

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2008-11

Contract Amendment for Construction Management Services

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	1/17/08	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	1/24/08		Joe Gildner, Link Deputy Executive Director	(206) 689-3350
			Tony Raben, Deputy Construction Manager	(206) 398-5171

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<input checked="" type="checkbox"/>
Competitive Procurement	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	<input checked="" type="checkbox"/>
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Central Link Initial Segment

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract amendment with Carter & Burgess, Inc. to provide construction management services for Link Light Rail Segment C735, Rainier Valley Construction in the amount of \$436,633, for a new total authorized contract amount not to exceed \$13,380,938, which includes reimburseable costs to Sound Transit from third parties for betterments.

KEY FEATURES of PROPOSED ACTION

- The contract scope includes: providing resident engineering, office engineering, inspection, change order administration, management, and closeout support.
- The additional contract authority request is the result of an extended construction period. The August 2006 amendment (Motion No. M2006-62) provided funds for construction management (CM) services through the forecasted construction period of October 2007. Due to the delayed completion, the management staff was not demobilized as originally intended, however this extended effort was managed within the budget. The current schedule, as of January 3, 2008, forecasts completion in March 2008. The contract amendment will support construction management services through the current construction completion. A change order to the construction management contract has been issued exercising a contract option to extend the time period for one year, through December 31, 2008. This extension of time will also allow the services of this CM consultant firm to be available to Sound Transit for the orderly close-out of the Rainier Valley (C735) construction contract and resolution of associated disputes and claims.

- Sound Transit's share of costs under this contract is \$12,714,890 out of the not to exceed contract amount of \$13,380,938. The remaining capacity under the contract total is for betterments.

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	✓	Proposed action requires funding from unallocated contingency within the construction services phase of the Initial Segment project.
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 2008 Lifetime Capital Budget for the Central Link Initial Segment is \$2.07 billion. Within that amount, \$12,278,257 has been set aside for Sound Transit's share of C735 Rainier Valley Construction Management in the construction services phase. Since this amount is fully committed, the proposed action would result in a budget shortfall of \$436,633 for this line item, which would be funded from unallocated contingency within the construction services phase.

Within the construction services phase of the Initial Segment, a balance of \$701,367 unallocated contingency remains available. Should the proposed action be approved, that amount would be reduced by \$436,633, leaving a remaining budget balance of \$264,724 for construction services phase unallocated contingency.

The current authorized not to exceed amount for the Carter Burgess, Inc. contract includes betterments for which Sound Transit will be reimbursed by third parties in the amount of \$666,048, including reimbursement from the Seattle Housing Authority (SHA), as authorized by Motion No. M2006-70 (approved 10/5/06). Sound Transit's share of this contract will be limited to \$12,714,890.

The proposed action is consistent within 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: Carter & Burgess, Inc. (provide additional construction management services for the C735 Rainier Valley construction segment within the Central Link Initial Segment project)

(Year of Expenditure \$000)

Initial Segment	Adopted 2008 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	193,274	147,034		147,034	46,240
2 Preliminary Engineering	33,310	33,310		33,310	-
3 Final Design	147,213	146,511		146,511	702
4 Right of Way	208,396	204,426		204,426	3,970
5 Construction	1,191,768	1,152,337		1,152,337	39,431
6 Construction Services	100,317	96,540	437	96,977	3,341
7 Third Party Agreements	63,414	62,543		62,543	871
8 Vehicles	132,307	131,799		131,799	508
9 Total Current Budget	2,070,000	1,974,501	437	1,974,937	95,063

Construction Svcs Phase Detail

10 C735 Construction Management	12,278	12,278	437	12,715	(437)
11 Other Construction Services	87,039	83,963		83,963	3,076
12 Constr Svcs Unallocated Contingency	1,000	299		299	701
13 Total Phase	100,317	96,540	437	96,977	3,341

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	12,158	12,944	437	12,595	13,381
15 Contingency	786	-	-	786	-
16 Total Contract	12,944	12,944	437	13,381	13,381
17 Percent Contingency	6%	0%	0%	6%	0%
18 Less Betterments	666	666	-	666	666
19 Total Sound Transit Share	12,278	12,278	437	12,715	12,715

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of November 2007 + approved and pending board actions not recorded as of 11/30/07, or submitted after that date.

Budget Shortfall Task Level	\$Shortfall (K)	Potential Resources (L)	Source (M)
20 C735 Construction Management	437	701	Unallocated contingency within the construction svcs phase

SMALL BUSINESS PARTICIPATION

Carter & Burgess committed to 31.2% Small Business participation. Small business participation is expected to be 31% at the conclusion of the contract. The table reflects small business participation for the additional funds added to the contract.

Utilization Breakdown Table

Subconsultant	Business Type	% of Work
Kristen Betty and Associates, Inc.	W/DBE	9.7%
Lin and Associates, Inc.	M/DBE	5.8%
R.C.T Engineering, Inc.	M/DBE	15.5%
Total		31%

EEO Commitment

Carter & Burgess' workforce demographics are 28% women and 20% minorities.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

In November 2001, the Board selected an initial segment of Central Link to be constructed from downtown Seattle to South 154th Street in Tukwila. Construction along MLK Jr. Way South includes 4.5 miles of at-grade light rail guideway; and the Columbia City (Edmunds), Othello, and Rainier Beach (Henderson) Stations.

In December 2003, Sound Transit identified RCI-Herzog as the best value proposer for the C735 - Rainier Valley Construction procurement. RCI-Herzog's proposed baseline schedule projected completion of the work in January 2007.

In January 2004, Sound Transit issued Notice to Proceed (NTP) to the Carter & Burgess contract for construction management services for the C735 - Rainier Valley Construction project. Services include providing resident engineering, office engineering, inspection (civil, structural, electrical, track, mechanical, utilities), change order administration, safety inspection, management, and diversity. The contract period ends December 31, 2006.

In February 2004, Sound Transit issued NTP1 for preconstruction work to RCI-Herzog, with a contractual completion date of April 2007. Construction management services are provided by Carter & Burgess.

In July 2004, Sound Transit issued NTP2 for the remaining work to RCI-Herzog. Soon after NTP2 was issued, additional staff was mobilized as a result of many factors including the need to enhance the quality assurance inspections and manage increased contract documentation.

In July 2006, RCI-Herzog submitted a revised baseline schedule projecting work to be completed in October 2007 with the current construction completion of 48%.

In August 2006, the Board approved Motion No. M2006-62, authorizing additional funds for the construction management contract with Carter Burgess.

In January 2008, RCI-Herzog forecasted a completion of March 2008. Sound Transit has not changed the contractual completion date from April 2007 and the responsibilities for the delay are not yet resolved. The construction contractor delays beyond April 2007 are subject to liquidated damages in the amount of \$10,000 per day.

Prior Board/Committee Actions

Motion/Resolution Number & Date	Summary of Action
M2006-70 10/05/06	Authorized the Chief Executive Officer to execute an agreement with Seattle Housing Authority to reimburse Sound Transit for the betterments of Seattle Housing Authority facilities and environmental remediation costs as part of the light rail construction along Martin Luther King Jr. Way South, estimated at \$2,212,317.
M2006-62 8/10/06	Authorized the Chief Executive Officer to execute a contract amendment with Carter & Burgess to provide construction management services for Link Light Rail Segment C735, Rainier Valley Construction in the amount of \$4,293,570 for a total authorized contract amount not to exceed \$12,944,305.
M2003-108 11/13/03	Executed a contract with Carter & Burgess to provide construction management services along Martin Luther King Jr. Way South in the amount of \$7,864,305 plus a 10% contingency of \$786,430 for a total amount not to exceed \$8,650,735, for a four-year term with the option of two additional one-year extensions.
M2003-90 9/25/03	Executed a Memorandum of Agreement with the City of Seattle specifying the cost, terms and conditions for undergrounding utilities in the Rainier Valley along Martin Luther King Jr. Way South in an amount not to exceed \$15,576,000, this includes \$2,097,000 in reimbursements from private utilities.

CONSEQUENCES of DELAY

A delay beyond the board action date will impact Link's ability to provide construction management services for the C735 contract.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI, 01/09/08

LEGAL REVIEW

JW 1/10/08

SOUND TRANSIT

MOTION NO. M2008-11

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract amendment with Carter & Burgess, Inc. to provide construction management services for Link Light Rail Segment C735, Rainier Valley Construction in the amount of \$436,633, for a new total authorized contract amount not to exceed \$13,380,938, which includes reimbursable costs to Sound Transit from third parties for betterments.

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Motion:

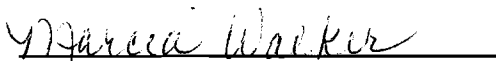
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract amendment with Carter & Burgess, Inc. to provide construction management services for Link Light Rail Segment C735, Rainier Valley Construction in the amount of \$436,633, for a new total authorized contract amount not to exceed \$13,380,938, which includes reimburseable costs to Sound Transit from third parties for betterments.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 24, 2008.



Aaron Reardon
Board Vice-Chair

ATTEST:



Marcia Walker
Board Administrator