

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2004-04**

**Contract Contingency Increase**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	01/08/04	Discussion/Possible Action to Recommend Board Approval Action	Martin Minkoff, Director Sounder Commuter Rail	(206) 398-5111
Board	01/15/04		<b>Diane Hilmo, Project Manager</b>	(206) 398-5415

<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	

<sup>3</sup>Applicable to proposed transaction.

**OBJECTIVE OF ACTION**

Increase the contract contingency to ensure adequate funds to complete a new centralized traffic control signal system for Sounder's Reservation to Freighthouse Tacoma Rail track improvements project.

**ACTION**

Authorizing the Chief Executive Officer to increase the contingency amount of the sole source contract with General Electric Transportation Systems Global Signaling (GETS) by \$40,000.

**KEY FEATURES**

- The current contract scope is to design, furnish, and install signal system equipment for the Reservation to Freighthouse Square Rail line. The proposed contingency increase is to cover possible additional expenses that may occur during the final cutover of the centralized traffic control signal system for Sounder Commuter Rail's Reservation to Freighthouse Tacoma Rail Track Improvements Project.
- Eliminates the need to stop work due to possible technical delays during the signal cutover process that would require Board approval for additional contingency funds to cover additional GETS personnel hours and expenses.
- Ensures the timely completion of the Reservation to Freighthouse Tacoma Rail centralized traffic control signalization.

## **BUDGET IMPACT SUMMARY**

**Project Description:** Reservation to Freighthouse Square Rail Line Signalization  
**Current Status:** Signal installation complete. Tacoma Rail and BNSF work to be completed.  
**Projected Completion:** February 29, 2004

<b>Action Outside of Adopted Budget:</b>	<b>Y/N</b>	<b>Y Requires Comment</b>
This Line of Business	N	
This Project	N	
This Phase	Y	Agreement w/BNSF to transfer work to ST will provide \$5.6 million, which will fund this action.
This Task	Y	Agreement w/BNSF to transfer work to ST will provide \$5.6 million, which will fund this action.
Budget amendment required	N	
<b>Key Financial Indicators:</b>	<b>Y/N</b>	<b>Y Requires Comment</b>
Contingency funds required	Y	Agreement w/BNSF to transfer work to ST will provide \$5.6 million, which will fund this action.
Subarea impacts	N	
Funding required from 3 <sup>rd</sup> parties other than what is already assumed in financial plan	Y	

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

## **BUDGET DISCUSSION**

The total 2004 Adopted Capital Budget for the Tacoma to Seattle corridor track and facilities is \$468,372,000. Within that budget, \$332,051,000 has been set aside for construction.

The budget identified for Burlington Northern Santa Fe (BNSF) work in the Tacoma to Seattle corridor includes a budget of \$5.6 million for the track and signal construction from Reservation Junction to Freighthouse Square. Based on final design, this work is now being done outside of the BNSF agreement. An agreement has been reached to reduce the BNSF commitment by the \$5.6 million.

## **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 impacts on Sound Transit resources.

## **BUDGET TABLE**

### Summary for Board Action (Year of Expenditure \$000)

Action Item: Added contingency for General Electric Transportation Systems for Reservation to Freighthouse Square

	Current Board Adopted Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Maintenance Yard/Layover	-			-	-
2 Agency Administration	22,076	21,087	-	21,087	989
3 Pre-Engineering	10,444	8,640	-	8,640	1,804
4 Final Design	8,835	9,010	-	9,010	(175)
5 ROW Acquisition	24	40		40	(16)
6 Construction	332,051	334,250	40	334,290	(2,239)
7 Vehicles	93,717	84,579	-	84,579	9,138
8 Contingency	1,225	-	-	-	1,225
9 Total Current Budget	468,372	457,606	40	457,646	10,726

#### Phase Budget Detail

10 BNSF	320,900	320,900	-	320,900	-
11 Other	11,151	13,350	40	13,390	(2,239)
12 Total Phase	332,051	334,250	40	334,290	(2,239)

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
13 GETS	3,364		-	3,364
14 Contingency	336	-	40	376
15 Total	3,700	-	40	3,740
16 Percent Contingency	10%		N/A	11%

#### Budget Shortfall

Level	\$ (J)	Potential Revenues (K)	Funding Source (L)
Reservation to Freighthouse Square	(2,239)	5,600	Reduced BNSF Commitment

Committed-to-date includes actuals and commitments through October 31, 2003 (HQ) plus full BN commitment..

## **M/W/DBE – SMALL BUSINESS PARTICIPATION**

Sound Transit's primary contract with GETS continues to reflect M/W/DBE and small business participation of over 42%.

### EEO Commitment

GETS employs 14% minority and 36% women. These percentages do not include subcontractors.

## **HISTORY OF PROJECT**

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

<b>Motion or Resolution</b>	<b>Summary of Action</b>	<b>Date of Action</b>
M2003-66	Amending sole source contract with GETS to design, furnish, install signal system equipment for Reservation to Freighthouse Square rail line.	6/26/03
M2002-119	Amending sole source contract with GETS to furnish signal system equipment for the Tacoma Link/BNSF crossing.	10/24/02

The Sounder Reservation to Freighthouse Square Rail Track Improvements project connects with the BNSF mainline at Reservation Junction and, at Freighthouse Square, will connect with Sound Transit's future extension to Lakewood and the existing BNSF Lakeview line. The project includes the requirement for a new Centralized Traffic Control signal system to allow Burlington Northern Santa Fe Railway (BNSF) to dispatch Sounder and Tacoma Rail trains over this section of line.

Train signal systems are safety-critical systems. Neither the 0.4-mile section of new track connecting BNSF to the Tacoma Rail line (known as the Tacoma Rail Connector), nor the 0.9-mile section of existing Tacoma Rail track have a signal system. Discussions have occurred over the development of the project with the Federal Rail Administration (FRA) and all the affected parties. The signal system has been modified to take into account FRA concerns. In all these discussions, a fundamental requirement has been that the signal system controlling all tracks (BNSF, Sound Transit, and Tacoma Rail) be operated by BNSF as one system, with BNSF responsible for dispatching all trains in this corridor from their control center in Ft. Worth, Texas. It is imperative that the system be seamless with respect to equipment, installation, operation, and maintenance.

When the Intergovernmental Agreement with the City of Tacoma was being negotiated for Sounder to use this portion of the Tacoma Rail line, it was intended that BNSF would install this required signal system as part of their larger Tacoma to Seattle signal system. However, as negotiations between Sound Transit and the City became protracted, BNSF requested that this signal work be removed from their work program. Sound Transit agreed.

GETS is the sole source signal material supplier for BNSF. Sound Transit amended the existing sole source contract with GETS for the Tacoma Link Project, 17th and Pacific BNSF crossing signals to include the signal final design, procurement, installation, and construction of the signalization of the Freighthouse Square to Reservation line. Link received Board approval in October 2002 for the first contract amendment. Sounder Commuter Rail received Board approval on June 26, 2003, for the second contract amendment.

The contract is 97% complete as of December 2003. Work remaining will be signal testing and integrating the signal system into the BNSF dispatching system. The cutover has been scheduled for February 18, 2004. There is the possibility of additional work and delays occurring during the cutover. If GETS experiences delays during the cutover, there is the risk of the remaining contingency being spent. The GETS personnel are not local and GETS would incur mobilization costs, travel, and per diem expenses if they are required to stop work and come back at a later date.

## **CONSEQUENCES OF DELAY**

If the remaining contingency is spent due to delays during the cutover, GETS would need to be instructed to stop work until after approval is obtained from the Board for additional contingency funding. Sound Transit may be responsible for GETS' additional costs for remobilization, travel, and per diem expenses, in addition to expenses that BNSF may incur due to stopping the cutover.

## **LEGAL REVIEW**

MB 12/31/03

## SOUND TRANSIT

### MOTION NO. M2004-04

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to increase the contingency amount of the sole source contract with General Electric Transportation Systems Global Signaling by \$40,000 to complete signal equipment installation for the Reservation to Freighthouse Square Rail line, for a new total authorized contract amount not to exceed \$3,986,697.

#### Background:

The Sounder Reservation to Freighthouse Square Rail Track Improvements project connects with the Burlington Northern Santa Fe Railway (BNSF) mainline at Reservation Junction and, at Freighthouse Square will connect with Sound Transit's future extension to Lakewood and the existing BNSF Lakeview line. The project includes the requirement for a new centralized traffic control signal system to allow BNSF to dispatch Sounder and Tacoma Rail trains over this section of line.

A fundamental requirement of the project is that the signal system controlling all tracks (BNSF, Sound Transit, and Tacoma Rail) be operated by BNSF as one system, with BNSF responsible for dispatching all trains in this corridor from the control center in Ft. Worth, Texas. It is imperative that the system be seamless with respect to equipment, installation, operation, and maintenance.

GETS is the sole source signal material supplier for BNSF. The contract is 97% complete as of December 2003, with \$20,683, or 6%, of the original contingency remaining. Signal testing and integration with the BNSF dispatching system still need to be completed. Additional contingency is required to cover potential additional costs incurred during the testing and integration.

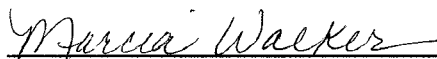
#### Motion:

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 amount of the sole source contract with General Electric Transportation Systems Global Signaling by \$40,000 to complete signal equipment installation for the Reservation to Freighthouse Square rail line, for a new total authorized contract amount not to exceed \$3,986,697.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 15, 2004.

  
John Zadenburg  
Board Chair

ATTEST:

  
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Marcia Walker  
Board Administrator