

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2008-80

Contract Amendment for Construction Management Services of Rainier Valley Project

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	8/7/08	Discussion/Possible Action to Recommend Board Approval	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	8/14/08	Action	Joe Gildner, Link Deputy Executive Director Tony Raben, Deputy Construction Manager	(206) 689-3350 (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 increase the contingency for the contract with Carter & Burgess, Inc. to provide construction management services for Link Light Rail Segment C735, Rainier Valley Construction in the amount of \$264,734, for a new total authorized contract amount not to exceed \$13,645,672, including reimbursements of approximately \$666,048 to Sound Transit from third parties for betterments.

KEY FEATURES of PROPOSED ACTION

- The contract scope including this amendment includes: providing field and office support including office engineering, inspection, change order administration, management, and closeout support.
- The additional contract authority request is a result of an extended construction period. The contract amendment will support construction management services through the current construction completion plus a close out period. 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.

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 \$701,367 for this line item, which will be funded from unallocated contingency within the construction services phase.

Within the construction services phase of the Initial Segment, \$1,000,000 has been set aside in the current-adopted budget for unallocated contingency. After commitments to fund shortfalls for other budget line items, a balance of \$701,367 remains in unallocated contingency. Use of \$436,633 of this amount was previously authorized to fund a budget shortfall for C735 Construction Management (Board Motion M2008-11 for Carter & Burgess, Inc., adopted 1/26/08). The proposed action would authorize use of the \$264,734 balance, leaving no unallocated contingency remaining in the construction services phase.

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 approximately \$666,048, including reimbursement from Seattle Housing Authority (SHA), as authorized by Board Motion M2006-70 (approved 10/5/06). Sound Transit's share of this contract would be limited to \$12,979,624.

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: 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)
Agency Administration	193,274	169,659		169,659	23,615
Preliminary Engineering	33,310	33,286		33,286	25
Final Design	147,213	146,382		146,382	831
Right of Way	208,396	207,010		207,010	1,387
Construction	1,191,768	1,154,095		1,154,095	37,672
Construction Services	100,317	98,452	265	98,717	1,600
Third Party Agreements	63,414	63,393		63,393	22
Vehicles	132,307	131,799		131,799	508
Total Current Budget	2,070,000	2,004,075	265	2,004,340	65,660

Construction Svcs Phase Detail

C735 Construction Management	12,278	12,715	265	12,980	(701)
Other Construction Services	87,039	85,439		85,439	1,600
Constr Svcs Unalloc Contingency	1,000	299		299	701
Total Phase	100,317	98,452	265	98,717	1,600

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	12,595	13,381	265	12,859	13,646
Contingency	786	-	-	786	-
Total Contract	13,381	13,381	265	13,646	13,646
Percent Contingency	6%	0%	0%	6%	0%
Less Betterments	666	666	-	666	666
Total Sound Transit Share	12,715	12,715	265	12,980	12,980

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of May 2008 + approved and pending board actions not recorded as of 5/31/08, or submitted after that date.

Budget Shortfall	\$Shortfall Task Level (K)	Potential Resources (L)	Source (M)
C735 Const Mgmt - This Action	265	265	Unallocated contingency within the construction svcs phase
C735 Const Mgmt - Prior 2008 Action	437	437	
Total C735 Const Management	701	701	

(K) BUDGET SHORTFALL for C735 Construction Management includes \$436,633 funded from construction phase unallocated contingency as authorized by prior Board Motion M2008-11 (adopted 1/24/08).

SMALL BUSINESS PARTICIPATION

Carter Burgess committed to 31.2% small business participation on the original contract. With this amendment and the prior amendments, reflecting greatly reduced staffing requirements, overall small business participation is expected to be 32.6%. The table below provides information on small business participation to date.

Utilization Breakdown Table

Subconsultant	Business Type	% of Work	Dollar Value
KBA, Inc.	W/DBE	10.9%	\$1,484,565
Lin & Associates	M/DBE	7.1%	\$964,377
Pacific Communications Consultant, Inc.	W/M/DBE	1.8%	\$252,086
RCT Engineering / Urban Technology Systems	MBE	6.9%	\$945,605
RoseWater Engineering	W/DBE	2.3%	\$317,057
Hoskins Consulting	Small Business	2.7%	\$362,137
Levy Consultancy	Small Business	.07%	\$8,925
Robertson Barnes & Associates	Small Business	.86%	\$117,789
Total		32.63%	\$4,452,541

EEO Commitment

Carter & Burgess, Inc's workforce demographics are 28% women and 20% people of color.

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, and utilities), change order administration, safety inspection, management, and diversity. The original contract was scheduled to end in December 31, 2006. Two contract change orders have been executed to exercise the two one-year options to extend the contract through December 31, 2008.

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.

Earlier this year, the Board authorized Motion No. M2008-11 authorizing additional funds for construction management of the Rainier Valley segment.

In June 2008, RCI-Herzog forecasted a completion of September 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
M2008-11 1/24/08	Authorized 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.
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 Rainier Valley contract.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI, 6/20/08

LEGAL REVIEW

JW 8/1/08

SOUND TRANSIT

MOTION NO. M2008-80

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contingency for the contract with Carter & Burgess, Inc. to provide construction management services for Link Light Rail Segment C735, Rainier Valley Construction in the amount of \$264,734, for a new total authorized contract amount not to exceed \$13,645,672, including reimbursements of approximately \$666,048 to Sound Transit from third parties for betterments.

Background:

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, and utilities), change order administration, safety inspection, management, and diversity. The original contract was scheduled to end in December 31, 2006. Two contract change orders have been executed to exercise the two one-year options to extend the contract through December 31, 2008.

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.

Earlier this year, the Board authorized Motion No. M2008-11 authorizing additional funds for construction management of the Rainier Valley segment.

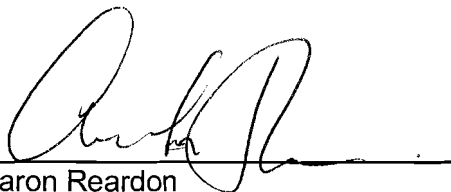
In June 2008, RCI-Herzog forecasted a completion of September 2008. Sound Transit has not changed the contractual completion date from April 2007 and the responsibilities for the delay

are not yet resolved. The construction contractor delays beyond April 2007 are subject to Liquidated Damages in the amount of \$10,000 per day.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to increase the contingency for the contract with Carter & Burgess, Inc. to provide construction management services for Link Light Rail Segment C735, Rainier Valley Construction in the amount of \$264,734, for a new total authorized contract amount not to exceed \$13,645,672, including reimbursements of approximately \$666,048 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 August 14, 2008.



Aaron Reardon
Board Vice-Chair

ATTEST:



Marcia Walker
Board Administrator