

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2008-53

Amend Memorandum of Agreement with Port of Seattle

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	5/15/08	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	5/22/08		Ron Lewis, Airport Link Project 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

Airport Link

PROPOSED ACTION

Authorizes an increase in funding authority for the agreement with the Port of Seattle for continued construction management services in support of the Airport Link Project in the amount of \$1,954,470, for a new total authorized agreement amount not to exceed \$14,644,991.

KEY FEATURES of PROPOSED ACTION

- The existing Memorandum of Agreement (MOA) between Sound Transit and the Port of Seattle (Port) provides the overall framework and assigns responsibilities for the construction of specific Airport Link project elements concurrent with roadway relocation projects that are being constructed by the Port. This proposed action is consistent with the established partnership between Sound Transit and the Port, as well as the terms and conditions of the MOA.
- The total amount of funding required to support this proposed action was identified and included in the phase level Airport Link estimate at completion in February 2008. The Sound Transit Board subsequently adopted a revised Airport Link project budget which contemplated this proposed action.
- The Port is providing primary contract administration and construction management services for Sound Transit's \$41.5 million Airport Link C420 work. The proposed action would enable the continuation of these services through completion of the contract. When the MOA was executed in 2006, an allowance was made in the budget for contract administration and construction management services. That allowance has proven to be inadequate to address the full range of issues which have arisen in delivery of the project in the midst of an active airport. This additional oversight includes implementation of an aggressive erosion control effort during times of unprecedented weather conditions, extensive traffic

management, and a comprehensive safety program. The Port of Seattle has effectively managed the construction in a manner that has maintained Sound Transit's overall project schedule, while minimizing the impact on airport operations and the air traveling public. The proposed action would increase funding for these construction management services by \$1,655,500.

- Consistent with the MOA, and at Sound Transit's request, the Port is also providing complementary services in support of the Airport Link C430R Airport Station Construction contract in the areas of environmental oversight, surveying, and permit required special inspections. While these specific services were not contemplated or budgeted when the MOA was executed in 2006, they are necessary to advance construction of the station contract. Additional funding proposed for these construction management services is \$224,800.
- Provides \$56,570 for coordinated emergency rescue training from Sound Transit's Link light rail facilities by the Port of Seattle Fire Department, in conjunction with similar training by the City of SeaTac Fire Department. This training will be conducted under the direction and guidance of Sound Transit's Chief Safety, Security, and QA Officer.
- Provides \$17,600 for the leasing of additional Port property for construction staging.

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 would require funding from unallocated contingencies within the construction services and third party phases.
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 total amount of \$1,954,470 comes from three difference sources of budget:

- \$1,880,330 (\$1,655,500 + \$224,800) from construction services phase
- \$56,570 from third party phase
- \$17,600 from right of way phase

The Amended 2008 Budget for Airport Link is \$269.1 million. Within that amount:

- Construction Services Phase
 - \$14,979,666 has been set aside for Construction Services in the construction services phase. When added to current commitments of \$13,149,944, the proposed action would increase the commitments by \$1,880,300 to a revised total commitment of \$15,030,244. This would result in a shortfall of \$50,578 for this budget line item, which would be funded from unallocated contingency within the construction services phase.
 - Within the construction services phase, \$400,000 has been set aside for unallocated contingency. Should the proposed action be approved, that amount would be reduced by \$50,578, leaving a remaining balance of \$349,422.
- Third Party Phase
 - \$481,760 has been set aside for work by the Port of Seattle in the third party phase. Since this amount is fully committed, the proposed action would result in a budget shortfall of \$56,570 for this line item, which would be funded from unallocated contingency within the third party phase.
 - Within the third party phase, \$100,000 has been set aside for unallocated contingency. Should the proposed action be approved, that amount would be reduced by \$56,570, leaving a remaining balance of \$43,430.
- Right of Way Phase
 - \$12,193,087 has been set aside for real property acquisitions, lease and related services in the right of way phase. The proposed action would increase current commitments for this budget line item by \$17,600 to a revised total commitment of \$11,571,805, leaving a remaining balance of \$621,282.

The proposed action is consistent within the current adopted budget as amended via resolution by the Sound Transit Board (Resolution No. R2008-04, adopted 2/28/08) to increase the Airport Link lifetime project budget, and is affordable within the agency's long-term financial plan and subarea financial capacity as described in the budget amendment resolution. The action will have no new revenue impact on Sound Transit.

BUDGET TABLE

Action Item: Port of Seattle (amend MOA for continued construction management services in support of the Airport Link project)

(Year of Expenditure \$000)

Airport Link	Amended Budget (A)	2008 Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	12,217	8,119		8,119	4,099
Preliminary Engineering	3,688	3,688		3,688	0
Final Design	16,081	15,485		15,485	596
Right of Way	12,843	11,554	18	11,572	1,271
Construction	191,094	182,417		182,417	8,677
Construction Services	15,380	13,150	1,880	15,030	349
Third Party Agreements	1,710	1,551	57	1,607	103
Vehicles	14,587	14,587		14,587	-
Contingency	1,500	-		-	1,500
Total Current Budget	269,100	250,551	1,954	252,505	16,595

Right of Way Phase Detail

Airport Link Right of Way	12,193	11,554	18	11,572	621
ROW unallocated contingency	650	-		-	650
Total Phase	12,843	11,554	18	11,572	1,271

Construction Services Phase Detail

Construction Services	14,980	13,150	1,880	15,030	(51)
Const Svcs Unallocated Contingency	400	-		-	400
Total Phase	15,380	13,150	1,880	15,030	349

Third Party Phase Detail

Third Party Port of Seattle	482	482	57	538	(57)
Other Third Party agreements	1,129	1,069		1,069	59
Third Party Unallocated Contingency	100	-		-	100
Total Phase	1,710	1,551	57	1,607	103

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)
Contract Amount	12,691	12,691	1,954	14,645	14,645
Contingency	-	-	-	-	-
Total Contract	12,691	12,691	1,954	14,645	14,645
Percent Contingency	0%	0%	0%	0%	0%

Budget Shortfall	\$	Potential Resources	Source
Task Level	(K)	(L)	(M)
Construction Services	51	400	Construction services phase unallocated contingency
Third Party Port of Seattle	57	100	Third party phase unallocated contingency

(A) AMENDED 2008 BUDGET reflects Board Resolution R2008-04 (adopted 2/28/08), amending the Adopted 2008 Budget to revise the Airport Link lifetime budget to \$269.1 million.

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of March 2008 + approved and pending board actions not recorded as of 3/31/08, or submitted after that date.

SMALL BUSINESS PARTICIPATION

The Port is utilizing goals for participation by small businesses in accordance with the Port's policies and practices.

EEO Commitment

Construction of light rail facilities administered by the Port (e.g. Sound Transit's Airport Link C420 Contract) are subject to the Port's existing Equal Employment Opportunity (EEO) commitments and Project Labor Agreement (PLA) which establishes workforce diversity requirements as part of its apprenticeship program.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

On November 18, 1999, the Sound Transit Board adopted Resolution No. R99-34, which selected the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line. Resolution No. R99-34 identified the SeaTac alignment from South 154th Street to South 200th Street in the City of SeaTac. In its action identifying the Initial Segment of Central Link on September 27, 2001, the Sound Transit Board directed the agency to work with the Port of Seattle and the Cities of SeaTac and Tukwila to extend the Initial Segment south beyond South 154th Street. This process led to the execution of agreements between Sound Transit, the Port of Seattle (Port), and the City of SeaTac that defined the proposed light rail project scope between the Tukwila International Boulevard Station and the Sea-Tac Airport.

Sound Transit and the Port have worked collaboratively to integrate Airport Link into the Port roadway relocation plans for the seamless delivery of major public infrastructure at Sea-Tac Airport. The existing Memorandum of Agreement (MOA) between Sound Transit and the Port of Seattle (Port) provides the overall framework and assigns responsibilities for the construction of specific Airport Link project elements concurrent with roadway relocation projects that are being constructed by the Port. This proposed action is consistent with the established partnership between Sound Transit and the Port, as well as the terms and conditions of the MOA.

The scope of the Airport Link project includes the environmental review, design, right-of-way acquisition, and construction for the 1.7 mile light rail extension from the Tukwila/International Boulevard Station at S. 154th Street to the SeaTac/Airport Station adjacent to the airport terminal and garage at S. 176th Street. There is active construction along the entire Airport Link project, with civil construction approximately 60% complete.

The Airport Link project is divided into three major segments for purposes of civil facility construction. The Port is providing construction management services for the middle segment, Sound Transit's C420 construction contract. The C420 segment extends from approximately S. 160th Street to the SeaTac/Airport Station at approximately S. 176th Street. The C420 scope consists of construction of at-grade and elevated light rail guideway, station foundations, and associated infrastructure. Specific construction management services provided by the Port include project surveying, inspection and quality assurance, claims resolution, emergency response, erosion control, as-built drawings, and dispute resolution. Civil construction on the C420 contract is approximately 75% complete. When the MOA was executed in 2006, an allowance was made in the budget for construction management services. That allowance has proven to be inadequate to address the full range of construction management issues which have arisen in delivery of the project in the midst of an active airport. This additional oversight includes implementation of an aggressive erosion control effort during times of unprecedented weather conditions, extensive traffic management, and a comprehensive safety program. The Port of Seattle has effectively managed the construction in a manner that has maintained Sound Transit's overall project schedule, while minimizing the impact on airport operations and the air traveling public. The proposed action reflects the current estimate at completion for these construction management services.

Consistent with the MOA, and at Sound Transit's request, the Port is also providing complementary services in support of Sound Transit's Airport Link C430R Airport Station Construction contract. The C430R contract consists of construction of the SeaTac/Airport Station, the International Boulevard pedestrian bridge and plaza, and approximately 5,900 feet of track work. Civil construction on the C430R contract is approximately 15% complete. Sound

Transit requested, and the Port agreed to provide, services in the areas of environmental oversight, surveying, and permit required special inspections. While these specific services were not contemplated or budgeted when the MOA was executed in 2006, they are necessary to advance construction of the station contract. The balance of the construction management services for the C430R contract is provided under a separate Sound Transit contract with KBA, Inc.

Consistent with Sound Transit's partnerships, Sound Transit's Chief Safety, Security, and QA Officer collaborates regularly with the Port of Seattle and the City of SeaTac on emergency response preparedness. Collectively, these emergency response experts have identified Link light rail related training for the Port which will enhance their response capabilities. This training will be conducted under the direction and guidance of Sound Transit's Chief Safety, Security and QA Officer.

Prior Board/Committee Actions on this Project

Motion/Resolution Number & Date	Summary of Action
R2008-04 02/28/08	Amended the Adopted 2008 Budget to (a) revise the Airport Link lifetime budget to \$269.1 million; (b) add a project for the light rail segment from South 176 th to South 200 th with a budget of \$3.767 million; and (c) treat as property for resale and record separately from the Airport Link project budget the previously authorized \$4.1 million acquisition costs for the "kiss-and-ride" facility at the Airport Link Station.
M2006-18 04/13/06	Authorized the chief executive officer to execute a Memorandum of Agreement with the Port of Seattle (Port) specifying the terms and conditions for the development of the airport Link Project on Port property, allowing the use of Port right-of-way, and defining the integrated delivery strategy for Airport Link light rail and related Port roadway projects; and to execute all other subsequent agreements as may be necessary to implement this Agreement in an amount not to exceed \$12,690,521.

CONSEQUENCES of DELAY

Active Airport Link construction supported by Port of Seattle provided construction management services is on-going. Timely action on this request is required to ensure that continuation of these important services is uninterrupted, and that the overall project schedule is maintained.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI, 05/02/08

LEGAL REVIEW

JW 5/8/08

SOUND TRANSIT

MOTION NO. M2008-53

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing an increase in funding authority for the agreement with the Port of Seattle for continued construction management services in support of the Airport Link Project in the amount of \$1,954,470, for a new total authorized agreement amount not to exceed \$14,644,991.

Background:

On November 18, 1999, the Sound Transit Board adopted Resolution No. R99-34, which selected the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line. Resolution No. R99-34 identified the SeaTac alignment from South 154th Street to South 200th Street in the City of SeaTac. In its action identifying the Initial Segment of Central Link on September 27, 2001, the Sound Transit Board directed the agency to work with the Port of Seattle and the Cities of SeaTac and Tukwila to extend the Initial Segment south beyond South 154th Street. This process led to the execution of agreements between Sound Transit, the Port of Seattle (Port), and the City of SeaTac that defined the proposed light rail project scope between the Tukwila International Boulevard Station and the Sea-Tac Airport.

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The Airport Link project is divided into three major segments for purposes of civil facility construction. The Port is providing construction management services for the middle segment, Sound Transit's C420 construction contract. The C420 segment extends from approximately S. 160th Street to the SeaTac/Airport Station at approximately S. 176th Street. The C420 scope consists of construction of at-grade and elevated light rail guideway, station foundations, and associated infrastructure. Specific construction management services provided by the Port include project surveying, inspection and quality assurance, claims resolution, emergency response, erosion control, as-built drawings, and dispute resolution. Civil construction on the C420 contract is approximately 75% complete. When the MOA was executed in 2006, an allowance was made in the budget for construction management services. That allowance has proven to be inadequate to address the full range of construction management issues which have arisen in delivery of the project in the midst of an active airport. This additional oversight

includes implementation of an aggressive erosion control effort during times of unprecedented weather conditions, extensive traffic management, and a comprehensive safety program. The Port of Seattle has effectively managed the construction in a manner that has maintained Sound Transit's overall project schedule, while minimizing the impact on airport operations and the air traveling public. The proposed action reflects the current estimate at completion for these construction management services.

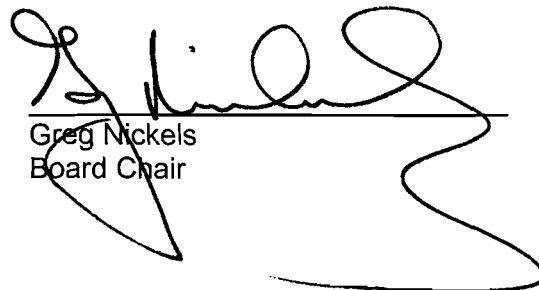
Consistent with the MOA, and at Sound Transit's request, the Port is also providing complementary services in support of Sound Transit's Airport Link C430R Airport Station Construction contract. The C430R contract consists of construction of the SeaTac/Airport Station, the International Boulevard pedestrian bridge and plaza, and approximately 5,900 feet of track work. Civil construction on the C430R contract is approximately 15% complete. Sound Transit requested, and the Port agreed to provide, services in the areas of environmental oversight, surveying, and permit required special inspections. While these specific services were not contemplated or budgeted when the MOA was executed in 2006, they are necessary to advance construction of the station contract. The balance of the construction management services for the C430R contract is provided under a separate Sound Transit contract with KBA, Inc.

Consistent with Sound Transit's partnerships, Sound Transit's Chief Safety, Security, and QA Officer collaborates regularly with the Port of Seattle and the City of SeaTac on emergency response preparedness. Collectively, these emergency response experts have identified Link light rail related training for the Port which will enhance their response capabilities. This training will be conducted under the direction and guidance of Sound Transit's Chief Safety, Security and QA Officer.

Motion:


It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority authorizing an increase in funding authority for the agreement with the Port of Seattle for continued construction management services in support of the Airport Link Project in the amount of \$1,954,470, for a new total authorized agreement amount not to exceed \$14,644,991.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 22, 2008.



Greg Nickels
Board Chair

ATTEST:



Marcia Walker
Board Administrator