

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2006-49**

**Amendment to Sound Transit/City of Seattle Construction Services Agreement**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	6/15/06	Discussion/Possible Action to Recommend Board Approval	Ahmad Fazel, Link Director Ron Lewis, Link Deputy Director	(206) 398-5389 (206) 689-4905
Board	6/22/06	Action	<b>Henry Cody, Link Deputy Construction Manager</b>	(206) 398-5377

<b>Contract/Agreement Type:</b>	✓	<b>Requested Action:</b>	✓
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 amend the Sound Transit/City of Seattle Construction Services Agreement task order for construction services in relation to the Central Link Light Rail – Tukwila Segment in the amount of \$3,363,636, with a 10% contingency of \$336,364 totaling \$3,700,000, for a new total authorized agreement amount not to exceed \$49,674,062.

**KEY FEATURES of PROPOSED ACTION**

- The proposed action would amend the Sound Transit/City of Seattle Construction Services Agreement (CSA), which provides the framework for executing and managing task orders for Link light rail related construction services performed by the City.
- Construction Services Agreement Task Order SCL-6C provides for construction services by Seattle City Light (SCL) for the relocation and undergrounding of aerial power lines to facilitate construction of the Tukwila Freeway Route C755 aerial guideway as part of the Central Link Light Rail Initial Segment construction.
- The proposed action would increase the task order budget to fund construction elements that were not fully designed at the time the CSA was negotiated. Specifically, this action would fund scope refinements and additions that have developed as construction progresses and would provide adequate construction contingencies for the remaining work.
- The proposed increase to the Construction Service Agreement budget authority will be funded from surplus budget for City of Seattle services, surplus budget from contract C757 (Advance Utilities – Tukwila) ductbank work, and Board-approved unallocated contingency within the construction phase of the project.

## **BUDGET IMPACT SUMMARY**

Current Project Phase: Construction  
Projected Completion Date: June 2007

<b>Action Outside of Adopted Budget:</b>	<b>✓</b>	<b>Comments on Checked Items</b>
This Project		
This Phase		
This Task	✓	Approval of this action would result in a budget shortfall of \$3,125,479, which would require transfer of funds from surplus budget and unallocated contingency within the construction phase.
Budget Amendment Required		

<b>Key Financial Indicators:</b>	<b>✓</b>	<b>Comments on Checked Items</b>
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**

This action would authorize execution of an amendment to the Sound Transit/City of Seattle Construction Services Agreement, (CSA) PO 99117 for Seattle City Light Task Order SCL-6C for construction services in relation to C755/C757, in the amount of \$3,700,000 for a new total authorized amount not to exceed \$49,674,062.

The Adopted Capital Budget for the Central Link Initial Segment is \$2.07 billion. Within that budget, \$4,487,765 has been set aside for the City of Seattle to provide construction services for Tukwila Segment C755 in the construction phase. Approval of the proposed action would result in a shortfall of \$3,125,479 for this budget line item. This will be funded by transfers within the construction phase: \$550,786 from surplus budget within City of Seattle agreements, \$1,067,215 surplus budget for the C757 underground ductbank, and \$1,507,478 from unallocated contingency. Approval of the proposed action would leave a remaining balance of \$46,217,315 for unallocated contingency within the construction phase.

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 impact on Sound Transit.

## **BUDGET TABLE**

**Action Item:** City of Seattle (Amend CSA for Task Order SCL-6C to provide construction services for Tukwila segment C755/C757)

(Year of Expenditure \$000)

<b>Initial Segment</b>		Adopted 2006 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1	Agency Administration	216,780	117,608		117,608	99,172
2	Preliminary Engineering	34,000	33,357		33,357	643
3	Final Design	145,523	145,302		145,302	222
4	Right of Way	223,516	192,442		192,442	31,074
5	Construction	1,170,439	1,058,447	3,700	1,062,147	108,292
6	Construction Services	86,875	84,458		84,458	2,417
7	Third Party Agreements	59,560	59,004		59,004	556
8	Vehicles	133,307	131,799		131,799	1,508
9	<b>Total Current Budget</b>	<b>2,070,000</b>	<b>1,822,416</b>	<b>3,700</b>	<b>1,826,116</b>	<b>243,884</b>
<b>Construction Phase Detail</b>						
10	SCL C755	4,488	3,913	3,700	7,613	(3,125)
11	Other City of Seattle construction	26,159	25,608		25,608	551
12	Other construction segments	1,092,067	1,028,925		1,028,925	63,142
13	Constr unallocated contingency	47,725	-		-	47,725
14	<b>Total Phase</b>	<b>1,170,439</b>	<b>1,058,447</b>	<b>3,700</b>	<b>1,062,147</b>	<b>108,292</b>
<b>Contract Amount</b>						
		Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
15	Contract Amount	38,369	39,718	3,364	41,733	43,082
16	Contingency	3,255	1,693	336	3,591	2,030
17	<b>Total ST Share</b>	<b>41,624</b>	<b>41,411</b>	<b>3,700</b>	<b>45,324</b>	<b>45,111</b>
18	Percent Contingency	8%	4%	10%	9%	5%
19	Betterments (Credits)	4,350	4,563	-	4,350	4,563
20	<b>Total Contract</b>	<b>45,974</b>	<b>45,974</b>	<b>3,700</b>	<b>49,674</b>	<b>49,674</b>
<b>Budget Shortfall</b>						
	<b>Task Level</b>	\$ (K)	Potential Resources (L)		Source (M)	
21	SCL C755	3,125		551	Surplus budget City of Seattle	
22				1,067	Surplus budget C757 ductbank	
23				1,507	Unallocated contingency	
24	<b>SCL C755</b>	<b>3,125</b>		<b>3,125</b>	<b>Total potential resources within the construction phase</b>	

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

Seattle City Light is the sole source for these construction services.

It is anticipated that City staff will perform the work authorized by this task order (SCL 6C). Any procurement of services by the City will be done consistent with the City of Seattle's M/W/DBE – Small Business Participation Program.

## **PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

The Central Link Light Rail C755 contract (Tukwila Segment) consists of approximately five miles of aerial and at-grade light rail guideway and one elevated station. The project is located primarily within the City of Tukwila with a small section (approximately 600 feet) within the City of Seattle. Seattle City Light (SCL) is the owner and operator of the relevant electrical facilities in Tukwila. As such, Seattle City Light is the sole source for these construction services. Task Order SCL-6C for Construction Services covers the relocation of overhead power lines and the undergrounding of aerial power lines to facilitate the construction of C755. Currently, Task Order SCL-6C construction is approximately 45 percent complete.

Task Order SCL-6C reflects a design/build approach, whereby SCL has the responsibility to both design and construct modifications to their electrical facilities that are required to facilitate Link Light Rail construction.

The original scope of work and budget for SCL-6C was negotiated and included in the construction services agreement when it was approved in 2003. At that time, the overall design effort for the Tukwila segment of Link light rail was at the preliminary engineering level, as Tukwila was one of the last initial segment design packages to be completed. However, the level of design for Seattle City Light electrical facilities was still preliminary and the estimate was conceptual in nature. As design progressed the scope of work for electrical facilities became more complicated and also increased in magnitude. In addition, during the course of construction various unforeseen conditions have arisen, resulting in scope refinements and increased cost; the costs for both labor and materials required to complete these electrical facilities have also increased. For example, the index for copper (a major component of the electrical facilities) has increased from 75 in 2003 to 385 today, an increase of over 400%.

With construction on this segment well underway and having arrived at and agreed upon a comprehensive scope of work to complete relocation of these electrical facilities, Sound Transit and Seattle City Light embarked on a re-estimation for completion of this task order. This effort included Seattle City Light preparing a detailed Cost to Complete Estimate that specifies each component of work. Sound Transit and Seattle City Light met and reviewed the assumptions upon which the Cost to Complete Estimate is based and the resulting estimate including contingencies. The conclusion reached by both Sound Transit and Seattle City Light is that both parties are confident in the Cost to Complete Estimate.

This action will enable C755 construction work to continue moving in an efficient and cost-effective manner.

**Prior Board/Committee Actions on this Project and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
M2003-91-1	Authorized 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.	10/9/03
M2005-20	Authorized the Chief Executive Officer to execute an amendment to the Construction Services Agreement with the City of Seattle in the amount of \$400,000 for a new total authorized project expenditure amount not to exceed \$41,624,062. This action increases the total authorized funding to \$45,974,062, which includes reimbursements to Sound Transit in the amount of \$4,350,000 and authorizes up to \$725,000 for purchase of a Tunnel Rescue Vehicle.	2/24/05

**CONSEQUENCES of DELAY**

A delay beyond early July 2006 in approval of this action could cause delays and inefficiencies in completion of the C755 Contract in part because the outage window is only available during portions of the summer months.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**ENVIRONMENTAL COMPLIANCE**

JI 06/06/06

**LEGAL REVIEW**

JW 6/8/06

## **SOUND TRANSIT**

### **MOTION NO. M2006-49**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to amend the Sound Transit/City of Seattle Construction Services Agreement task order for construction services in relation to the Central Link Light Rail – Tukwila Segment in the amount of \$3,363,636, with a 10% contingency of \$336,364 totaling \$3,700,000, for a new total authorized agreement amount not to exceed \$49,674,062.

#### **Background:**

The Central Link Light Rail C755 contract (Tukwila Segment) consists of approximately five miles of aerial and at-grade light rail guideway and one elevated station. The project is located primarily within the City of Tukwila with a small section (approximately 600 feet) within the City of Seattle. Seattle City Light (SCL) is the owner and operator of the relevant electrical facilities in Tukwila. As such, Seattle City Light is the sole source for these construction services. Task Order SCL-6C for Construction Services covers the relocation of overhead power lines and the undergrounding of aerial power lines to facilitate the construction of C755. Currently, Task Order SCL-6C construction is approximately 45 percent complete.

Task Order SCL-6C reflects a design/build approach, whereby SCL has the responsibility to both design and construct modifications to their electrical facilities that are required to facilitate Link Light Rail construction.

The original scope of work and budget for SCL-6C was negotiated and included in the construction services agreement when it was approved in 2003. At that time, the overall design effort for the Tukwila segment of Link light rail was at the preliminary engineering level, as Tukwila was one of the last initial segment design packages to be completed. However, the level of design for Seattle City Light electrical facilities was still preliminary and the estimate was conceptual in nature. As design progressed the scope of work for electrical facilities became more complicated and also increased in magnitude. In addition, during the course of construction various unforeseen conditions have arisen, resulting in scope refinements and increased cost; the costs for both labor and materials required to complete these electrical facilities have also increased. For example, the index for copper (a major component of the electrical facilities) has increased from 75 in 2003 to 385 today, an increase of over 400%.

With construction on this segment well underway and having arrived at and agreed upon a comprehensive scope of work to complete relocation of these electrical facilities, Sound Transit and Seattle City Light embarked on a re-estimation for completion of this task order. This effort included Seattle City Light preparing a detailed Cost to Complete Estimate that specifies each component of work. Sound Transit and Seattle City Light met and reviewed the assumptions upon which the Cost to Complete Estimate is based and the resulting estimate including contingencies. The conclusion reached by both Sound Transit and Seattle City Light is that both parties are confident in the Cost to Complete Estimate.

This action will enable C755 construction work to continue moving in an efficient and cost-effective manner.


**Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to amend the Sound Transit/City of Seattle Construction Services Agreement task order for construction services in relation to the Central Link Light Rail – Tukwila Segment in the amount of \$3,363,636, with a 10% contingency of \$336,364 totaling \$3,700,000, for a new total authorized agreement amount not to exceed \$49,674,062.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 22, 2006.

  
\_\_\_\_\_  
John W. Ladenburg  
Board Chair

ATTEST:

  
\_\_\_\_\_  
Marcia Walker  
Board Administrator