

SOUND TRANSIT FINANCE COMMITTEE
Summary Minutes
January 17, 2008

Call to Order

The meeting was called to order at 12:01 p.m. by Vice Chair Fred Butler in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll Call

Chair

(A) *Aaron Reardon, Snohomish County Executive*

Vice Chair

(P) *Fred Butler, Issaquah Deputy Council President*

(P) *Mary-Alyce Burleigh, Kirkland Councilmember*

(P) *Dave Enslow, Sumner Mayor*

(P) *Claudia Thomas, Lakewood Councilmember*

(P) *Pete von Reichbauer, King Co. Councilmember*

Jason Suzaka, Board Coordinator, announced that a quorum of the committee was present at roll call.

Report of the Chair

Vice Chair Butler announced that Boardmember von Reichbauer is unable to attend today's meeting, but has requested to participate by telephone. He explained the Board operating rules allowing members to attend meetings by teleconference. Requests to attend are acted on by motion prior to action taken on the first item of business and require a 2/3 affirmative vote of members who are physically in attendance.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Boardmember von Reichbauer be allowed to participate in the meeting via teleconference.

Chief Financial Officer's Report

Chief Financial Officer Brian McCartan provided an update on the King County Investment Pool, which has experienced financial losses related to problems in the subprime mortgage financial markets. Sound Transit has a relatively small amount in the pool; however, Mr. McCartan reported that the County is considering an internal policy that would allocate losses to those participating in the Pool should those losses be realized.

He advised that he sent a letter on January 14, 2008 to the County requesting additional information to see if the policy conflicts with Sound Transit's contract with King County regarding participation in the investment pool. He also advised that boardmembers will be briefed as the situation develops.

Consent Agenda

Minutes of the December 6, 2007 Meeting
Minutes of the January 3, 2008 Meeting

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that the consent agenda be approved as presented.

Items within Finance Committee Authority for Final Action

Motion No. M2008-02 – Authorizing the chief executive officer to execute a task order with the Washington State Department of Transportation under the Link design services umbrella agreement to provide engineering, environmental, and right-of-way services for the Phase II East Corridor High Capacity Transit planning project in the amount of \$238,813, with a 10% contingency of \$23,881, for a total authorized amount not to exceed \$262,694

Link Project Development Manager Michael Williams presented the staff report. He summarized comments that were sent in response to a citizen email, which questioned why this action is being considered in light of the defeat of Proposition 1. Mr. Williams stated that this action builds upon the Board policy of identifying light rail as the preferred high capacity transportation mode over I-90 as stated in Resolution No. R2006-15.

Public Comment

Will Knedlik

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-02 be approved as presented.

Motion No. M2008-03 – Authorizing the chief executive officer to execute a contract with Dell, Inc. to provide hardware maintenance and procurement services for a total authorized contract amount not to exceed \$600,000

Chief Information Officer Kevin Crawford presented the staff report. In response to Boardmember Burleigh, Mr. Crawford clarified the EEO commitment percentages stated in the staff report; of the total workforce, 52% are women and people of color, and of the total workforce, 33% are women.

In response to questions from Vice Chair Butler, Mr. Crawford discussed the replacement schedule for the workstations and other alternatives that the Western States Contracting Alliance looked at. He advised that upgrades in system applications used throughout the agency often require more powerful workstations, and that drives the need for new workstations every few years. He noted that staff is planning to lengthen the monitor replacement schedule, because they are lasting longer than expected.

In response to Boardmember Thomas, Mr. Crawford stated that a number of replaced hardware had been surplus; however, staff was unable to find takers.

Public Comment

None.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-03 be approved as presented.

Motion No. M2008-01 – Ratifying a contract amendment with the Westover Corporation in the amount of \$20,000 for a new total authorized contract amount not to exceed \$233,756

Facilities Maintenance and Signage Manager Andy Hughes presented the staff report. He added that additional resources and procedures have been put into place to prevent future occurrences.

Public Comment

None.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-01 be approved as presented.

Boardmember Enslow arrived.

Motion No. M2008-09 - Executing a contract amendment with Parametrix, Inc. to provide additional construction monitoring services for the Tukwila Freeway Route segment within the Central Link Initial Segment project in the amount of \$55,000, for a new total authorized contract amount not to exceed \$310,200

Biologist Marti Louther and Link Environmental Division Manager James Irish presented the staff report. In response to questions from the committee, Ms. Louther and Chief Executive Officer Joni Earl explained why these additional construction monitoring services are needed and the responsibilities of the contractor, the environmental monitoring team, and Sound Transit. Mr. Irish also explained that while Sound Transit does hire a construction services management team, these particular services are not only outside their scope of work, but they are also very specialized and require an environmental monitoring team.

It was moved by Boardmember Burleigh, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that Motion No. M2008-09 be approved as presented.

Items for Recommendation to the Board

Motion No. M2008-07 – (1) ratifying the month-to-month lease holdover for 2001 Management Associates, Inc., located at 1012/1014 Boylston Avenue, Seattle, commencing August 1, 2007 and ending January 31, 2008; and (2) authorizing the chief executive officer to extend the lease with 2001 Management Associates, Inc. commencing February 1, 2008, for one year, with four one-year options to extend, ending January 31, 2012, or when University Link construction needs the property

Motion No. M2008-08 – (1) ratifying the month-to-month lease holdover for Key Park, Inc. located at 1010 Boylston Avenue, Seattle, commencing August 1, 2007 and ending January 31, 2008; and (2) authorizing the chief executive officer to extend the lease with Key Park, Inc. commencing February 1, 2008, for one year with four one-year options to extend, ending January 31, 2012, or when University Link construction needs the property

Property Manager Nancy Bennett presented the staff report for both motions. In response to questions from Boardmember Enslow, University Link Deputy Project Director Ron Endlich provided a description and background of the properties, which were originally acquired for a potential station on First Hill. The properties will eventually be used for construction staging for the University Link - Capitol Hill station.

In response to questions from Vice Chair Butler, Ms. Bennett described the system used to track lease agreements, how rental market rates are determined, and which party is responsible for maintenance of the properties.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-07 be forwarded to the Board with a do-pass recommendation.

It was moved by Boardmember Burleigh, seconded by Boardmember Thomas, and carried by the unanimous vote of all members present that Motion No. M2008-08 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-10 – Executing a contract amendment with LTK Engineering Services to provide systems construction management, design services during construction, rail activation services during testing and startup, and agency safety, security, and quality assurance support for the Central Link Initial Segment and Airport Link projects in the amount of \$5,337,073 with contingency in the amount of \$182,796 totaling \$5,519,869, for a new total authorized contract amount not to exceed \$55,755,714

Link Systems Engineering Manager Steve Proctor and Link Light Rail Director Ahmad Fazel presented the staff report.

In response to Boardmember Burleigh, Mr. Proctor explained that the increased vehicle inspection in Japan mentioned in the staff report is a result of lessons learned from other projects.

In response to Vice Chair Butler, Mr. Fazel provided a history of the contract with LTK Engineering Services. He stated that the scope of the work contained in the Request for Proposals intended that the work would be handled in phases, as would the negotiations for each phase of work. He advised that the work for University Link is being handled in a similar fashion, but is being executed through a separate contract.

It was moved by Boardmember Burleigh, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that Motion No. M2008-10 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-11 – Executing a contract amendment with Carter & Burgess, Inc. to provide construction management services for Link Light Rail Segment C735, Rainier Valley Construction in the amount of \$436,633, for a new total authorized contract amount not to exceed \$13,380,938, which includes reimburseable costs to Sound Transit from third parties for betterments

Link Deputy Construction Manager Tony Raben presented the staff report. In response to questions from Boardmember Enslow and Vice Chair Butler, Mr. Raben and Mr. Fazel discussed why staff is requesting the additional construction management funds as stated in the staff report, and discussed the liquidated damages clause contained in the contract.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-11 be forwarded to the Board with a do-pass recommendation.

Vice Chair Butler announced that Boardmember von Reichbauer joined the meeting via teleconference at this time.

Motion No. M2008-12 – Executing a contract with SCI Infrastructure, LLC to provide construction services for Southcenter Boulevard improvements and an expanded park-and-ride facility within the Central Link Initial Segment project in the amount of \$21,317,365, with a contingency of \$2,131,737, for a total authorized contract amount not to exceed \$23,449,102, which includes reimburseable costs to Sound Transit from the City of SeaTac and other third parties for betterments

Link Civil Engineering Manager John Sleavin presented the staff report. In response to questions from Vice Chair Butler, he discussed the claims history and working relationship with the contractor. He also answered questions regarding the scheduling for hiring construction management services and environmental monitoring teams.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-12 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-13 – Executing an intergovernmental agreement with the City of SeaTac which authorizes Sound Transit to construct on the City's behalf, underground ducts, vaults and appurtenances in the vicinity of the Tukwila International Boulevard Station, to support the City's conversion of existing overhead utility wires to underground facilities and other improvements at the City's expense

Mr. Sleavin presented the staff report. He discussed the reimbursement Sound Transit will receive for the betterments and construction management costs, as well as how utility work will be coordinated with Seattle City Light.

It was moved by Boardmember Burleigh, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that Motion No. M2008-13 be forwarded to the Board with a do-pass recommendation.

Motion No. M2008-04 – Executing a contract amendment with Hatch Mott MacDonald to provide additional design support services during construction and additional civil and architectural design services in an amount not to exceed \$2,120,000 for a new total authorized contract amount not to exceed \$31,951,305, which includes reimbursable costs to Sound Transit from third parties for betterment work in the amount of \$6,399

Mr. Sleavin and Link Deputy Director Ron Lewis presented the staff report. Vice Chair Butler suggested that in light of problems at another government agency, it might be useful for staff in the future to mention whether or not the growth in the size of a contract was planned (e.g. contained in the scope of the RFP, similar to what was contained in Motion No. M2008-10). Mr. Fazel explained the process that staff went through in procuring these services. The committee indicated an interest in having a discussion on available procurement strategies.

It was moved by Boardmember Thomas, seconded by Boardmember Burleigh, and carried by the unanimous vote of all members present that Motion No. M2008-04 be forwarded to the Board with a do-pass recommendation.

Next Meeting:

Thursday, February 7, 2008, 12:00 p.m. to 2:00 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

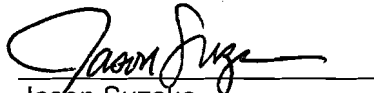
Adjourn

There was no other business; the meeting was adjourned at 1:42 p.m.



Fred Butler
Finance Committee Vice Chair

ATTEST:



Jason Suzaka
Board Coordinator