

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2007-66

Contingency Increase for Communications Systems Construction Contract

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	6/21/07	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	6/28/07		Joe Gildner, Link Deputy Executive Director Steve Procter, Link Systems Engineering Manager	(206) 689-3350 (206) 370-5509

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<input checked="" type="checkbox"/>
Competitive Procurement	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	<input checked="" type="checkbox"/>
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 increase the contingency for the contract with GE Transportation Systems Global Signaling, LLC to provide communications systems for construction of the Central Link light rail Initial Segment project in the amount of \$4,900,000, for a new total authorized contract amount not to exceed \$43,693,889.

KEY FEATURES of PROPOSED ACTION

- The proposed action will increase the contract contingency to address potential changes associated with the completion of the communications contract.
- The proposed action includes allowance for:
 - The numerous cases of unforeseen conditions that have been and possibly remain to be faced during construction, especially the retrofit of the Downtown Seattle Transit Tunnel (DSTT).
 - Emergency scenario modifications to support Fire/Life Safety requirements of the Seattle Fire Department as well as potentially the Tukwila Fire Department.
 - Relocating the Operations Control Center equipment from construction trailers to its permanent location in the Operations & Maintenance Facility (OMF).
 - Inefficiencies due to access availability at the OMF.

- Access delays over the base bid schedule for contract on the Initial Segment.
- Extended overheads.

BUDGET IMPACT SUMMARY

Current Project Phase: Construction
 Projected Completion Date: 2009

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task	✓	Proposed action requires transfer of funds from construction phase unallocated contingency
Budget Amendment Required		

Key Financial Indicators:	✓	Comments on Checked Items
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)	✓	Anticipate that some of this work may be recovered from KCM under the terms of the cost sharing agreement.

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 Adopted 2007 Budget for the Central Link light rail Initial Segment is \$2.07 billion. Within that amount, \$32,500,000 has been set aside for Communications Systems Construction (C803) in the construction phase. In January 2007, the Sound Transit Board authorized the transfer of \$1,053,430 from construction phase unallocated contingency to this budget line item (Motion No. M2007-11, approved 1/25/07), which increased the Board-authorized budget to \$33,553,430.

When added to current commitments, the proposed action would increase the commitments for C803 to \$38,453,430, and result in a budget shortfall for this budget line item of \$5,953,430 (\$1,053,430 previously approved plus \$4,900,000 for the proposed action), which would be funded from unallocated contingency within the construction phase.

The unallocated contingency within the construction phase of the Initial Segment has a current remaining balance of \$24,046,719 (\$25,099,719 less the prior transfer of \$1,053,430 for this budget line item). Approval of the proposed action would reduce this amount by \$4,900,000, resulting in a remaining balance of \$19,146,289 for construction phase unallocated contingency. There is provision within the King County agreement for cost sharing - provided the change benefits bus operations; it is anticipated that some of this cost would be recovered from King County Metro (KCM) in an amount to be negotiated.

The proposed action is consistent with 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: GE Transportation Systems Global Signaling, LLC (increase contract contingency to provide communications systems for 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	119,846		119,846	94,934
2 Preliminary Engineering	33,357	33,310		33,310	46
3 Final Design	147,167	146,496		146,496	671
4 Right of Way	217,516	202,485		202,485	15,031
5 Construction	1,174,572	1,083,363	4,900	1,088,263	86,309
6 Construction Services	90,037	91,830		91,830	(1,792)
7 Third Party Agreements	60,264	59,533		59,533	731
8 Vehicles	132,307	131,799		131,799	508
9 Total Current Budget	2,070,000	1,868,662	4,900	1,873,562	196,438

Construction Phase Detail					
10 C803 Communications	32,500	33,553	4,900	38,453	(5,953)
11 Other Systems Construction	95,160	85,674		85,674	9,486
12 Other Construction	1,004,835	947,158		947,158	57,677
12 Constr Unallocated Contingency	42,077	16,977		16,977	25,100
13 Total Phase	1,174,572	1,083,363	4,900	1,088,263	86,309

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)
14 Contract Amount	35,538	33,132	-	35,538	33,132
15 Contingency	3,256	5,662	4,900	8,156	10,562
16 Total Contract	38,794	38,794	4,900	43,694	43,694
17 Percent Contingency	9%	17%	0%	23%	32%

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of April 2007 + approved and pending board actions not recorded as of 4/30/07, or submitted after that date.

Budget Shortfall	\$ (K)	Potential Resources (L)	Source (M)
18 C803 Communications (M2007-11)	1,053	25,100	Construction phase unallocated contingency
19 C803 Communications (this action)	4,900		
20 Total C803 Communications	5,953		

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

General Electric Transportation Systems Global Signaling, LLC (GETS) is the prime contractor for this contract. GETS is committed to a 12% Small Business goal with 8% M/W/DBE participation. To date, GETS has achieved 7.4% Small Business participation, with 7.4% M/W/DBE participation. With the amended contract amount, the projected overall participation percentages are 12% Small Business with 8% M/W/DBE.

The ability to meet the goal has been impacted by two items. First, the small business content is concentrated on the installation phase which only started in earnest in December 2006. They have also been impacted by the need to react quickly to changes and differing conditions to meet the DSTT opening date. Sound Transit staff has requested that GETS provide an updated plan for how they anticipate reaching their goals.

EEO Commitment

GETS workforce demographics are 10.6% women and 18.7% people of color.

Apprentice Utilization Commitment

GETS has committed to using the PLA and their contract included the customary \$.05 per hr contribution to the apprentice program in that agreement. GETS has committed to 10% apprentice utilization and has achieved 17.1% utilization to date.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

On February 19, 2004, Sound Transit issued a Request for Technical Proposals (RFTP) for the Link light rail Communications Systems for the Central Link light rail Initial Segment project. After the proposals were reviewed on October 28, 2004, the Sound Transit Board authorized the chief executive officer to execute a contract with GE Transportation Systems Global Signaling, LLC (GETS).

On July 14, 2006, the Sound Transit Board selected the Airport Link project to be constructed and operated as part of Central Link light rail. Airport Link will extend the Initial Segment from South 154th Street to the light rail station at the main terminal of SeaTac International Airport. The 1.7-mile Airport Link extension will be fully integrated into the Initial Segment and is planned to be completed by the end of 2009.

In January 2007, Sound Transit authorized accelerative measures for the timely reopening of the Downtown Seattle Transit Tunnel (DSTT) for buses in September 2007. This measure did not address many of the adverse conditions that were later found in the tunnel.

Over the subsequent months, conditions such as blocked conduits, differing size conduits, incorrect as-built drawings, and missing conduits were uncovered and had to be addressed to progress the installation of the systems defined by the contract. These conditions are collectively referred to as unforeseen conditions as they were not known at the commencement of the contract work. Also, development of emergency scenario modifications was advanced and this software will be installed and tested prior to the opening of DSTT for the public.

Due to inefficiencies caused by access availability at the Operations and Maintenance Facility (OMF), the operations control center equipment was located in construction trailers. With the present availability of the OMF, this equipment now needs to be relocated to its permanent location.

The interagency agreement with King County Metro (KCM) allows for a sharing of change order costs to the extent the change impacts bus operations. The scope of changes must be negotiated with KCM before the cost sharing formula applies.

Prior Board/Committee Actions on this Project

Motion/Resolution Number & Date	Summary of Action
M2007-11 1/25/07	Authorized the chief executive officer to execute a contract amendment with GE Transportation Systems Global Signaling, LLC to provide the communication systems for Airport Link and to complete the communications system for the Central Link Light Rail Initial Segment in the amount of \$6,450,001, with a contingency of \$346,930, for a new total authorized contract amount not to exceed \$38,793,889.
M2004-103 10/28/04	Executed a contract with GE Transportation Systems Global Signaling, LLC to engineer, manufacture, furnish, install, and test the communications systems for the Central Link Light Rail Initial Segment in the amount of \$29,088,144, with a 10% contingency of \$2,908,814, for a total authorized contract amount not to exceed \$31,996,958.

CONSEQUENCES of DELAY

This amendment is being brought to the Board in order to mitigate the unforeseen conditions that have been addressed in the construction of the DSTT, insure that the DSTT is available for re-opening to buses in September 2007, and that Link light rail is available for opening to light rail vehicle traffic in the summer of 2009.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI, 06/07/07

LEGAL REVIEW

JW 6/14/07

SOUND TRANSIT

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A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase the contingency for the contract with GE Transportation Systems Global Signaling, LLC to provide communications systems for construction of the Central Link light rail Initial Segment project in the amount of \$4,900,000, for a new total authorized contract amount not to exceed \$43,693,889.

Background:

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The interagency agreement with King County Metro (KCM) allows for a sharing of change order costs to the extent the change impacts bus operations. The scope of changes must be negotiated with KCM before the cost sharing formula applies.

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 for the contract with GE Transportation Systems Global Signaling, LLC to provide communications systems for construction of the Central Link light rail Initial Segment project in the amount of \$4,900,000, for a new total authorized contract amount not to exceed \$43,693,889.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 28, 2007.



John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator