

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2009-53

Amend Memorandum of Agreement with Port of Seattle

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	6/18/09	Discussion/Possible Action to Recommend Board Approval	Ahmad Fazel, Link Executive Director	(206) 398-5389
Board	6/25/09	Action	Ron Lewis, Airport Link Project Director	(206) 689-4905

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<input checked="" type="checkbox"/>
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	<input checked="" type="checkbox"/>
Agreement with Other Jurisdiction(s)	<input checked="" type="checkbox"/>	Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Airport Link

PROPOSED ACTION

Authorizes the chief executive officer to increase funding authority for the agreement with the Port of Seattle for continued construction and construction management services in support of the Airport Link Project in the amount of \$2,459,129, for a new total authorized agreement amount not to exceed \$17,104,121.

KEY FEATURES of PROPOSED ACTION

- All funding required for this proposed action is currently within the Airport Link project budget.
- The existing Memorandum of Agreement (MOA) between Sound Transit and the Port of Seattle (Port) provides the overall framework and assigns responsibilities for the construction of specific Airport Link project elements concurrent with roadway relocation projects that are being constructed by the Port. This proposed action is consistent with the established partnership between Sound Transit and the Port, as well as the terms and conditions of the MOA. The Port of Seattle has effectively managed and supported construction in a manner that has maintained Sound Transit's overall project schedule, while minimizing the impact on airport operations and the air traveling public. There is active construction along the entire Airport Link project, with overall construction approximately 83% complete excluding the follow-on contract contemplated in this proposed action.
- There are five general areas of Airport Link project activities that will be supported by this request as follows:
 - C410 – consists of construction of the aerial guideway from S. 154th Street to and including the transition section to at-grade at the WSDOT/Port property boundary near S. 160th Street. This segment is largely on WSDOT property and is being managed by Sound Transit. Acceptance of civil facilities within this segment has been achieved. However, a few coordination issues remain at the WSDOT/Port property boundary (such as coordination of as-built drawings) that require limited construction management support from the Port during final acceptance and project closeout.

- C420 – consists of construction of LRT infrastructure from the terminus of C410 to the light rail station. This contract also includes Port infrastructure and is being managed by the Port, including the provision of construction management services. This project achieved beneficial occupancy (substantial completion) in late 2008. Since that time the Port’s construction management team has been working through an extensive punch list, administering change orders, and addressing items of dispute. While progress has been made, these activities are on-going and need to be fully addressed and resolved for an orderly contract closeout. The MOA requires that Sound Transit and the Port fund the construction management of this contract based on the value of each party’s infrastructure contained in the contract.

- C430R – consists of the elevated LRT station, the International Boulevard pedestrian bridge and plaza, and trackwork from S. 160th through the station. Contract work is 80% complete, and the project is on schedule for passenger service by the end of 2009. Per the terms of the MOA, the port provides environmental support and special inspection. The services are required to continue through the balance of construction.

- Systems – The installation of systems elements including Signals, Communications, and TPSS/OCS will require traffic control support provided by the Port to help ensure safe contractor activities as well as to ensure efficient access, circulation, and access for air travelers.

- Follow-on Contract – Per the terms of the MOA, the Port is preparing to execute a follow-on contract to address final reclamation, landscaping, and paving. Among other elements, the scope of work for this contract includes: traffic control, pollution prevention and erosion control, site preparation, roadway excavation and embankment, surface treatments and pavements, barrier wall, drainage, illumination, traffic signals, signing, and striping. Sound Transit is required to participate in the funding of certain elements of this scope an associated construction management costs.

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 would require funding from unallocated contingencies within the agency administration, construction and construction services phases, as well as surplus budget from the construction services phase within the Airport Link project.
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)		

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 2009 Lifetime Capital Budget for the Airport Link project is \$269.1 million. Within that amount, the proposed \$2,459,129 increase to the agreement with the Port of Seattle would be funded from budgets in the following phases:

Agency Administration phase

- \$10,000 increase for OCIP/Builder's Risk Insurance which will be funded from unallocated contingency.

Construction phase

- \$1,751,137 increase allocated as follows:
 - \$1,639,723 increase for the follow-on contract and other C420 related expenditures as contemplated in the MOA resulting in a shortfall for that line item of \$639,723 which will be funded from unallocated contingency.
 - \$111,414 increase for construction activities related to the C431 TPSS Site Preparation contract which is within the budget for that line item.

Construction Services phase

- \$837,658 increase for civil and systems construction management services resulting in a shortfall for that line item of \$635,724, of which \$271,081 will be funded from unallocated contingency and \$364,643 will be funded from surplus budget from other line items within this phase.

Third Party phase

- \$139,666 decrease to commitments within this phase.

The proposed action is within the Adopted 2009 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: Port of Seattle (amend the MOA for continued construction and construction management services in support of the Airport Link project)

(Year of Expenditure \$000)

Airport Link	Adopted 2009 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	12,187	8,288	10	8,298	3,889
Preliminary Engineering	3,691	3,691		3,691	0
Final Design	15,765	15,626		15,626	139
Right of Way	12,450	12,021		12,021	429
Construction	193,270	185,650	1,751	187,401	5,869
Construction Services	15,421	14,483	838	15,321	100
Third Party Agreements	1,729	1,629	(140)	1,489	239
Vehicles	14,587	14,587		14,587	-
Contingency	-	-		-	-
Total Current Budget	269,100	255,975	2,459	258,435	10,665
Agency Administration Phase					
OCIP	2,062	2,062	10	2,072	(10)
Other Agency Administration	10,075	6,227		6,227	3,849
Agency Admin Unallocated Contingency	50	-		-	50
Total Phase	12,187	8,288	10	8,298	3,889
Construction Phase Detail					
C420	45,784	44,784	1,640	46,424	(640)
C431 TPSS Site Preparation	840	722	111	833	7
Other Construction	140,823	139,719		139,719	1,105
Construction Unallocated Contingency	5,823	426		426	5,397
Total Phase	193,270	185,650	1,751	187,401	5,869
Construction Services Phase Detail					
Civil CM	11,959	11,758	838	12,595	(636)
Other Construction Services	3,181	2,716		2,716	465
Const Svcs Unallocated Contingency	281	10		10	271
Total Phase	15,421	14,483	838	15,321	100
Third Party Phase Detail					
Third Party Port of Seattle	538	529	(140)	389	149
Other Third Party Agreements	1,165	1,100		1,100	65
Third Party Unallocated Contingency	25	-		-	25
Total Phase	1,729	1,629	(140)	1,489	239
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)
Contract Amount	14,645	14,645	2,459	17,104	17,104
Contingency	-	-	-	-	-
Total Contract	14,645	14,645	2,459	17,104	17,104
Percent Contingency	0%	0%	0%	0%	0%
Budget Shortfall					
Task Level	\$ (K)	Potential Resources (L)		Source (M)	
Agency Administration phase OCIP	10	50		Agency Administration phase unallocated contingency	
Construction phase C420, C431 TPSS Site Prep	633	5,397		Construction phase unallocated contingency	
Construction Services phase Civil CM	636	271		Construction Services phase unallocated contingency	

(A) ADOPTED 2009 BUDGET amounts as adopted by resolution of the Sound Transit Board (R2008-14, approved 12/11/08).

(B) COMMITTED TO DATE amounts are from Agency WBS Report as of April 2009 + approved and pending board actions not recorded as of 4/30/09, or submitted after that date, and include allocated contingencies.

SMALL BUSINESS PARTICIPATION

The Port is utilizing goals for participation by small businesses in accordance with the Port's policies and practices.

Equal Employment Workforce Profile

Construction of light rail facilities administered by the Port (e.g. Sound Transit's Airport Link C420 Contract) are subject to the Port's existing Equal Employment Opportunity (EEO) commitments and Project Labor Agreement (PLA) which establishes workforce diversity requirements as part of its apprenticeship program.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

Sound Transit and the Port have worked collaboratively to integrate Airport Link into the Port roadway relocation plans for the seamless delivery of major public infrastructure at Sea-Tac Airport. The existing Memorandum of Agreement (MOA) between Sound Transit and the Port of Seattle (Port) provides the overall framework and assigns responsibilities for the construction of specific Airport Link project elements concurrent with roadway relocation projects that are being constructed by the Port. This proposed action is consistent with the established partnership between Sound Transit and the Port, as well as the terms and conditions of the MOA.

The scope of the Airport Link project includes the environmental review, design, right-of-way acquisition, and construction for the 1.7 mile light rail extension from the Tukwila/International Boulevard Station at S. 154th Street to the SeaTac/Airport Station adjacent to the airport terminal and garage at S. 176th Street. There is active construction along the entire Airport Link project, with overall construction approximately 83% complete excluding the follow-on contract contemplated in this action.

The Airport Link project is divided into three major segments for purposes of civil facility construction. The Port is providing primary construction management services for the middle segment, Sound Transit's C420 construction contract. The C420 segment extends from approximately S. 160th Street to the SeaTac/Airport Station at approximately S. 176th Street. The C420 scope consists of construction of at-grade and elevated light rail guideway, station foundations, and associated infrastructure. Specific construction management services provided by the Port include project surveying, inspection and quality assurance, dispute and claims resolution, emergency response, erosion control, punch list reviews, as-built drawings, and contract closeout. Civil construction on the C420 contract achieved beneficial occupancy (substantial completion) in late 2008.

The Port also provides supplemental construction management services for all other Airport Link construction on Port property. Specifically the Port provides construction management services in support of Sound Transit's Airport Link C430R Airport Station Construction contract. The C430R contract consists of construction of the SeaTac/Airport Station, the International Boulevard pedestrian bridge and plaza, and approximately 5,900 feet of track work. Civil construction on the C430R contract is approximately 80% complete. Sound Transit requested, and the Port agreed to provide, services in the areas of environmental oversight, surveying, and permit required special inspections. These specific services are necessary to complete construction of the station contract. The balance of the construction management services for the C430R contract is provided under a separate Sound Transit contract with KBA, Inc. The Port also provides construction management support for Airport Link systems contractors.

Per the terms of the MOA, the Port plans to execute a follow-on contract to address final reclamation, paving, and landscaping. Sound Transit is required to participate in funding of certain elements of this scope and associated construction management costs.

Prior Board/Committee Actions on this Project

Motion/Resolution Number & Date	Summary of Action
M2008-53 05/22/08	Authorized an increase in funding authority for the agreement with the Port of Seattle for continued construction management services in support of the Airport Link Project in the amount of \$1,954,470, for a new total authorized agreement amount not to exceed \$14,644,991.
R2008-04 02/28/08	Amended the Adopted 2008 Budget to (a) revise the Airport Link lifetime budget to \$269.1 million; (b) add a project for the light rail segment from South 176 th to South 200 th with a budget of \$3.767 million; and (c) treat as property for resale and record separately from the Airport Link project budget the previously authorized \$4.1 million acquisition costs for the "kiss-and-ride" facility at the Airport Link Station.
M2006-18 04/13/06	Authorized the chief executive officer to execute a Memorandum of Agreement with the Port of Seattle (Port) specifying the terms and conditions for the development of the airport Link Project on Port property, allowing the use of Port right-of-way, and defining the integrated delivery strategy for Airport Link light rail and related Port roadway projects; and to execute all other subsequent agreements as may be necessary to implement this Agreement in an amount not to exceed \$12,690,521.

CONSEQUENCES of DELAY

Active Airport Link construction supported by Port of Seattle construction management services is on-going. Timely action on this request is required to ensure that continuation of these important services is uninterrupted, and that the overall project schedule is maintained.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

JI, 06/14/09

LEGAL REVIEW

LA 6/11/09

SOUND TRANSIT

MOTION NO. M2009-53

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to increase funding authority for the agreement with the Port of Seattle for continued construction and construction management services in support of the Airport Link Project in the amount of \$2,459,129, for a new total authorized agreement amount not to exceed \$17,104,121.

Background:

Sound Transit and the Port have worked collaboratively to integrate Airport Link into the Port roadway relocation plans for the seamless delivery of major public infrastructure at Sea-Tac Airport. The existing Memorandum of Agreement (MOA) between Sound Transit and the Port of Seattle (Port) provides the overall framework and assigns responsibilities for the construction of specific Airport Link project elements concurrent with roadway relocation projects that are being constructed by the Port. This proposed action is consistent with the established partnership between Sound Transit and the Port, as well as the terms and conditions of the MOA.

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The Airport Link project is divided into three major segments for purposes of civil facility construction. The Port is providing primary construction management services for the middle segment, Sound Transit's C420 construction contract. The C420 segment extends from approximately S. 160th Street to the SeaTac/Airport Station at approximately S. 176th Street. The C420 scope consists of construction of at-grade and elevated light rail guideway, station foundations, and associated infrastructure. Specific construction management services provided by the Port include project surveying, inspection and quality assurance, dispute and claims resolution, emergency response, erosion control, punch list reviews, as-built drawings, and contract closeout. Civil construction on the C420 contract achieved beneficial occupancy (substantial completion) in late 2008.

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Motion:

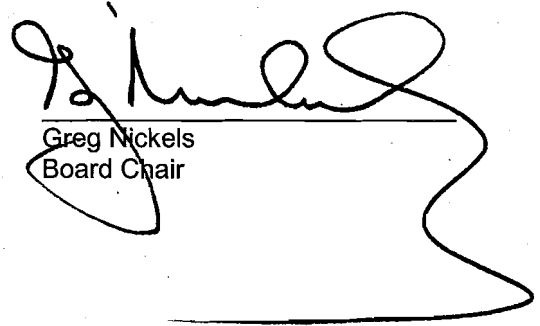
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to increase funding authority for the agreement with the Port of Seattle for

continued construction and construction management services in support of the Airport Link Project in the amount of \$2,459,129, for a new total authorized agreement amount not to exceed \$17,104,121.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 25, 2009.

ATTEST:

Marcia Walker
Marcia Walker
Board Administrator


Greg Nickels
Board Chair