.

HISTORY OF PROJECT

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2003-124	Amendment to the agreement with Puget Sound Energy to relocate natural gas lines for the Link Initial Segment in the amount of \$740,000 for a total agreement amount of \$2,300,000, with a contingency of \$190,000, and a new total authorized agreement amount not to exceed \$2,490,000	12/3/03
M2001-24	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	3/22/01

Additional gas line relocation has been identified in the MLK corridor. The relocations are on MLK itself and on intersecting side streets and are due to unforeseen conflicts with electrical and telecommunication vaults, conflicts with the proposed wet utilities (i.e. water, sewer and storm drain) and relocations due to the required regrading of several cross streets.

These conflicts are categorized as:

- Existing gas lines conflicting with new ductbank and vaults
- Existing gas lines conflicting with wet utilities
- Relocation of gas lines due to regrading of cross streets

Cost for the additional scope of work will be allocated in accordance with the cost sharing formula per the Master Gas Facility Relocation Agreement. PSE will reimburse Sound Transit for the value of betterments.

The amount included with this amendment reflects approximately 20% contingency given the risk associated with underground utility relocation work and the level of completion of the PSE final design and cost estimate.

Sound Transit will be given a credit amount of 45% of the cost, per the master Agreement, or approximately \$50,000 for surveying and potholing work performed on behalf of PSE by Sound Transit's contractor for the MLK corridor.

Action on this change is requested at this time so that funding commitments do not exceed the authorized amount as approved by the Sound Transit Finance Committee.

CONSEQUENCES OF DELAY

Delaying approval for this additional funding would impact the relocation work and could result in a schedule impact to the C735/MLK contract.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

BN 1-10-05

SOUND TRANSIT

MOTION NO. M2005-12

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute an amendment to the Master Gas Facility Relocation Agreement with Puget Sound Energy for the relocation of natural gas lines for the Central Link Initial Segment, and to increase Sound Transit's share of these relocation costs in the amount of \$475,000, which includes \$63,000 for contingency, for a new total authorized agreement amount not to exceed \$2,965,000.

Background:

Additional gas line relocation has been identified in the MLK corridor. The relocations are on MLK itself and on intersecting side streets and are due to unforeseen conflicts with electrical and telecommunication vaults, conflicts with the proposed wet utilities (i.e. water, sewer and storm drain) and relocations due to the required regrading of several cross streets.

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Motion:

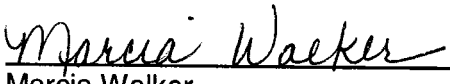
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute an amendment to the Master Gas Facility Relocation Agreement with Puget Sound Energy for the relocation of natural gas lines for the Central Link Initial Segment, and to increase Sound Transit's share of these relocation costs in the amount of \$475,000, which includes \$63,000 for contingency, for a new total authorized agreement amount not to exceed \$2,965,000.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 20, 2005.



Kevin R. Phelps
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator