

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-91

Link Construction Services Agreement with the City of Seattle

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	9/4/03	Discussion	Ahmad Fazel, Link Director	(206) 398-5389
Finance Committee	9/18/03	Discussion//Possible Action to Recommend Board Approval	Ron Lewis, Link Deputy Director	(206) 689-4905
Board	9/25/03	Action	John Harrison, Initial Segment Project Manager	(206) 398-5404
Board	10/9/03			

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	4
Sole Source		Amend Existing Contract/Agreement	
Interlocal Agreement	4	Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

3Applicable to proposed transaction.

OBJECTIVE OF ACTION

Approve an Interlocal Agreement with the City of Seattle (City) for Construction Services, which in turn will:

- Establish a framework for developing and executing task orders and work orders authorizing the City of Seattle to provide construction support services for the Central Link Light Rail Initial Segment.
- Authorize the overall budget and task limits for the anticipated City of Seattle Construction Support Services including contingencies.
- Implement an effective collaborative relationship between the City of Seattle and Sound Transit in support of the construction of the Initial Segment to minimize delay and extra costs to both parties.
- Maximize efficient and cost-effective use of resources by both parties.
- Comply with applicable statutory and regulatory requirements triggered by grants, permits or other legal impetus.

ACTION

Authorizing the Chief Executive Officer to execute an interlocal agreement with the City of Seattle to provide construction support services for the Central Link Light Rail Initial Segment in the amount of \$38,462,500, with a contingency of \$3,304,365, for a total authorized amount not to exceed \$41,766,865. This action also authorizes a task limit of \$ \$46,116,865 before City of Seattle credits to Sound Transit of \$4,350,000.

KEY FEATURES

- The Construction Services Agreement (CSA) establishes City departmental budgets and contingency amounts for three categories of services:

- Construction Assistance by Line Section;
- Construction Services by Line Section; and
- Projectwide Construction Services and Procurements.

- The CSA:

- identifies credits to Sound Transit for cost-shared and betterment work requested by the City;
- establishes a framework and process for developing, executing and administering task orders and work orders under the Agreement; and
- remains in effect until the completion of all Sound Transit Initial Segment construction activities involving City of Seattle's support.

A summary of the proposed budgets and credits by City department is as follows. (The credits shown in this table are for City services only.)

City Dept.	Constr. Assist.	Contingency	Constr. Assist. + Cont.	Constr. Services	Contingency	Constr. Services + Cont.	Credits to Sound Transit	Projectwide Construction Services + Procurements	TOTALS
SPU	\$1,178,000	\$176,700	\$1,354,700	\$4,666,000	\$699,900	\$5,365,900	(\$369,000)	\$3,062,500	\$9,414,100
SDOT	\$5,025,500	\$416,250	\$5,441,750	\$1,415,000	\$212,250	\$1,627,250		\$6,108,500	\$13,177,500
SCL	\$792,000	\$118,800	\$910,800	\$15,068,500	\$1,198,275	\$16,266,775	(\$141,000)	\$200,000	\$17,236,575
DCLU	\$527,000	\$79,050	\$606,050						\$606,050
SFD	\$2,423,000	\$90,940	\$2,513,940						\$2,513,940
SPD	\$2,417,000	\$241,700	\$2,658,700						\$2,658,700
COS							(\$3,840,000)		(\$3,840,000)
TOTAL	\$12,362,500	\$1,123,440	\$13,485,940	\$21,149,500	\$2,110,425	\$23,259,925	(\$4,350,000)	\$9,371,000	\$41,766,865

(All dollars expressed in YOES\$ except the undergrounding budget, which is in 2002\$).

In addition to the City credits to Sound Transit shown in the table above that are associated with City services provided under this Agreement, there are further amounts that the City will owe Sound Transit to reimburse Sound Transit contractor costs, which are summarized below:

City of Seattle Reimbursement of Sound Transit Contractor Costs

	700/705	710/720	735	Total
SPU Betterment - Water (735- ST Contractor)			(\$1,189,000)	(\$1,189,000)
SPU Betterment - Sewer (735- ST Contractor)			(\$300,000)	(\$300,000)
SDOT Paving (27th/Hanford - ST Contractor)		(\$70,000)		(\$70,000)
SCL Betterment (705 -ST Contractor)	(\$1,018,580)			(\$1,018,580)
SCL Betterment (705-SCL Crew Costs in the MOA 4 th Supplement	(\$729,000)			(\$729,000)
SCL Betterment (710 ST Contractor)		(\$72,000)		(\$72,000)
COS Undergrounding Credit (735 - ST Contractor)			(\$11,159,000)	(\$11,159,000)
TOTAL	(\$1,747,580)	(\$142,000)	(\$12,648,000)	(\$14,537,580)

(All dollars expressed in YOES\$ except the undergrounding budget, which is in 2002\$.)

Note: It should be understood that the overall \$41,766,865 commitment cannot be exceeded without further Board action; however, the departmental budget figures within the total are estimates and are subject to change. Link will advise the Board periodically throughout the life of this Agreement on the status of cost versus budget for each task order and work order and the current estimate to complete each task. Sound Transit will invoice the City monthly based on actual expenditures for agreed upon shared or betterment costs. Sound Transit shall invoice the City for betterment work performed by Sound Transit on the City's behalf upon Sound Transit's payment to the contractor for this work. Within thirty calendar days after the City's receipt of a complete and accurate Sound Transit invoice, the City shall remit the reimbursement for the amount of betterment costs that are properly documented. In the event that City reimbursement is delayed beyond forty-five calendar days of receipt of a complete and accurate Sound Transit invoice, Sound Transit shall have the right to charge interest at a rate of 3.5% annually and compounded monthly, accruing from the closing date of the invoicing period.

- Generally, the CSA defines the scope of services to be provided by the City of Seattle, including:
 - Construction Assistance: Quality Assurance field inspection, construction submittal reviews, responses to Requests for Information (RFIs), construction engineering, and the management thereof. Also includes SDOT Core Team Management; SFD tunnel rescue and SPD traffic control support services; DCLU support during construction for building/mechanical inspection; SFD building and tunnel inspections, including fire alarm systems, Emergency Management Panel (EMP), and systems controls, sprinkler and standpipe systems, emergency ventilation systems, and Opticom testing.
 - Construction Services: City crew work (water, sewer, power and signals) to support the relocation or undergrounding of utilities, including work on charged water mains, cut & cap final connections on charged mains, pressure testing, deactivating existing cathodic protection systems, continuity testing, connections to existing sewers and drains; electrical system installation, metering and electrical service acceptance for private service connections; installation and testing of traffic controllers, signal cutovers, including power-down and power-up services. Construction Services also include design of City systems and facilities for power distribution, SDOT crew layout of all final traffic channelization, marking, lane identification, and striping, signal timing plans for interconnecting signals, testing controllers before installation and producing all work orders for City crew construction. Materials, supplies and equipment necessary to support the City's utility connection crews and Customer Service Representative liaison with Seattle City Light (SCL) and Seattle Public Utilities (SPU) customers primarily to schedule and negotiate outages for water, sewer and power are also included.
 - Project-wide Construction Services and Procurements: Procurement of standard items such as fire hydrants, traffic signals and controllers and cabinets, and permanent traffic signs to be installed by Sound Transit's contractors; SPU survey of City permanent monumentation, reestablishing benchmarks and monuments that may have been disturbed or moved by Sound Transit contractors; as-built drawing production of City infrastructure to be archived in the City vault. The remainder of Sound Transit's Chief Sealth Trail and Henderson Mitigation and Integrated Drainage Plan commitments to the City (beyond what was previously authorized under the Memorandum of Agreement) are also included.

Specific scopes of work will be identified in particular task orders, work orders and purchase orders to be negotiated and executed separately in accordance with this Agreement. Sound Transit and the City will jointly decide the level of staffing required to avoid duplication of effort.

In addition to the services outlined above, the Budgeted Scope of Work also includes the following betterment items requested by the City of Seattle:

- A. Shared cost of indirect waterline replacement and spot sewer repairs in Rainier Valley.
- B. Undergrounding of Overhead Power Lines in Commercial Zones along Martin Luther King (MLK) Jr. Way S. In conjunction with the undergrounding of overhead utilities along MLK Jr. Way S., which is addressed in a separate Undergrounding Agreement between the City and Sound Transit, the City has agreed to pay Sound Transit for a portion of the undergrounding work in Commercial Zones along MLK Jr. Way S.
- C. Upgrading of SCL Power Lines at the West Portal of Beacon Hill Tunnel and along E-3 Busway.
- D. SDOT reimbursement for Sound Transit contractor paving at 27th and Hanford Streets.

BUDGET IMPACT SUMMARY

Project Description: Central Link Initial Segment

Current Status: Final Design

Projected Completion Date: 2009

Action Outside of Adopted Budget:	Y/N	Y Requires Comment
This Line of Business	N	
This Project	N	
This Phase	N	
This Task	Y	Action requires transfer from third party phase unallocated contingency
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	Y	Action includes reimbursements from the City of Seattle for betterment work

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

BUDGET DISCUSSION

The action considered by this motion will authorize execution of an agreement with the City of Seattle to provide construction and construction support services for the Central Link Initial Segment for an amount not to exceed \$41,763,865.

The total adopted capital budget for the Initial Segment is \$2.07 billion. Within that budget, \$30,539,000 has been set aside within the construction phase, and \$21,276,595 within the third parties phase, for construction support services by City of Seattle departments and agencies. The proposed action, which includes \$27,410,925, is to provide construction assistance, included in the construction phase, and \$14,352,940 to perform construction services, included in the third party phase, will require a transfer of \$5,393,248 from unallocated contingency in the third party phase.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action includes betterment work that will be reimbursed by the City of Seattle. Sound Transit will separately track costs and reimbursements for this work starting in 2003.

Sound Transit's share of the proposed action is covered by the current Board-adopted budget, and is affordable within the agency's current long-term financial plan and subarea financial capacity.

SUMMARY FOR BOARD ACTION

Action Item: City of Seattle CSA (Agreement to perform construction and construction services for the Initial Segment)

(Year of Expenditure \$000)

Initial Segment	Current Board Adopted Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	226,780	108,241		108,241	118,539
2 Preliminary Engineering	35,000	33,392		33,392	1,608
3 Final Design	123,000	113,086		113,086	9,914
4 Right of Way	233,016	102,371		102,371	130,645
5 Construction	1,172,633	127,397	27,414	154,811	1,017,822
6 Construction Services	82,464	3,707		3,707	78,757
7 Third Party Agreements	58,800	17,275	14,353	31,628	27,172
8 Vehicles	138,307	-		-	138,307
9 Contingency	-	-		-	-
10 Total Current Budget	2,070,000	505,470	41,767	547,236	1,522,764

Construction

Phase Budget Detail

11 City of Seattle	30,539	2,295	27,414	29,709	830
12 Other Civil Construction	985,483	125,102	-	125,102	860,381
13 Systems Construction	139,247	-	-	-	139,247
14 Testing & Start-up	17,364	-	-	-	17,364
15 Total Phase	1,172,633	127,397	27,414	154,811	1,017,822

Third Parties

Phase Budget Detail

16 City of Seattle	21,277	12,324	14,353	26,677	(5,400)
17 Other Third Parties	37,523	4,952	-	4,952	32,572
18 Total Phase	58,800	17,275	14,353	31,628	27,172

(B) Committed to Date amounts are from the Link Program Cost Summary Report (HQ Reports) for June 2003.

(B)3 and (B)5 Committed to Date amount includes board motions not yet included in June 2003 report.

	Final Design	Construction	Construction Svcs	Third Parties	Right of Way
Commitments through June 2003	111,696	8,890	3,432	16,121	102,179
Other board motions	1,390	118,507	274	1,154	193
Total phase commitments	113,086	127,397	3,707	17,275	102,371

City of Seattle CSA

Contract Budget

	Current Approved Contract Value (F)	Spent to Date through (G)	Proposed Action (H)	Proposed Total Contract Value (I)
19 Construction			25,233	25,233
20 Third Party Agreements			13,230	13,230
21 Construction Contingency			2,181	2,181
22 Third Party Contingency			1,123	1,123
23 Total			41,767	41,767
24 Percent Contingency	-	-	8%	0

Budget Shortfall

Task Level	\$ (J)	Potential Resources (K)	Source (L)
25 City of Seattle CSA	5,400	6,341	Unallocated Third Party Phase Contingency

M/W/DBE – SMALL BUSINESS PARTICIPATION

In general, City staff will perform the work tasks conducted under this agreement. Any procurement of services by the City will be done consistent with the City of Seattle's M/W/DBE – Small Business Participation Program.

HISTORY OF PROJECT

The Initial Segment of the Central Link Light Rail project has reached advanced levels of design and is currently poised to begin major construction. Some pre-construction activities have already taken place in preparation for project construction, including demolition and site preparation for the operations and maintenance facility site and pre-construction services for Initial Link Segment 705 (E-3 Busway Widening). Execution of the Full Funding Grant Agreement is pending and anticipated this fall when project construction will begin.

In order to make way for construction and operation of Central Link Light Rail facilities, it is necessary to relocate, remove, adjust, protect, and reconstruct portions of the City-owned and operated utility infrastructure and to widen and relocate and/or rebuild portions of the City streets and sidewalks (relocation/construction work). Sound Transit agrees that it is obligated to reimburse the City of Seattle for the City's costs of the relocation/construction work, unless specifically agreed otherwise. The City may identify opportunities to upgrade its electrical and water/sewer/storm infrastructure in conjunction with the project, identified as "betterments." For example, in relocating the Seattle City Light 230kV power line along the E-3 Busway, the City requested Sound Transit add additional circuits and make other improvements. This work was previously authorized under the Fourth Supplement to the MOA; however, the accounting for the City credit and the invoicing will be covered by this Agreement.

On April 20, 1998, the City of Seattle and Sound Transit entered into an agreement titled "Memorandum of Agreement for Intergovernmental Cooperation Regarding Light Rail Development" (MOA). Since then, several supplements to the MOA have been executed. These agreements set forth certain expectations regarding roles and responsibilities of the City and Sound Transit during the development of the Central Link Light Rail project. This Construction Services Agreement describes with more particularity than the MOA and its supplements, the overall terms and conditions governing relocation/construction work and any betterments.

The Construction Services Agreement will remain in effect until the completion of all Sound Transit Initial Segment construction activities involving City of Seattle's support. Separate task orders and work orders describing specific terms and conditions governing the implementation of specific construction contracts will be developed by the parties as required to address specific needs.

**Prior Board or Committee Actions
and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
M2003-41	Executed an amendment to the Fourth Supplement to the Memorandum of Agreement with the City of Seattle reimbursing the City for project-related services in support of the Central Link Light Rail project within City of Seattle's jurisdiction. These services will be provided by the City of Seattle in the areas of public works, public safety, and program management, for a total estimated amount not to exceed \$2,138,937, and a revised total Memorandum of Agreement not to exceed \$13,752,684. The effective date of this action will be May 1, 2003.	4/24/03
M2002-41	Executed the Fourth Supplement to the Memorandum of Agreement with the City of Seattle reimbursing the City for project related services in support of the Central Link Light Rail project within the City of Seattle. These services shall be provided by the City in the areas of public works, public safety, and business and community assistance and program management, for a total estimated amount not to exceed \$2,935,977.	4/11/02
M2001-41	Executed a Third Supplement to the Memorandum of Agreement with the City of Seattle reimbursing the City for project related expenses for the Central Link Light Rail project within City of Seattle jurisdiction. These expenses are to be associated with public works, public safety, and program management and business and community assistance services for a total estimated amount not to exceed \$1,590,792.	5/10/01
M99-33	Executed a First Supplement to the April 20, 1998 Memorandum of Agreement between the City of Seattle and Sound Transit; and providing for reimbursement to City Departments for certain design and design review costs in connection with the Link Light Rail project during calendar years 1999 and 2000, for an estimated amount of \$4,919,821.	7/8/99
M98-15	Entered into a Memorandum of Agreement with the City of Seattle	3/12/98

CONSEQUENCES OF DELAY

Upon execution of the Full Funding Grant Agreement, Sound Transit will be in a position to proceed with construction of the Initial Segment. The first two major civil construction contracts, C700 (E-3 Busway) and C810 (Operations and Maintenance Facility), are planned to be awarded soon after the receipt of the Federal Grant. Task orders authorizing City of Seattle support of C700 and C810 and other critical work, such as SCL utility relocation in Pine Street, need to be issued upon award of these two contracts. Failure to have an approved Construction Services Agreement in place in September 2003, under which task orders can be executed, could delay Sound Transit's ability to proceed with construction of the Initial Segment on schedule.

REGIONAL PARTNERSHIP AND COOPERATION

This agreement reflects the collaborative partnership between Sound Transit and the City in support of the construction of the Initial Segment. The Seattle City Council is expected to vote on this agreement in early October 2003.

PUBLIC INVOLVEMENT

Not applicable to this agreement.

LEGAL REVIEW

MB 8/7/03

SOUND TRANSIT

MOTION NO. M2003-91-1

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute an interlocal agreement with the City of Seattle to provide construction support services for the Central Link Light Rail Initial Segment in the amount of \$37,969,043, with a contingency of \$3,255,019, for a total authorized amount not to exceed \$41,224,062. This action also authorizes a task limit of \$45,574,062 before City of Seattle credits to Sound Transit of \$4,350,000 and supersedes Motion No. M2003-91.

Background:

The Initial Segment of the Central Link Light Rail project has reached advanced levels of design and is currently poised to begin major construction. Some pre-construction activities have already taken place in preparation for project construction, including demolition and site preparation for the operations and maintenance facility site and pre-construction services for Initial Link Segment 705 (E-3 Busway Widening). Execution of the Full Funding Grant Agreement is pending and anticipated this fall when project construction will begin.

In order to make way for construction and operation of Central Link Light Rail facilities, it is necessary to relocate, remove, adjust, protect, and reconstruct portions of the City-owned and operated utility infrastructure and to widen and relocate and/or rebuild portions of the City of Seattle (City) streets and sidewalks (relocation/construction work). Sound Transit agrees that it is obligated to reimburse the City of Seattle for the City's costs of the relocation/construction work, unless specifically agreed otherwise. The City may identify opportunities to upgrade its electrical and water/sewer/storm infrastructure in conjunction with the Project, identified as "Betterments." For example, in relocating the Seattle City Light 230kV power line along the E-3 Busway, the City requested Sound Transit to add additional circuits and make other improvements. This work was previously authorized under the Fourth Supplement to the Memorandum of Agreement; however, the accounting for the City credit and the invoicing will be covered by this Agreement.

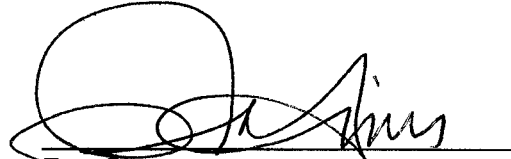
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The Construction Services Agreement will remain in effect until the completion of all Sound Transit Initial Segment construction activities involving City of Seattle's support. Separate Task Orders and Work Orders describing specific terms and conditions governing the implementation of specific construction contracts will be developed by the parties as required to address specific needs.

Motion:

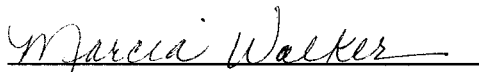
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APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 9, 2003.

A handwritten signature in black ink, appearing to read "Ron Sims", written over a horizontal line.

Ron Sims
Board Chair

ATTEST:

A handwritten signature in black ink, appearing to read "Marcia Walker", written over a horizontal line.

Marcia Walker
Board Administrator

**Motion No. M2003-91
Construction Services**

Proposed Amendment

Proposed Amendment: Add the following language to Motion No. M2003-91:

Staff is directed to re-evaluate the proposed traffic control services approach (use of on-duty law enforcement officers) and report the findings of that evaluation with a staff recommendation to the Sound Transit Board prior to its action. The objective of this evaluation is to identify the most cost-effective means of providing the necessary traffic control services consistent with City of Seattle requirements.

SOUND TRANSIT

MOTION NO. M2003-91

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Motion:


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APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 25, 2003.



Ron Sims
Board Chair

ATTEST:



Marcia Walker
Board Administrator