

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-36

**Contract with KJM & Associates, Inc./JTS Manage Services, Inc.
Joint Venture to Provide Project Control Support Services**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	3/20/03	Discussion/Possible Actions	Steve Jacobson, Project Control Manager	(206) 398-5440

Contract/Agreement Type:		Requested Action:	
Competitive Procurement	3	Execute New Contract/Agreement	3
Sole Source	3	Amend Existing Contract/Agreement	3
Memorandum of Agreement		Contingency Funds Required	3
Purchase/Sale Agreement		Budget Amendment Required	

4 Applicable to proposed transaction.

OBJECTIVE OF ACTION

- To provide Project Control Assistance to all administrative departments and lines of business within Sound Transit.

ACTION

- Authorize the Executive Director to execute a contract with the KJM & Associates, Inc./JTS Manage Services Joint Venture (KJM/JTS) to provide control support services for all administrative departments and lines of business in the amount of \$1,333,717, with a 10% contingency of \$133,372, for a total authorized contract amount not to exceed \$1,467,089 for the first contract year.

KEY FEATURES

- This contract provides project control support to all Sound Transit departments and lines of business in meeting the requirements defined in the Sound Move Program Management Plan.
- This action will provide support to Link Light Rail, Sounder Commuter Rail, Regional Express, as well as provide agency-wide project control services. Specific areas covered include project control support, systems, and reporting. For administrative project control, there will be an emphasis on solving issues related to the financial reporting system, as well as its relation to everyday business practices. Also included is the flexibility to respond to specific project control needs as they arise within the period of the contract.
- The KJM/JTS joint venture is also known as Management Systems Consultant (MSC).
- The overall contract period will be five years, from April 1, 2003, to March 31, 2008. This will include an initial contract term of one year and up to eight, 6-month extensions. This

contract structure allows for the greatest flexibility in managing the contract to address the dynamic nature of agency needs. The cost for the additional extension periods has not been finalized, however future costs have been forecasted and earmarked for future YOY budgets.

- This contract is structured to meet the changing needs of Sound Transit. Whereas the current MSC contract calls for full-time, in-house consultants, the new contract emphasizes as-needed consultant services, with a minimum number of full-time consultants. This contract will enable the agency to bring in the properly qualified consultant to perform the work at hand while realizing an overall cost savings.
- For this contract, the emphasis will be on short-term assignments to provide the expertise to deliver solutions, peak-period assistance, and temporarily filling in for absent staff. This contract will emphasize task specific assignments and deliverables and will no longer include base loaded project control staffing to perform routine activities. This will enable the project control consultant to concentrate on the types of work they do best and provide best value for Sound Transit.
- The “as-needed” configuration of this contract will provide the entire agency with coverage during special projects, peak periods, extended leaves, vacations, and illnesses.
- KJM/JTS has indicated that the joint venture firms have adequate staff and availability to provide qualified consultants on as little as 24- to 48-hour notice.
- No Sound Transit staff will be displaced by this contract. In fact, the nature of this contract encourages the hiring of full-time staff where possible.
- This contract configuration will result in the required analyses to validate the need for the use of full-time, year-round consultants and will facilitate the cost analysis to determine staffing additions as required. A portion of the base year contract will include consultant work for Sounder until Sounder hires qualified staff.

BUDGET IMPACT SUMMARY

Project Description: Management Systems Consultant Contract

Current Status: New Contract

Projected Completion Date: Term of Contract April 2003 through March 2004

Action Outside of Adopted Budget:	Y/N	Y Requires Comment
This Line of Business	N	
This Project	N	
This Phase	N	
This Task	N	
Budget amendment required	N	
Key Financial Indicators:	Y/N	Y Requires Comment
Contingency funds required	N	
Subarea impacts	N	
Funding required from other 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

Funding for this scope of work is included within Sound Move and in the respective fiscal year budgets. The term of this contract runs from April 1, 2003, through March 31, 2004; therefore, the total amount of this contract covers costs for the remainder of 2003 and the first quarter of 2004. The table below depicts the total not to exceed amounts projected for each year of the contract by line of business.

Line of Business	2003 Indirect Agency Costs Allocated to LOBS	2003 Direct Costs	2003 Total Costs
Sounder	\$ 122,374	\$ 147,921	\$ 270,295
Regional Express	176,762	136,500	313,262
Link	380,718	195,917	576,634
TOTAL COST	679,853	480,338	1,160,191

Line of Business	2004 Indirect Agency Costs	2004 Direct Costs	2004 Total Costs
Sounder	\$ -	\$ -	\$ -
Regional Express	-	14,975	14,975
Link	-	65,306	65,306
Project Control	226,618	-	226,618
TOTAL COST	226,618	80,280	306,898

Line of Business	Total Indirect Agency Costs	Total Direct Costs	Grand Total All Costs
Sounder	\$ 122,374	\$ 147,921	\$ 270,295
Regional Express	176,762	151,475	\$ 328,237
Link	380,718	261,222	\$ 641,940
Project Control	226,618	-	\$ 226,618
TOTAL COST	906,471	560,618	1,467,089

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit's current long-term financial plan and the subarea financial capacity.

SUMMARY FOR BOARD ACTION

Summary for Board Action (Year of Expenditure \$)

Action Item: Contract with KJM for project control support services

	(A) Current Approved Contract Value	(B) Committed to Date	(C) Proposed Action	(D) Proposed Total Contract Value
Contract Budget				
KJM	-	-	1,333,717	1,333,717
Contingency	-	-	133,372	133,372
Total	-	-	1,467,089	1,467,089
Percent Contingency	0%	-	10%	10%

Contract to be Charged to:

	2003 Staff Budget	2004 Staff Budgets	Direct Charges to Projects	Total
Project Control Support	-	226,618	1,240,471	1,467,089

Direct Charge Budget	Lifetime Capital Budget for Phase	Committed to Date	This Action	Surplus (Shortfall)
Phase 10, Agency Admin [Sounder]	48,760,200	25,739,423	270,295	22,750,482
Phase 10, Agency Admin [REX]	45,306,390	18,595,992	328,237	26,382,161
Phase 10, Agency Admin [Link]	258,989,400	134,213,915	641,940	124,133,545
Total Direct Charge Budgets	353,055,990	178,549,330	1,240,471	173,266,189

Budget Shortfall

Level	\$	Potential Revenues	Funding Source
NA	-	-	NA

M/W/DBE – SMALL BUSINESS PARTICIPATION

KJM/JTS is a joint venture. JTS is a subconsultant on the present MSC contract. For the new contract, JTS is a joint venture partner. This will result in JTS moving from subconsultant status to prime status with Sound Transit.

KJM, a certified woman-owned business that has recently “graduated” from DBE status from the state M/W/DBE program, will receive 80% of the contract dollar amount. JTS Manage Services (JTS), an M/W/DBE firm, will receive 20% of the contract dollar amount.

With regard to EEO commitment, the four key individuals on the KJM/JTS team is comprised of two white females, one Hispanic female, and one white male.

HISTORY OF PROJECT

From 1998 to 2003, KJM has provided services to Sound Transit similar to those requested in this new contract. KJM's present contract expires on March 31, 2003, and a new competitive procurement process has been completed to establish a new contract for these services.

Sound Transit sent out Requests for Proposals (RFP) and received seven proposals. Five proposers were selected as finalists and interviewed. The scoring results from the proposals and interviews showed insignificant differences among four finalists, so the four were interviewed a second time. From the second interviews, KJM/JTS was selected.

In preparing for this new contract and Board action, Sound Transit staff conducted an assessment to determine the project control support needs for each department. Included within this contract are scope tasks deemed necessary to cover those needs. This action will provide support to Project Control as well as to Link Light Rail, Sounder Commuter Rail, and Regional Express. Specific areas covered include project control support, cost systems support, and reporting. Also included is the flexibility to respond to specific project control needs as they arise within the period of the contract. The Project Control Manager will manage this contract.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
M2001-60	Change order exercising an option to extend the Project Control Support Services Contract with KJM & Associates, Inc., for one year, to amend the scope of the work and to provide additional funds. This action exercises the second of three, one-year options to extend this contract.	6/28/01
M2000-42	Change order to exercise the option to extend the Management Systems Contract with KJM & Associates, Inc. for management systems and project control support for one-year, to add additional funds and to amend the scope of work.	5/25/00
R98-14	Contract with the firm of KJM, Inc. to provide management systems and project controls support for the RTA.	4/9/98

CONSEQUENCES OF DELAY

Delaying approval of this motion will create a lapse in the delivery of project control support (also known as management systems support) activity provided to support all Sound Transit administrative departments and lines of business. The specific activities include agency program reporting, continued procedural documentation, project cost system support, project scheduling, and cost control. Disruption and/or discontinuing these specific activities could have adverse affects on active capital projects and/or Sound Transit initiatives.

REGIONAL PARTNERSHIP AND COOPERATION

Not applicable.

PUBLIC INVOLVEMENT

Not applicable.

LEGAL REVIEW

MMB 3/12/03

SOUND TRANSIT

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A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a contract with KJM & Associates, Inc./JTS Manage Services, Inc. Joint Venture (KJM/JTS) to provide project control support services for all administrative departments and lines of business in the amount of \$1,333,717 with a 10% contingency of \$133,372, for a total authorized contract amount not to exceed \$1,467,089 for the first contract year. The overall contract period will be five years, from April 1, 2003, to March 31, 2008, and will include an initial contract term of one year and up to eight, 6-month long extensions.

Background:

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In preparing for this new contract and Board action, Sound Transit staff conducted an assessment to determine the project control support needs for each department. Included within this contract are scope tasks deemed necessary to cover those needs. This action will provide project control support to all administrative departments as well as to Link Light Rail, Sounder Commuter Rail, and Regional Express. Specific areas covered include project control support, cost systems support, and reporting. Also included is the flexibility to respond to specific project control needs as they arise within the period of the contract. The Project Control Manager will manage this contract.

Motion:


It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute a contract with KJM & Associates, Inc./JTS Manage Services, Inc. Joint Venture to provide project control support services for all administrative departments and lines of business in the amount of \$1,333,717 with a 10% contingency of \$133,372, for a total authorized contract amount not to exceed \$1,467,089 for the first contract year. The overall contract period will be five years, from April 1, 2003, to March 31, 2008, and will include an initial contract term of one year and up to eight, 6-month long extensions.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 20, 2003.

ATTEST:



Kevin Phelps
Finance Committee Chair



Marcia Walker
Board Administrator