

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2009-54

**Contingency Increase for Construction Management Services of the
Beacon Hill Tunnel and Station Project**

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	Joe Gildner, Initial Segment Project Director Richard Sage, Link Construction Manager	(206) 689-3350 (206) 398-5226

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

PROJECT NAME

Central Link Initial Segment

ACTION

Authorizes the chief executive officer to increase the contingency for the contract with PB Americas, Inc. (previously Parsons Brinckerhoff Construction Services, Inc.) to provide continuing construction management services for the Beacon Hill Station and Tunnel civil construction, in the amount of \$1,800,000, for a new total authorized contract amount not to exceed \$20,400,000.

KEY FEATURES

- The request for an increase in contingency is due, in large part, to the construction of the Beacon Hill Station and Tunnel taking longer to complete than originally anticipated by the contract. Because construction management oversight duration is tied directly to the duration of the contractor's construction period, the construction management team's time on site must be extended.
- Contingency is partly needed due to increased work loads for the following contract functions:
 - document control support
 - quality assurance survey support
 - support of voids investigation
- This amendment will provide additional funds to continue the on-going normal construction management services for the Beacon Hill Station and Tunnel.

BUDGET IMPACT SUMMARY

Current Project Phase: Construction
Projected Completion Date: 2009

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase	✓	Proposed action requires funding from construction services phase unallocated contingency, and surplus budget within other phases of the Initial Segment project.
This Task		
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 DISCUSSION

The Adopted 2009 Lifetime Capital Budget for the Central Link Initial Segment is \$2.07 billion. Within that amount \$18,600,000 has been set aside for construction management services for the Beacon Hill Station and Tunnel civil construction contract (C710) in the construction services phase.

The proposed action would increase current commitments for this line item by \$1,800,000 for a revised total commitment of \$20,400,000, and result in a budget shortfall of \$1,800,000. This will be partly funded with the \$1,051,499 unallocated contingency remaining for this phase, but still result in a budget shortfall of \$687,566 for the total construction services phase that would require funding from surplus budget within other phases of the Initial Segment project.

Within the construction services phase of the Initial Segment project, \$1,051,499 has been set aside for unallocated contingency. Should the proposed action be approved, this entire amount would be utilized, leaving no remaining unallocated contingency in 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: PB Americas, Inc. (increase the contract contingency to provide continuing construction management services for Beacon Hill Station and Tunnel civil construction within the Central Link Initial Segment project)

(Year of Expenditure \$000)

Initial Segment	Adopted 2009 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Agency Administration	189,213	172,411		172,411	16,802
Preliminary Engineering	33,289	33,310		33,310	(21)
Final Design	147,208	146,901		146,901	307
Right of Way	207,171	203,877		203,877	3,294
Construction	1,194,991	1,168,545		1,168,545	26,446
Construction Services	102,960	101,848	1,800	103,648	(688)
Third Party Agreements	62,861	63,487		63,487	(626)
Vehicles	132,307	131,799		131,799	508
Total Current Budget	2,070,000	2,022,178	1,800	2,023,978	46,022

Construction Services Phase Detail					
CM C710 Beacon Hill	18,600	18,600	1,800	20,400	(1,800)
Other Construction Services	83,309	83,248		83,248	61
CS Unallocated Contingency	1,051	-		-	1,051
Total Phase	102,960	101,848	1,800	103,648	(688)

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	14,171	18,600	-	14,171	18,600
Contingency	4,429	-	1,800	6,229	1,800
Total Contract	18,600	18,600	1,800	20,400	20,400
Percent Contingency	31%	0%	0%	44%	10%

Budget Shortfall Task Level	\$Shortfall (K)	Potential Resources (L)	Source (M)
CM C710 Beacon Hill	1,800	1,051	Unallocated contingency within the construction services phase
		46,022	Surplus budget within other phases of the Initial Segment project

(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.

(1) "SHORTFALL" to the Adopted 2009 Budgets for Preliminary Engineering and Third Party phases: "Committed to Date" amounts shown here include contingencies allocated for preliminary engineering contracts and third party agreements that will not be used. Adjustments are in process.

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

PB Americas, Inc., as the prime consultant for this contract, is committed to a 22.22% Small Business participation goal. PB Americas, Inc. has met or exceeded this goal with a performance to date of 24.10%. With this amendment the overall participation at the end of the contract period is projected to be 27.84%

Utilization Breakdown Table

Subconsultant	Business Type	% of Work	Dollar Value
Kristen Betty & Associates	DBE	14.43%	\$2,937,983
Entech	DBE	7.10%	\$1,446,684
Moniz Associates Architects	DBE	2.47%	\$502,378
Garry Struthers Associates	Small Business	1.56%	\$317,876
Babendererde Construction Support	Small Business	1.03%	\$208,852
Berger Abam	Small Business	0.66%	\$134,052
LKG	Small Business	0.37%	\$76,358
Lin	DBE	0.22%	\$45,085
Total		27.84%	\$5,669,268

Equal Employment Workforce Profile

PB Americas, Inc. demographics are 31% women and 19% people of color.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

Construction for Beacon Hill started in the summer of 2004. The Beacon Hill Station and Tunnel contract includes the construction of light rail facilities in tunnel and on aerial structures from Airport Way South through Beacon Hill to a location near the intersection of Rainier Avenue and Martin Luther King Way. It also includes the construction of the Beacon Hill Station (underground) and the Mt. Baker Station (aerial structure).

The construction management services provided under this contract include:

- highly specialized sequential excavation mining inspectors
- an environmental oversight consultant
- a quality assurance surveying consultant
- a quality assurance testing laboratory

Prior Board/Committee Actions

Motion/Resolution Number & Date	Summary of Action
M2008-118 12/11/08	Authorizes the chief executive officer to increase the contingency for the contract with PB Americas, Inc. (previously Parsons Brinckerhoff Construction Services, Inc.) to provide continuing construction management services of the Beacon Hill Station and Tunnel civil construction contract, in the amount of \$3,011,427, for a new total authorized contract amount not to exceed \$18,600,000.
M2004-01 1/15/04	Authorized the Chief Executive Officer to execute a contract with Parsons Brinckerhoff Construction Services, Inc. to provide construction management services for Contract C710, Beacon Hill Project in the amount of \$14,171,430 and authorize use of a 10% contingency in the amount of \$1,417,143, for a total authorized expenditure amount not to exceed \$15,588,573.

CONSEQUENCES OF DELAY

Construction is underway for the Beacon Hill Station and Tunnel. PB Americas, Inc. is essential for construction management, administration and oversight of construction during the construction period. Without the continuing support of PB Americas, Inc., Sound Transit would not be able to effectively and efficiently manage the construction being performed by the civil construction contractor and its subcontractors. A delay in Finance Committee action and Board approval could impact the orderly management and oversight of construction activities.

PUBLIC INVOLVEMENT

Sound Transit continues to work cooperatively with the City of Seattle, King County Metro, Washington State Department of Transportation, the Department of Ecology, and local businesses and interest groups on the Central Link Light Rail Project. Sound Transit staff continues to keep local and area residents informed about the status of the project and the impact of construction on the affected neighborhoods.

ENVIRONMENTAL COMPLIANCE

JI, 06/14/09

LEGAL REVIEW

LA 6/11/09

SOUND TRANSIT

MOTION NO. M2009-54

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 PB Americas, Inc. (previously Parsons Brinckerhoff Construction Services, Inc.) to provide continuing construction management services of the Beacon Hill Station and Tunnel civil construction contract, in the amount of \$1,800,000, for a new total authorized contract amount not to exceed \$20,400,000.

Background:

Construction for Beacon Hill started in the summer of 2004. The Beacon Hill Station and Tunnel contract includes the construction of light rail facilities in tunnel and on aerial structures from Airport Way South through Beacon Hill to a location near the intersection of Rainier Ave and Martin Luther King Way. It also includes the construction of the Beacon Hill Station (underground) and the Mt. Baker Station (aerial structure).

The construction management services provided under this contract include:

- highly specialized sequential excavation mining inspectors
- an environmental oversight consultant
- a quality assurance surveying consultant
- a quality assurance testing laboratory

The request for an increase in contingency is due, in large part, to the construction of the Beacon Hill Station and Tunnel taking longer to complete than originally anticipated by the contract. Because construction management oversight duration is tied directly to the duration of the contractor's construction period, the construction management team's time on site must be extended. Contingency is partly needed due to increased work loads for the following contract functions: document control support, quality assurance survey support and support of voids investigation.

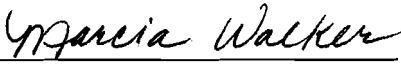
This amendment will provide additional funds to continue the on-going normal construction management services for the Beacon Hill Station and Tunnel.

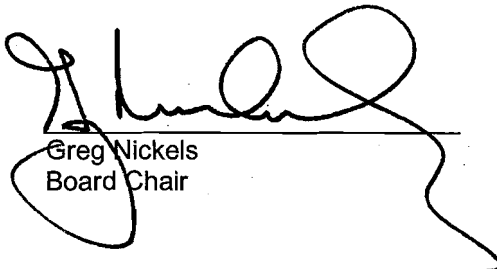
Motion:

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 PB Americas, Inc. (previously Parsons Brinckerhoff Construction Services, Inc.) to provide continuing construction management services of the Beacon Hill Station and Tunnel civil construction contract, in the amount of \$1,800,000, for a new total authorized contract amount not to exceed \$20,400,000.

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
Board Administrator


Greg Nickels
Board Chair