

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2007-55

Ratification of Emergency Contract for Emergency Procurement of T1 Transformer

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Board	5/24/07	Discussion/Possible Action	Ahmad Fazel, Link Executive Director Joe Gildner, Link Deputy Executive Director Steve Procter, Systems Engineering Manager	(206) 398-5389 (206) 689-3350 (206) 370-5512

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 Initial Segment

PROPOSED ACTION

Ratifies a contract with Magnetic Technologies Corporation for emergency procurement of a transformer to be designed, fabricated, and delivered to the Central Link Operations & Maintenance Facility in the amount of \$118,000, plus estimated use tax of \$10,502, for a total authorized contract amount not to exceed \$128,502.

KEY FEATURES of PROPOSED ACTION

- In March 2007, the main transformer at the Operations & Maintenance (O&M) Facility failed and power went off.
- This transformer was removed and shipped to the fabricator, Howard Industries in Laurel, Mississippi, for examination and testing. The supplier has conducted an initial investigation witnessed by Sound Transit to evaluate the cause of the failure. Additional investigation into the cause of the failure is ongoing.
- Restoration of regular permanent power is critical to finalize the acceptance testing for the O&M Facility, to allow occupancy in the O&M building, and to the flow of the following follow-on contracts at the O&M Facility:
 1. Light rail vehicle (LRV) Contractor (P801) - Kinkisharyo's ongoing vehicle testing. This testing is critical to the test track to ensure proper functionality between the LRV and the Train Control system;

2. Communications Contractor (C803) - GE Transportation Systems installation of the communication system in the O&M Building;
 3. Traction Electrification Contractor (C807) - Mass Electric's installation of the O&M Facility substation; and
 4. Operations and Maintenance Base Contractor (C810) - Kiewit Pacific Company's completion of punchlist items.
- It was determined that the situation was an emergency and required the immediate execution of a contract for work. In accordance with Resolution No. 78-1, when an emergency shall require the immediate execution of a contract for work or services, the chief executive officer is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency, provided that the chief executive officer shall request Board ratification of the finding of emergency and any purchases or contracts awarded and/or executed pursuant to that finding if the cost thereof exceeds \$100,000.
 - In April 2007, five transformer manufacturers and suppliers were contacted for quotes. Magnetic Technologies Corporation was the only supplier that could meet the critical timeframe of supplying a product that would restore permanent power to the O&M Facility in late April to early May. All other suppliers required as much as six months for delivery.
 - An independent cost estimate was performed, and the price was determined to be fair.
 - Sound Transit has provided notice of a warranty claim to the O&M Facility contractor. The contractor will be directed to replace the damaged transformer and install the new transformer. When the cause of the failure is determined, Sound Transit will seek to recover the costs of the transformer failure from the contractor.

BUDGET IMPACT SUMMARY

Current Project Phase: Construction
 Projected Completion Date: 2009

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task	✓	Emergency procurement requires funding from surplus budget for Other Operations and Maintenance Facility Expenses within the construction 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, \$594,000 has been set aside for Other Operations and Maintenance Facility Expenses (P817) in the construction phase. Approval of the proposed action would increase commitments for this line item by \$128,502 to \$130,457, and leave a remaining budget balance of \$463,543.

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

BUDGET TABLE

Action Item: Magnetic Technologies Corporation (emergency procurement of a transformer to be designed, fabricated and delivered to the Central Link Operations and Maintenance Facility in the 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	119,850		119,850	94,930
2	Preliminary Engineering	33,357	33,310		33,310	46
3	Final Design	147,167	146,496		146,496	671
4	Right of Way	217,516	200,294		200,294	17,222
5	Construction	1,174,572	1,083,732	129	1,083,860	90,712
6	Construction Services	90,037	91,830		91,830	(1,792)
7	Third Party Agreements	60,264	59,533		59,533	731
8	Vehicles	132,307	131,799		131,799	508
9	Total Current Budget	2,070,000	1,866,843	129	1,866,971	203,029
Construction Phase Detail						
10	O&M P817 Other	594	2	129	130	464
11	Other Systems Construction	127,660	120,324		120,324	7,336
12	Other Construction	1,046,318	963,406		963,406	82,912
13	Total Phase	1,174,572	1,083,732	129	1,083,860	90,712
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)
14	Contract Amount	-	-	129	129	129
15	Contingency	-	-	-	-	-
16	Total Contract	-	-	129	129	129
17	Percent Contingency	0%	0%	0%	0%	0%

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of March 2007 + approved and pending board actions not recorded as of 3/31/07, or submitted after that date.

14(H) CONTRACT AMOUNT includes State of Washington Use Tax.

SMALL BUSINESS PARTICIPATION

Magnetic Technologies Corporation is the prime contractor for this procurement. Due to the specialized nature of manufacturing high power transformers, there is no opportunity for small business participation.

EEO COMMITMENT

Magnetic Technologies Corporation's workforce demographics are 16.9% Women and 3.4% Minorities.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

In April 2007, five transformer manufacturers and suppliers were contacted for quotes and Magnetic Technologies Corporation was the only supplier that could meet the critical timeframe of supplying a product that would restore permanent power to the O&M Facility in late April to early May.

It was determined that the work was an emergency and required the immediate execution of a contract for work. In accordance with Resolution No. 78-1, when an emergency shall require the immediate execution of a contract for work or services, the chief executive officer is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency, provided that the chief executive officer shall request Board ratification of the finding of emergency and any purchases or contracts awarded and/or executed pursuant to that finding if the cost thereof exceeds \$100,000. Board ratification of the contract was not sought earlier as repairs were originally expected to be less than \$100,000.

CONSEQUENCES of DELAY

None

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI, 05/07/07

LEGAL REVIEW

JW 5/10/07

SOUND TRANSIT

MOTION NO. M2007-55

A motion of the Board of the Central Puget Sound Regional Transit Authority ratifying a contract with Magnetic Technologies Corporation for emergency procurement of a transformer to be designed, fabricated, and delivered to the Central Link Operations & Maintenance Facility in the amount of \$118,000, plus estimated use tax of \$10,502, for a total authorized contract amount not to exceed \$128,502.

Background:

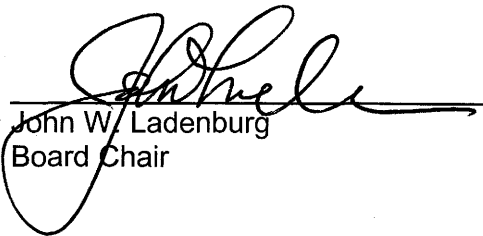
In April 2007, five transformer manufacturers and suppliers were contacted for quotes and Magnetic Technologies Corporation was the only supplier that could meet the critical timeframe of supplying a product that would restore permanent power to the O&M Facility in late April to early May.

It was determined that the work was an emergency and required the immediate execution of a contract for work. In accordance with Resolution No. 78-1, when an emergency shall require the immediate execution of a contract for work or services, the chief executive officer is authorized to make a finding of the existence of such emergency and execute any contracts necessary to respond to the existing emergency, provided that the chief executive officer shall request Board ratification of the finding of emergency and any purchases or contracts awarded and/or executed pursuant to that finding if the cost thereof exceeds \$100,000. Board ratification of the contract was not sought earlier as repairs were originally expected to be less than \$100,000.

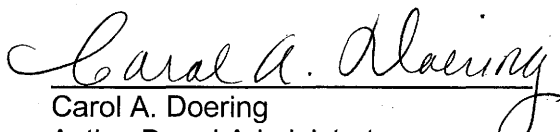
Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority ratifying a contract with Magnetic Technologies Corporation for emergency procurement of a transformer to be designed, fabricated, and delivered to the Central Link Operations & Maintenance Facility in the amount of \$118,000, plus estimated use tax of \$10,502, for a total authorized contract amount not to exceed \$128,502.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 24, 2007.


John W. Ladenburg
Board Chair

ATTEST:


Carol A. Doering
Acting Board Administrator