

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2006-62**

**Contract Amendment for Construction Management Services**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	8/3/06	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Director	(206) 398-5389
Board	8/10/06		<b>Joe Gildner, Link Deputy Director</b>	(206) 689-3350

<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 execute a contract amendment with Carter & Burgess to provide construction management services for Link Light Rail Segment C735, Rainier Valley construction in the amount of \$4,293,570, for a new total authorized contract amount not to exceed \$12,944,305; and to exercise an option to extend the term of the contract to December 31, 2007.

**KEY FEATURES of PROPOSED ACTION**

- The contract scope includes: providing resident engineering, office engineering, inspection (civil, structural, electrical, track, mechanical, utilities), change order administration, safety inspection, management, and diversity support.
- The additional contract authority request is primarily a result of two main influences to the construction management contract – added effort and extended construction period.
- This contract amendment is necessary to provide additional funding for:
  - Scheduling support. This configuration improves the integration of schedule management and analysis with overall construction management.
  - Extending the duration of the full time safety inspector providing support to Link’s coverage during staffing changes within the organization and to address special construction issues on the project.
  - Special inspections required to satisfy permit requirements of the City of Seattle’s Department of Planning and Development for retaining walls on private property.

- Additional field engineering support to expedite resolution of field questions and facilitate coordination of work.
  - An assistant resident engineer to help manage the significant amount of contract documentation. This position also supports field operations, as required.
  - Additional office engineering staff to help manage the large volume of change requests received from the construction contractor.
  - Additional administrative staff to address the increased amount of project documentation.
  - Additional field inspectors based on quality control issues experienced to date and based on the contractors work plan through the completion of the project.
- Time: The contractor's current schedule, as of July 18, 2006, forecasts completion in October 2007. The construction management contract expires on December 31, 2006. This proposal exercises one of three options to extend the contract by one year to December 31, 2007. The proposed budget will support construction management services through the current construction completion.
  - Funding is proposed to be carried as a shortage in the 2006 budget and addressed in the Proposed 2007 Budget.

**BUDGET IMPACT SUMMARY**

Current Project Phase: Construction  
 Projected Completion Date: 2009

<b>Action Outside of Adopted Budget:</b>	<b>✓</b>	<b>Comments on Checked Items</b>
This Project		
This Phase	✓	Action exceeds the current adopted budget for the Construction Services phase; however, is within the proposed 2007 budget for this phase.
This Task		
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**

The proposed action would authorize execution of a contract amendment with Carter & Burgess to provide construction management services for Rainier Valley C735 Construction in the amount of \$4,293,570 for a total authorized contract amount not to exceed \$12,944,305. This amount includes \$384,533 of work to be reimbursed by third parties under betterment agreements (Motion No. M2003-108). Approval of the proposed action would increase Sound Transit's total cost obligation to \$12,559,771.

The total adopted capital budget for the Initial Segment is \$2.07 billion. Within the construction services phase of that budget, the current approved budget for C735 construction management services is \$8,266,202. To date, commitments for this budget line item are \$8,264,124. Should the proposed action be approved, the commitments for C735 construction management services would increase to \$12,557,694, resulting in a shortfall of \$4,291,492 for this budget line item. Of this amount, \$2,417,199 would be offset by remaining surplus budget in the construction services phase. The proposed 2007 budget for the Initial Segment includes funding for the remaining \$1,876,371 budget shortfall. This action does not change the lifetime budget of the Initial Segment.

The contract with Carter & Burgess includes work that is part of the Central Link Initial Segment, as well as additional work to be reimbursed by the City of Seattle and private utilities, as authorized by prior board motions. Costs related to this additional work are not charged within the Link Initial Segment, but are tracked separately to facilitate project accountability and reimbursement. To date, a total of \$366,611 has been committed under this contract for betterment work, and increase of \$2,077. Sound Transit's share of the total work is decreased by this amount, and would be \$12,557,694 should the proposed action be approved.

Sound Transit's share of the proposed action is covered by the proposed 2007 capital budget for the Initial Segment, and is affordable within the agency's current long-term financial plan and subarea financial capacity. The proposed action will have no new revenue impact on Sound Transit.

## **BUDGET TABLE**

**Action Item:** Carter & Burgess (Amend agreement to provide construction management services for Rainier Valley segment (C735) of the Central Link Initial Segment)

(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	118,058		118,058	98,722
2	Preliminary Engineering	34,000	33,357		33,357	643
3	Final Design	145,523	145,296		145,296	228
4	Right of Way	223,516	193,363		193,363	30,153
5	Construction	1,170,439	1,061,081		1,061,081	109,358
6	Construction Services	86,875	84,458	4,294	88,751	(1,876)
7	Third Party Agreements	59,560	59,030		59,030	530
8	Vehicles	133,307	131,799		131,799	1,508
9	<b>Total Current Budget</b>	<b>2,070,000</b>	<b>1,826,440</b>	<b>4,294</b>	<b>1,830,733</b>	<b>239,267</b>
<b>Construction Phase Detail</b>						
10	Contract C735 CM Services	8,266	8,264	4,294	12,558	(4,291)
11	Other CM Services	76,517	76,193		76,193	324
12	Constr unallocated contingency	2,091	-		-	2,091
13	<b>Total Phase</b>	<b>86,875</b>	<b>84,458</b>	<b>4,294</b>	<b>88,751</b>	<b>(1,876)</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)
14	Contract Amount	7,864	8,651	4,294	12,158	12,944
15	Contingency	786	-	-	786	-
16	<b>Total Contract</b>	<b>8,651</b>	<b>8,651</b>	<b>4,294</b>	<b>12,944</b>	<b>12,944</b>
17	Percent Contingency	10%	0%	0%	6%	0%
18	Betterments (Credits)	385	387	-	385	387
19	<b>Total ST Share</b>	<b>8,266</b>	<b>8,264</b>	<b>4,294</b>	<b>12,560</b>	<b>12,558</b>
<b>Budget Shortfall</b>						
<b>Task Level</b>		\$ (K)	Potential Resources (L)		Source (M)	
20	Contract C735 CM Services	4,291		2,091	Construction phase unallocated contingency	

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

The M/W/DBE and Small Business goal for this contract was 30%. For this contract amendment, Carter & Burgess has committed that M/W/DBEs will perform 31.2% of the contract. The adjusted performance plan including this request is 30%.

### Utilization Breakdown Table

<b>Subconsultant</b>	<b>Business Type</b>	<b>% of Work</b>
Kristen Betty and Associates, Inc.	W/DBE	10.7%
Lin and Associates, Inc.	M/DBE	8.0%
Pacific Communication Consultant, Inc.	M/W/DBE	1.8%
R.C.T Engineering, Inc.	M/DBE	8.1%
RoseWater Engineering	W/DBE	2.6%
<b>Total</b>		<b>31.2%</b>

### EEO Commitment

Women and minorities compose 50% and 8%, respectively, of Carter & Burgess's work force.

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

In November 2001, the Board selected the Central Link Light Rail Initial Segment to be constructed from downtown Seattle to South 154<sup>th</sup> Street in Tukwila. Construction along MLK Jr. Way South includes 4.5 miles of at-grade light rail guideway and the Columbia City (Edmunds), Othello, and Rainier Beach (Henderson) Stations.

In December 2003, Sound Transit identified RCI-Herzog as the most responsive, responsible bidder for the C735 - Rainier Valley Construction procurement. RCI-Herzog's proposed baseline schedule projected completion of the work in January 2007.

In January 2004, Sound Transit issued a Notice to Proceed (NTP) to the Carter & Burgess contract for construction management services for the C735 - Rainier Valley Construction project. Services include providing resident engineering, office engineering, inspection (civil, structural, electrical, track, mechanical, and utilities), change order administration, safety inspection, management, and diversity. The contract period ends December 31, 2006, with three one-year options.

In February 2004, Sound Transit issued NTP1 for preconstruction work to RCI-Herzog, with a contractual completion date of April 2007. Construction management services are provided by Carter & Burgess.

In July 2004, Sound Transit issued NTP2 for the remaining work to RCI-Herzog. Soon after NTP2 was issued, additional staff was mobilized as a result of many factors, including the need to enhance the quality assurance inspections and manage increased contract documentation.

In July 2006, RCI-Herzog submitted a revised baseline schedule projecting work to be completed in October 2007 with the current construction completion of 48%. Sound Transit has not changed the contractual completion date from April 2007 and the responsibilities for the delay are not yet resolved.

## Prior Board/Committee Actions on this Project

<b>Motion/ Resolution Number and Date</b>	<b>Summary of Action</b>
M2001-03 2/12/04	Authorizing the Chief Executive Officer to execute a contract with RCI-Herzog, A Joint Venture for the Rainier Valley light rail construction in the amount of \$128,302,911 with a 12% contingency in the amount of \$15,396,349 for a total authorized contact amount not to exceed \$143,699,260
M2003-108 11/13/03	Executing a contract with Carter & Burgess to provide construction management services along Martin Luther King Jr. Way South in the amount of \$7,864,305 plus a 10% contingency of \$786,430 for a total amount not to exceed \$8,650,735, for a four-year term with the option of two additional one-year extensions.
M2003-90 9/25/03	Executing a Memorandum of Agreement with the City of Seattle specifying the cost, terms and conditions for undergrounding utilities in the Rainier Valley along Martin Luther King Jr. Way South in an amount not to exceed \$15,576,000, this includes \$2,097,000 in reimbursements from private utilities.
R2001-16 11/29/01	Selected the initial segment of the Central Link Light Rail Project to be constructed and operated by 2009.

### **CONSEQUENCES of DELAY**

Current authorized funds are forecasted to be exhausted by September 2006. A delay beyond this date will impact Link's ability to provide construction management services for the C735 contract.

### **PUBLIC INVOLVEMENT**

Not applicable to this action.

### **ENVIRONMENTAL COMPLIANCE**

JI 7/13/06

### **LEGAL REVIEW**

JW 7/27/06

## **SOUND TRANSIT**

### **MOTION NO. M2006-62**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract amendment with Carter & Burgess to provide construction management services for Link Light Rail Segment C735, Rainier Valley construction in the amount of \$4,293,570, for a new total authorized contract amount not to exceed \$12,944,305; and to exercise an option to extend the term of the contract to December 31, 2007.

#### **Background:**

In November 2001, the Board selected the Central Link Initial Segment to be constructed from downtown Seattle to South 154<sup>th</sup> Street in Tukwila. Construction along MLK Jr. Way South includes 4.5 miles of at-grade light rail guideway and the Columbia City (Edmunds), Othello, and Rainier Beach (Henderson) Stations.

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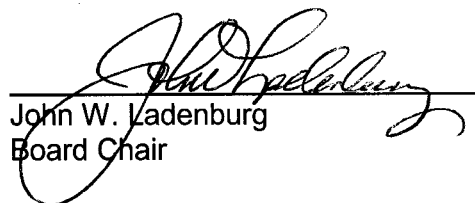
In July 2006, RCI-Herzog submitted a revised baseline schedule projecting work to be completed in October 2007 with the current construction completion of 48%. Sound Transit has not changed the contractual completion date from April 2007 and the responsibilities for the delay are not yet resolved.

The proposed contract amendment is necessary to provide additional funding for scheduling support, safety inspection, geotechnical special inspections, field engineering, assistant resident engineering, office engineering, field inspection, administrative assistance, and contract change procedure review. It also exercises a one-year option to extend the contract to December 31, 2007 to cover the contractual completion date of the construction project.


**Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a contract amendment with Carter & Burgess to provide construction management services for Link Light Rail Segment C735, Rainier Valley construction in the amount of \$4,293,570 for a new total authorized contract amount not to exceed \$12,944,305; and to exercise an option to extend the term of the contract to December 31, 2007.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 10, 2006.

  
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John W. Ladenburg  
Board Chair

ATTEST:

  
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Marcia Walker  
Board Administrator