

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2007-110

Contract Amendment for Quality Assurance Audit Services

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	10/18/07	Discussion/Possible Action	Ahmad Fazel, Link Executive Director Tim McClure, Link QA Manager	(206) 398-5389 (206) 398-5399

Contract/Agreement Type:	✓	Requested Action:	✓
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 exercise an option to extend the contract with Gannett Fleming, Inc. for one year to provide quality oversight services for the Central Link Light Rail Initial Segment project in the amount of \$106,578, with a 10% contingency of \$10,658 totaling \$117,236, for a new total authorized contract amount not to exceed \$498,936.

KEY FEATURES of PROPOSED ACTION

- This action is needed because additional audits had to be performed on C710 Beacon Hill contractor safety performance and C803 Communications Contractor software and reliability compliance. As a result, this has depleted contract funds originally designated for previously planned quality audit and surveillance oversight activities for the Link Systems contracts.
- In addition, due to the continuation of monitoring compliance with system reliability requirements on the communications contract, supplemental audits need to be performed.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET AND FINANCIAL PLAN DISCUSSION

The Adopted 2007 Budget for the Central Link Light Rail Initial Segment is \$2.07 billion. Within that amount \$862,750 has been set aside for Quality Assurance Audit Services in the agency

administration phase. When added to current commitments, the proposed action would increase that amount by \$117,236 to \$498,936, and leave a remaining balance of \$363,814 for this budget line item.

The proposed action is consistent within the current adopted budget, and is affordable within the agency's long-term financial plan and subarea financial capacity. The action will have no new revenue impact on Sound Transit.

BUDGET TABLE

Action Item: Gannett Fleming, Inc. (provide quality oversight services to the Central Link Initial Segment project)

(Year of Expenditure \$000)

Initial Segment	Adopted 2007 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	214,780	140,594	117	140,711	74,069
2 Preliminary Engineering	33,357	33,310		33,310	46
3 Final Design	147,167	146,498		146,498	669
4 Right of Way	217,516	203,200		203,200	14,316
5 Construction	1,174,572	1,128,519		1,128,519	46,054
6 Construction Services	90,037	92,403		92,403	(2,366)
7 Third Party Agreements	60,264	62,543		62,543	(2,279)
8 Vehicles	132,307	131,799		131,799	508
9 Total Current Budget	2,070,000	1,938,866	117	1,938,983	131,017

**Agency Administration Phase
Detail**

10 Quality Assurance	863	382	117	499	364
11 Other Agency Administration	213,917	140,212		140,212	73,705
12 Total Phase	214,780	140,594	117	140,711	74,069

Contract Amount	Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)	Proposed Contract Value (J)
13 Contract Amount	382	382	107	488	488
14 Contingency	-	-	11	11	11
15 Total Contract	382	382	117	499	499
16 Percent Contingency	0%	0%	10%	2%	2%

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of August 2007 + approved and pending board actions not recorded as of 8/31/07, or submitted after that date.

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

Gannett Fleming is the prime consultant for this contract and has committed to a 21% small business participation goal. As of the last invoice, the level of small business participation is 10%. The light rail vehicle production schedule has been delayed and has impacted small business participation. Had these delays not occurred, the overall small business participation would be 20%.

Small business participation is projected to be 22% at the conclusion of the contract.

Utilization Breakdown Table

Subconsultant/Subcontractor	Business Type	% of Work	Dollar Value
Raul V. Bravo + Associates	MBE/DBE	27.4%	\$29,214.61
T.R. Miller & Associates	Small Business	30.2%	\$32,180.65
Total		57.6%	\$61,395.26

EEO Commitment

Gannett Fleming workforce demographics are 25% women and 12% minorities.

Apprentice Utilization Commitment

Not applicable to this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

The Quality Assurance Audit Services contract provides Sound Transit with quality assurance oversight capability in the form of audits and surveillances on the performance of systems contractors' design, manufacturing, assembly, first article inspection, and testing and installation work for the Link systems contracts. A portion of these audits and surveillances have already been conducted for the required oversight activities on the light rail vehicle, train control, communications, and traction electrification contracts. Additional audits and surveillances are required for these contracts to fulfill the QA oversight needs of the project.

Prior Board/Committee Actions

Motion/Resolution Number and Date	Summary of Action
M2005-109 10/06/05	Authorized the Chief Executive Officer to execute a contract with Gannett Fleming, Inc. to provide quality assurance audit services for the Central Link Initial Segment project for a total authorized amount not to exceed \$381,700 for a two-year term with an option to extend the contract for one additional year.

CONSEQUENCES of DELAY

Without approval of this motion, the necessary expertise needed to perform the systems contracts audits and surveillance will not allow for the due diligence needed to provide Sound Transit management with the necessary level of confidence that the systems contractors have met the software, reliability and installation requirements of their contracts.

A delay beyond November 15, 2007 will require suspension of the quality audit and surveillance oversight work for the Light Rail Vehicle and Communications Systems contracts.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI, 09/26/07

LEGAL REVIEW

JW 10/12/07

SOUND TRANSIT

MOTION NO. M2007-110

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to exercise an option to extend the contract with Gannett Fleming, Inc. for one year to provide quality oversight services for the Central Link Light Rail Initial Segment project in the amount of \$106,578, with a 10% contingency of \$10,658 totaling \$117,236, for a new total authorized contract amount not to exceed \$498,936.

Background:

The Quality Assurance Audit Services contract provides Sound Transit with quality assurance oversight capability in the form of audits and surveillances on the performance of systems contractors' design, manufacturing, assembly, first article inspection, and testing and installation work for the Link systems contracts. A portion of these audits and surveillances have already been conducted for the required oversight activities on the light rail vehicle, train control, communications, and traction electrification contracts. Additional audits and surveillances are required for these contracts to fulfill the QA oversight needs of the project.

Motion:


It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to exercise an option to extend the contract with Gannett Fleming, Inc. for one year to provide quality oversight services for the Central Link Light Rail Initial Segment project in the amount of \$106,578, with a 10% contingency of \$10,658 totaling \$117,236, for a new total authorized contract amount not to exceed \$498,936.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 18, 2007.



Fred Butler
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator