

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2004-01**

**Central Link Construction Management Services the Beacon Hill Project**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	1/8/04	Discussion/Possible Action to Recommend Board	Ahmad Fazel, Director	(206)398-5389
Board	1/15/04	Approval Action	<b>Samer Tamimi, Link Construction Manager</b>	(206)398-5125

<b>Contract/Agreement Type:</b>	✓	<b>Requested Action:</b>	✓
Competitive Procurement	✓	Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
Interlocal Agreement		Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

*3Applicable to proposed transaction.*

**OBJECTIVE OF ACTION**

To procure construction management services for the Beacon Hill Project, Contract C710, included in the Central Link Initial Segment.

**ACTION**

Authorizing the Chief Executive Officer to execute a contract with Parsons Brinckerhoff Construction Services, Inc., to provide construction management services for the Beacon Hill Project in the amount of \$14,171,430 with a 10% contingency of \$1,417,143, for a total authorized contract amount not to exceed \$15,588,573.

**KEY FEATURES**

- This contract provides construction management services for the Beacon Hill Project (Contract C710) which includes construction of approximately one mile of light rail tunnel guideway, 0.4 mile of aerial guideway, the Beacon Hill tunnel station, and the aerial McClellan station.
- The construction management contract scope includes resident engineering services, office engineering, inspection (civil, structural, electrical, track, mechanical, utilities), change order administration, diversity administration, and Project Labor Agreement (PLA) administration. The construction management team will also play a key role during the bidding process for the procurement of the C710 construction contractor. The total value of construction to be administered under this contract is estimated to be between \$200 million and \$250 million.
- This contract is for a period of five years, with two optional one-year extension periods.

## **BUDGET IMPACT SUMMARY**

Project Description: **Central Link Initial Segment**  
Current Status: **Final Design/Construction**  
Projected Construction Completion Date: **2009**

<b>Action Outside of Adopted Budget:</b>	<b>Y/N</b>	<b>Y Requires Comment</b>
This Project	N	
This Phase	N	
This Task	Y	Requires transfer from other segments within the construction services phase in accordance with current cost forecasts
Budget amendment required	N	
<b>Key Financial Indicators:</b>	<b>Y/N</b>	<b>Y Requires Comment</b>
Contingency funds required	N	
Subarea impacts	N	
Funding required from 3 <sup>rd</sup> parties other than what is already assumed in financial plan	N	

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

## **BUDGET DISCUSSION**

This action authorizes execution of a contract in the amount of \$14,171,430 with Parsons Brinckerhoff Construction Services, Inc. The adopted capital budget for the Initial Segment is \$2.07 billion and includes \$82.7 million for the construction services phase. Within the construction services phase, the adopted budget includes \$15,000,000 for construction management services for the Beacon Hill Project.

Subsequent to adoption of the capital budget, budget detail for the construction services phase was updated to incorporate cost forecasts at the contract level for the entire phase. Updated cost forecasts resulted in approval of a working budget of the construction services phase that increased the budget for the C710 construction services to \$15,600,000 and at the same time increased the unallocated contingency for the construction services phase while maintaining the same phase budget of \$82.7 million. The expenditures that would be authorized under this proposed action are within the budget allocated for this line item in the working budget.

## **REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS**

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

## BUDGET TABLE

**Action Item:** Parsons Brinckerhoff Construction Services, Inc. (Construction management services for Contract C710, Beacon Hill Station and Tunnel, and McClellan Station.

(Year of Expenditure \$000)

Initial Segment	Adopted FY2004 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed Action (D)	& Uncommitted (Shortfall) (E)
1 Agency Administration	226,780	108,648		108,648	118,132
2 Preliminary Engineering	35,000	33,253		33,253	1,747
3 Final Design	123,495	113,796		113,796	9,699
4 Right of Way	233,016	128,312		128,312	104,704
5 Construction	1,171,863	148,512		148,512	1,023,351
6 Construction Services	82,739	17,272	15,589	32,860	49,879
7 Third Party Agreements	58,800	42,331		42,331	16,469
8 Vehicles	138,307	131,799		131,799	6,508
9 Contingency				-	-
10 <b>Total Current Budget</b>	<b>2,070,000</b>	<b>723,923</b>	<b>15,589</b>	<b>739,511</b>	<b>1,330,489</b>

### Phase Budget Detail

11 Contract 710 CM Services	15,000	-	15,589	15,589	(589)
12 Other Segments	67,739	17,272	-	17,272	50,467
13 <b>Total Phase</b>	<b>82,739</b>	<b>17,272</b>	<b>15,589</b>	<b>32,860</b>	<b>49,879</b>

(B) Committed to Date amounts are from the Link Program Cost Summary Report (HQ Reports) for November 2003 + board motions not yet included in report as follows:

	Final Design	Construction	Construct Svcs	Third Parties	Vehicles
Commitments through November 2003	113,273	106,355	3,432	26,824	-
Other board motions	523	42,157	13,839	15,507	131,799
Total phase commitments	113,796	148,512	17,272	42,331	131,799

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
14 Contract Amount	-	-	14,171	14,171
15 Contingency	-	-	1,417	1,417
16 <b>Total</b>	<b>-</b>	<b>-</b>	<b>15,589</b>	<b>15,589</b>
17 Percent Contingency	0%	0%	10%	10%

### Budget Shortfall

Task Level	\$ (J)	Potential Resources (K)	Source (L)
18 Contract 710 CM Services	-	589	Other Segments within the Construction Services Phase

## M/W/DBE – SMALL BUSINESS PARTICIPATION

The small business participation goal for this contract is 18%. Parsons Brinckerhoff Construction Services, Inc. is the prime contractor and has committed to a 28.73% M/W/DBE and small business goal.

### Utilization Breakdown Table

Subconsultant	Business Type	% of Work	Dollar Value
Kristen Betty & Associates	DBE/WBE	12.83 %	\$ 1,818,435
Entech	DBE/MWBE	6.31 %	\$ 893,781
Moniz Associates Architects	DBE/CBE*	4.00 %	\$ 567,078
Garry Struthers Associates	Small Business	2.54 %	\$ 359,585
Babendererde Construction Support	Small Business	1.29 %	\$ 183,322
On-call technical services subconsultants	Small Business	1.76 %	\$ 250,000
<b>Total</b>		<b>28.73 %</b>	<b>\$ 4,072,201</b>

\* Combination Business Enterprise (CBE) has ownership that is 50% minority male and 50% white female.

## EEO Commitment

Parsons Brinckerhoff Construction Services Inc.'s workforce demographics are 26% women and 20% minorities.

## Apprentice Utilization Commitment

There are no apprentice utilization requirements since this is a professional-services contract.

## HISTORY OF PROJECT

On July 25, 2003, Sound Transit requested statements of qualification for construction management services for the Beacon Hill Project. On August 22, 2003, Sound Transit received a Statement of Qualifications from six firms. A selection panel evaluated the written proposals and selected two firms for interviews. The selection panel, considering both the written proposal and the interview, selected Parsons Brinckerhoff Construction Services, Inc. Following cost/price analyses and negotiations, Sound Transit staff and Parsons Brinckerhoff Construction Services, Inc. reached an agreement, subject to Board approval.

Construction for the Beacon Hill Project is anticipated to start in the spring of 2004. The project includes the construction of light rail facilities in a tunnel and on aerial structures from Airport Way South through Beacon Hill to a location near the intersection of Rainier Avenue and Martin Luther King Jr. Way South. It also includes the construction of the Beacon Hill Station (underground) and the McClellan Station (on aerial structure).

Sound Transit is currently in the process of pre-qualifying construction contractors for the C710 contract and the RFP will be issued in January 2004 to the qualified contractors. Assistance provided under this proposed contract will augment Link's construction management and design teams, help facilitate the pre-bid meeting and test shaft site visits, and assist in providing responses to bidder's questions and requests for clarification.

The construction management services under this contract will be supplemented with Sound Transit providing:

- highly specialized Sequential Excavation Mining inspectors
- an environmental oversight consultant
- a quality assurance surveying consultant
- a quality assurance testing laboratory

## Prior Board or Committee Actions and Relevant Board Policies

<b>Motion or Resolution Number</b>	<b>Summary of Action</b>	<b>Date of Action</b>
R2001-16	Selected the initial segment of the Central Link Light Rail Project to be constructed and operated by 2009.	11/29/01

## CONSEQUENCES OF DELAY

Because of the highly specialized nature of the construction of this line section, it is highly desirable to have the construction management consultant available to assist in the bidding process. This assistance will help to avoid delays in the bidding process.

## **PUBLIC INVOLVEMENT**

Sound Transit has worked cooperatively with the City of Seattle, King County/Metro, Washington State Department of Transportation, the Department of Ecology, and local businesses and interest groups on the Central Link Light Rail Project. Sound Transit staff continues to keep local and area residents informed about the status of the project and the impact of construction on the affected neighborhoods.

## **LEGAL REVIEW**

MMB 12/19/03