

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2009-42

Contract Amendment for On-Call Construction and Repair Services

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	5/21/09	Discussion/Possible Action	Ahmad Fazel, Link Executive Director Joe Gildner, Link Initial Segment Project Director Henry Cody, Link Construction Manager	(206) 398-5389 (206) 689-3350 (206) 398-5377

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 execute a contract amendment with JEM Contractors, Inc. to provide on-call construction, maintenance, and repair services for the Central Link light rail Initial Segment project in the amount of \$1,500,000 for a new total authorized contract amount not to exceed \$2,277,700.

KEY FEATURES of PROPOSED ACTION

- The purpose of this action is to authorize the chief executive officer to execute a contract amendment with JEM Contractors, Inc. to continue and complete on-call construction, maintenance, and/or repair services required before the start of revenue service for the Central Link light rail Initial Segment.
- With approximately two months remaining before the start of revenue service, there remains a need for additional Board authority to help ensure that on-call services can be mobilized quickly to address an array of tasks as they arise. A number of these tasks are directly associated with the maintenance and repair of the infrastructure where Sound Transit has retained beneficial occupancy for more than one year for operational training and testing. These tasks address work items that are outside the scope of work of the original civil and systems facilities contracts, including any warranty provisions in these original contracts.

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 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 current total authorized contract amount for JEM Contractors, Inc. of \$777,700 was adopted by the Sound Transit Board in July 2008 (Motion No. M2008-62, approved 7/03/08). Originally approved for the Central Link light rail Initial Segment project, the Link Executive Director authorized \$10,979 of this amount to be reallocated to provide on-call construction and repair services for the Airport Link project, which reduced the amount approved for the Initial Segment project to \$766,721. The proposed action would increase the approved amount for the Initial Segment project to \$2,266,721, with a new total authorized contract amount not to exceed \$2,277,700 for JEM Contractors, Inc.

The on-call construction and repair services described in the proposed action would be assigned on a task order basis. JEM Contractors, Inc. will continue to provide general construction support for various segments within the construction phase of the Initial Segment, under the budget line item Other Miscellaneous Construction.

The Adopted 2009 Lifetime Capital Budget for the Central Link light rail Initial Segment is \$2.07 billion. Within that amount, \$4,850,000 has been set aside for Miscellaneous Construction in the construction phase. Current commitments for this line item are \$4,281,623. The proposed action would increase that amount by \$1,500,000 to a revised total commitment of \$5,781,623, and result in a budget shortfall of \$931,623, which will be funded from construction unallocated contingency.

Of the \$26,000,786 set aside for unallocated contingency within the construction phase, \$15,580,362 remains unutilized. Should the proposed action be approved, that amount would be reduced by \$931,623, leaving a remaining budget balance of \$14,648,739 for construction phase unallocated contingency.

The proposed action is consistent with the Adopted 2009 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: JEM Contractors, Inc. (amend contract to provide on-call construction and repair services for the Central Link Initial Segment project)

(Year of Expenditure \$000)

Initial Segment

	Adopted 2009 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	189,213	172,278		172,278	16,935
Preliminary Engineering	33,289	33,310		33,310	(21)
Final Design	147,208	146,901		146,901	307
Right of Way	207,171	203,929		203,929	3,242
Construction	1,194,991	1,165,946	1,500	1,167,446	27,545
Construction Services	102,960	101,854		101,854	1,106
Third Party Agreements	62,861	63,517		63,517	(656)
Vehicles	132,307	131,799		131,799	508
Total Current Budget	2,070,000	2,019,534	1,500	2,021,034	48,966

Construction Phase Detail

Miscellaneous Construction	4,850	4,282	1,500	5,782	(932)
Other Construction	1,164,140	1,151,244		1,151,244	12,897
Construction Unalloc Contingency	26,001	10,420		10,420	15,580
Total Phase	1,194,991	1,165,946	1,500	1,167,446	27,545

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	707	707	1,500	2,207	2,207
Contingency	71	71	-	71	71
Total Contract	778	778	1,500	2,278	2,278
Percent Contingency	10%	10%	0%	3%	3%
Less Airport Link	11	11	-	11	11
Total Initial Segment	767	767	1,500	2,267	2,267

Budget Shortfall Task Level	\$Shortfall (K)	Potential Resources (L)	Source (M)
Miscellaneous Construction	932	15,580	Construction phase unallocated contingency

(A) ADOPTED 2009 BUDGET amounts as adopted by resolution of the Sound Transit Board (R2008-14, approved 12/11/08).

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of March 2009 + approved and pending board actions not recorded as of 3/31/09, or submitted after that date, and include allocated contingencies.

(1) "SHORTFALL" to the Adopted 2009 Budgets for Preliminary Engineering and Third Party phases: "Committed to Date" amounts shown here include contingencies allocated for preliminary engineering contracts and third party agreements that will not be used. Adjustments are in process.

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

JEM Contractors, Inc. is a Small Business and committed to a 50% Small Business participation goal. Small Business participation to date on the contract is 90%.

To date the following subcontractors have received work orders under this contract:

Quality Fence Builders	Small Business	\$4,567
Prime Electric	Small Business	\$19,748
Shinn Mechanical	Small Business	\$9,704
Twist Inc.		\$1,230
SCI Infrastructure		\$1,649
Railworks		\$45,572
Peterson Bros		\$4,131

Equal Employment Workforce Profile (% Women/People of Color)

JEM's workforce demographics are 8.6% women and 41.3% minorities.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The on-call construction and repair services contract will continue to provide these services along the entire Central Link light rail Initial Segment alignment. All requests for services will be authorized by task order for specific services and locations.

This contract is required to complete smaller construction, maintenance, and repair projects along the Initial Segment alignment that are not covered under the major construction contracts for each of the six portions of the Initial Segment. Each of the on-call projects will be authorized by task order with the general contractor. The general contractor will be required to use a competitive bid process for subcontracted work by soliciting quotations from the subcontractors. Sound Transit reserves the right to approve or reject a proposed subcontractor on a specific task order.

Prior Board/Committee Actions

Motion/Resolution Number and Date	Summary of Action
M2008-62 7/3/08	Authorized the chief executive officer to execute a one-year contract with one one-year option with JEM Contractors, Inc., to provide on-call construction and repair services for the Central Link light rail Initial Segment project in the amount of \$707,000, with a 10% contingency of \$70,700, for a total authorized contract amount not to exceed \$777,700.

CONSEQUENCES of DELAY

A short delay will not adversely affect this contract. A longer delay in award of this contract amendment could potentially affect the completion of many small but critical construction items prior to the start of revenue operations on July 18, 2009.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI, 04/27/09

LEGAL REVIEW

LA 5/15/09

SOUND TRANSIT

MOTION NO. M2009-42

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract amendment with JEM Contractors, Inc. to provide on-call construction, maintenance, and repair services for the Central Link light rail Initial Segment project in the amount of \$1,500,000 for a new total authorized contract amount not to exceed \$2,277,700.

Background:

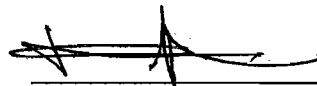
The on-call construction and repair services contract will continue to provide these services along the entire Central Link light rail Initial Segment alignment. All requests for services will be authorized by task order for specific services and locations.

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Motion:

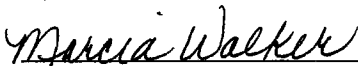
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract amendment with JEM Contractors, Inc. to provide on-call construction, maintenance, and repair services for the Central Link light rail Initial Segment project in the amount of \$1,500,000 for a new total authorized contract amount not to exceed \$2,277,700.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 21, 2009.



Fred Butler
Finance Committee Vice Chair

ATTEST:



Marcia Walker
Board Administrator