

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2007-111

Amendment to Sound Transit/City of Seattle Construction Services Agreement

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	10/18/07	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	11/8/07		Ron Lewis, Link Deputy Executive Director	(206) 689-4905

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	✓
Agreement with Other Jurisdiction(s)	✓	Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Central Link Light Rail Initial Segment

PROPOSED ACTION

Authorizes the chief executive officer to amend the Sound Transit/City of Seattle Construction Services Agreement to provide additional funding for continued construction and construction-related services by the City of Seattle through completion of the Central Link light rail Initial Segment project in the amount of \$5,430,700, for a new total authorized agreement amount not to exceed \$55,104,762, which includes reimbursements to Sound Transit by the City of Seattle for betterments in the amount of \$4,052,766.

KEY FEATURES of PROPOSED ACTION

- The proposed action will amend the Sound Transit/City of Seattle Construction Services Agreement (CSA), which provides the framework for executing and managing task orders for Link light rail related construction services provided by the City.
- The proposed CSA amendment will support continued construction and construction-related services by the City of Seattle necessitated in large part by the extended construction durations for certain portions of the Initial Segment.
- The four primary areas of the CSA addressed by this amendment are outlined below:
 - Rainier Valley Construction: The C735 (Rainier Valley) segment is over 90% complete. However, the construction duration has extended beyond what was originally anticipated in the CSA. The current schedule calls for substantial completion of C735 construction by the end of 2007. This extended construction duration has resulted in the need for continued City support for construction, technical review and inspection, police and traffic control services, and Seattle Fire Department emergency response coordination.

In addition, certain elements of the City's infrastructure such as the newly constructed water line system with impressed current to protect against corrosion, the new signal system, and temporary traffic control arrangements required more deliberate oversight by City staff during installation.

- Beacon Hill Construction: The C710 (Beacon Hill Tunnel) segment is over 70% complete. However, the construction duration has extended beyond what was originally anticipated at the time the CSA was executed. The current schedule calls for substantial completion of C710 construction in January 2009. This extended construction duration has resulted in the need for continued support for Seattle Fire Department tunnel rescue services until such time that all cross-passage construction is complete. In addition, there is a continuing need for construction coordination including settlement monitoring and technical review and inspection services in support of Beacon Hill Tunnel construction.
- SDOT Core Team: Extended construction durations for portions of the Initial Segment have resulted in the need for the on-going provision of services by SDOT's Core Team. The SDOT Director is the City's designated representative in the CSA, and SDOT is the City's lead department for overseeing and managing City services authorized by the CSA, including ensuring the timely completion of work by the City. Specific services provided by SDOT's Core Team include: overall project management for City services in support of Initial Segment construction; management of interdepartmental/interagency agreements; coordination with the Mayor, Seattle City Council, and department director's, including assistance in pursuing the necessary legislative authority to support the delivery of the light rail project; and agreement/task order administration.
- Tukwila: This amendment includes funding for project scope that was not contemplated when the CSA was executed. Subsequent to the execution of the CSA, Sound Transit and the City of Tukwila agreed on a package of street and utility improvements to Southcenter Boulevard, which include Seattle City Light electrical infrastructure. SCL will provide project management and inspection services in support of duct bank and vault installation work in Tukwila and design, engineering, and construction services for undergrounding of SCL utilities in the cities of SeaTac and Tukwila.
- The proposed action would enable the City to continue to provide construction and construction-related services in support of the completion of construction of the Initial Segment, and would help enable Sound Transit to maintain the July 2009 scheduled opening for the Initial Segment.
- The previous total authorized agreement amount of \$45,324,062 included third party reimbursements of \$4,350,000. This action will reduce this amount by \$297,234 to reflect actual reimbursements to Sound Transit of \$4,052,766.

BUDGET IMPACT SUMMARY

Current Project Phase: Construction
Projected Completion Date: 2009

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase	✓	Proposed action requires funding from surplus budget in other phases of the Initial Segment project.
This Task	✓	Proposed action requires funding from unallocated contingency within the construction phase, and unallocated contingency and surplus budget within the third party phase.
Budget Amendment Required		

Key Financial Indicators:	✓	Comments on Checked Items
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)		

Not checked = action is assumed in current Board-adopted budget. No budget action or adjustment to financial plan required.

BUDGET and FINANCIAL PLAN DISCUSSION

The Adopted 2007 Budget for the Central Link Initial Segment is \$2.07 billion. Within that amount, the following amounts have been set aside for Sound Transit's share of the Construction Service Agreement (CSA) with the City of Seattle:

- \$29.6 million within the construction phase: The proposed action would increase commitments for the CSA by \$2,717,893 to \$30,116,088, and result in a budget shortfall of \$557,948, which would be funded from construction phase unallocated contingency.
- The unallocated contingency within the construction phase of the Initial Segment has a current remaining balance of \$7,783,309. Approval of this action will reduce this amount by \$557,948, and leave a remaining balance of \$7,225,361 for construction phase unallocated contingency.
- \$15.2 million within the third party phase: The proposed action would increase commitments for the CSA by \$3,010,041 to \$17,939,212, and result in a budget shortfall of \$2,731,796, which will be partly funded from third party unallocated contingency in the amount of \$257,854, and from surplus budget within the third party phase. This will leave a remaining budget shortfall for the total third party phase of \$2,279,111, which will be funded from surplus budget within other phases of the Initial Segment project.
- The unallocated contingency within the third party phase of the Initial Segment has a current remaining balance of \$257,854. No third party phase unallocated contingency will remain if the proposed action is approved.

The proposed action would exceed the third party phase budget for the Initial Segment and require a transfer of budget funds from other phases within the project. However, this action is consistent with the Proposed 2008 Budget for the Initial Segment project, is affordable within the agency's current long-term financial plan and subarea financial capacity, and it is within the

lifetime approved budget of \$2.07 billion for the Initial Segment. The action will have no new revenue impact on Sound Transit.

BUDGET TABLE

Action Item: City of Seattle (Amend CSA to provide additional funding support for continued construction and related services through completion of the Central Link Initial Segment)

(Year of Expenditure \$000)

Initial Segment		Adopted 2007 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1	Agency Administration	214,780	140,711		140,711	74,069
2	Preliminary Engineering	33,357	33,310		33,310	46
3	Final Design	147,167	146,498		146,498	669
4	Right of Way	217,516	203,200		203,200	14,316
5	Construction	1,174,572	1,125,801	2,718	1,128,519	46,054
6	Construction Services	90,037	92,403		92,403	(2,366)
7	Third Party Agreements	60,264	59,533	3,010	62,543	(2,279)
8	Vehicles	132,307	131,799		131,799	508
9	Total Current Budget	2,070,000	1,933,255	5,728	1,938,983	131,017
Construction Phase Detail						
10	City of Seattle Construction	29,558	27,398	2,718	30,116	(558)
11	Other Construction	1,102,937	1,064,109		1,064,109	38,828
12	Construction Unalloc Contingency	42,077	34,294		34,294	7,783
13	Total Phase	1,174,572	1,125,801	2,718	1,128,519	46,054
Third Party Phase						
14	City of Seattle Third Party	15,207	14,929	3,010	17,939	(2,732)
15	Other Third Party	44,799	44,604		44,604	195
16	Third Party Unalloc Contingency	258	-		-	258
17	Total Phase	60,264	59,533	3,010	62,543	(2,279)
Contract Amount						
		Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
18	Contract Amount	46,083	46,677	5,431	51,513	52,108
19	Contingency	3,591	2,997	-	3,591	2,997
20	Total Contract	49,674	49,674	5,431	55,105	55,105
21	Percent Contingency	8%	6%	0%	7%	6%
22	Betterments	4,350	4,350	(297)	4,053	4,053
23	Total Sound Transit Share	45,324	45,324	5,728	51,052	51,052

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of August 2007 + approved and pending board actions not recorded as of 8/31/07, or submitted after that date.

Budget Shortfall Task Level	\$ (K)	Potential Resources (L)	Source (M)
Construction Phase Shortfall			
24 City of Seattle Construction	558	7,783	Unallocated contingency within the construction phase
Third Party Phase Shortfall			
25 City of Seattle Third Party	2,732	453	Unallocated contingency plus surplus budget within the third party phase (additional funding required from surplus budget within other project phases)

25(K) BUDGET SHORTFALL would exceed 25(L) funding resources available within the third party phase. The 17(E) total third party phase budget shortfall will be funded from surplus budget from other phases within the Initial Segment project. The required phase budget transfers are included in the Proposed 2008 Budget.

SMALL BUSINESS PARTICIPATION

In general, City staff will perform work authorized by the CSA, which has been the practice since its execution. However, in certain cases the City may elect to execute one or more contracts for completion of work authorized by the CSA. Any procurement of services by the City will be done consistent with the City of Seattle's Small Business Participation Program.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The Central Link Light Rail Initial Segment is a 13.9 mile, 12 station, double-track system between downtown Seattle and South 154th Street in Tukwila. Four of the five major construction segments are entirely within the City of Seattle, and a small portion of the fifth segment is also in Seattle. In addition, the City of Seattle owns and operates infrastructure outside the Seattle City limits, within the cities of Tukwila and SeaTac, where Link light rail construction is also progressing.

In October 2003, the Sound Transit Board approved Motion No. M2003-91-1, authorizing the Chief Executive Officer to execute an interlocal agreement (CSA) with the City of Seattle to provide construction and related services for the Central Link Light Rail Initial Segment. The CSA established the framework for developing and executing task orders authorizing the City of Seattle to provide construction support services for the Central Link Light Rail Initial Segment in the areas of construction, construction assistance, and procurements.

The CSA authorized the overall budget and task limits for the scope of City services contemplated at that time. The CSA also reflected the partnership and collaborative relationship between Sound Transit and the City of Seattle necessary to support the timely and cost effective construction of the Initial Segment.

The overall purpose of the CSA is to implement this collaborative relationship between the City and Sound Transit in support of the construction of the Initial Segment to minimize delay and extra costs to both parties, while building a quality system which meets Sound Transit's requirements as defined in the Agreement as well as the City permit requirements, standards, and specifications. Specific goals of the CSA include:

- The Parties understand that they have a reciprocal duty to avoid hindering or delaying each other's efforts.
- The Parties will work proactively and cooperatively to avoid conflict among the City, Sound Transit's contractors, and private utilities.
- The Parties desire to maximize efficient and cost effective use of resources by both parties.
- The Parties shall comply with applicable statutory and regulatory requirements associated with grants, permits, oversight, or other legal requirements.

In February 2005, the Sound Transit Board approved Motion No. M2005-20, amending the CSA by adding funds for the purchase of a tunnel rescue vehicle for the Seattle Fire Department to support the construction of the Beacon Hill Tunnel. The CSA also authorized the Seattle Fire Department to provide 24 hours/7 days a week emergency tunnel rescue services, related equipment and training. A condition of furnishing the tunnel rescue vehicle is that it will be made available for use on other current and future Sound Transit projects as long as those construction activities occur within the anticipated fifteen-year useful life of the tunnel rescue vehicle.

The recently adopted University Link project baseline schedule includes completing construction in 2016, which falls entirely within the anticipated useful life of the tunnel rescue vehicle, should Sound Transit elect to utilize the Seattle Fire Department as the provider of these services.

In June 2006, the CSA was amended by Motion No. M2006-49, increasing the task order budget for Seattle City Light construction services in the C755 (Tukwila) segment to fund utility construction elements that were not fully designed at the time the CSA was executed.

To date over 50 task orders have been authorized under the CSA. The scope, schedule, and budget for specific work authorized by these task orders is monitored during bi-weekly Sound Transit/City of Seattle project coordination meetings. The City submits monthly invoices for reimbursement by Sound Transit. In addition, quarterly meetings are held to discuss issues in detail, confirm or reforecast cost to complete for each task order, and reconcile outstanding scope, schedule, or budget issues.

The CSA will remain in effect until the completion of all Central Link Initial Segment construction activities requiring the City of Seattle's support.

Prior Board/Committee Actions

Motion/Resolution Number & Date	Summary of Action
M2006-49 6/22/06	Authorized the Chief Executive Officer to execute an amendment to the Construction Services Agreement with the City of Seattle in the amount of \$3,700,000 for a new total authorized project expenditure amount not to exceed \$49,674,062, which includes reimbursements to Sound Transit in the amount of \$4,350,000.
M2005-20 2/24/05	Authorized the Chief Executive Officer to execute an amendment to the Construction Services Agreement with the City of Seattle in the amount of \$400,000 for a new total authorized project expenditure amount not to exceed \$41,624,062. This action increases the total authorized funding to \$45,974,062, which includes reimbursements to Sound Transit in the amount of \$4,350,000 and authorizes up to \$725,000 for purchase of a Tunnel Rescue Vehicle.
M2003-91-1 10/9/03	Authorized the Chief Executive Officer to execute an interlocal agreement with the City of Seattle to provide construction support services for the Central Link Light Rail Initial Segment in the amount of \$37,969,043, with a contingency of \$3,255,019, for a total authorized amount not to exceed \$41,224,062. This action also authorizes a task limit of \$45,574,062 before City of Seattle credits to Sound Transit of \$4,350,000 and supersedes Motion No. M2003-91.

CONSEQUENCES of DELAY

A delay beyond November 2007 in approval of this action could cause delays and inefficiencies in the overall management of the Construction Services Agreement.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI, 09/27/07

LEGAL REVIEW

JW 10/15/07

SOUND TRANSIT

MOTION NO. M2007-111

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to amend the Sound Transit/City of Seattle Construction Services Agreement to provide additional funding for continued construction and construction-related services by the City of Seattle through completion of the Central Link Light Rail Initial Segment project in the amount of \$5,430,700, for a new total authorized agreement amount not to exceed \$55,104,762, which includes reimbursements to Sound Transit by the City of Seattle for betterments in the amount of \$4,052,766.

Background:

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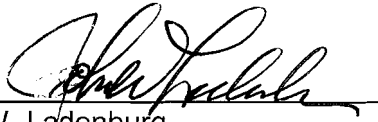
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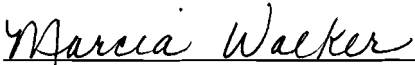
Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to amend the Sound Transit/City of Seattle Construction Services Agreement to provide additional funding for continued construction and construction-related services by the City of Seattle through completion of the Link light rail Initial Segment project in the amount of \$5,430,700, for a new total authorized agreement amount not to exceed \$55,104,762, which includes reimbursements to Sound Transit by the City of Seattle for betterments in the amount of \$4,052,766.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 8, 2007.


John W. Ladenburg
Board Chair

ATTEST:


Marcia Walker
Board Administrator