

<b>Subject</b>	<b>Caldecott Tunnel Improvement Project (Project 1698): Amendment No. 3 to Consulting Services Agreement No. 175 with Parsons for On-Call Final Design Services</b>
<b>Summary</b>	In December 2004, the Authority approved consulting services agreement No. 175 with Parsons for Project Approval and Environmental Document (PA&ED) and preliminary design for the Caldecott Tunnel Improvement Project. In March 2006, the Authority approved an amendment to the agreement to add final design (PS&E) services as well as to revise the consultant overhead rate. In October 2007, the Authority approved Amendment No. 2 to include additional design services. The proposed Amendment No. 3 to the agreement is necessary to modify Parsons’ current overhead rate and total multiplier.
<b>Recommendations</b>	Staff recommends approval to modify Exhibit D of the Agreement to modify the overhead rate and total multiplier.
<b>Financial Implications</b>	There is no change to the Total Agreement Value.
<b>Options</b>	The Authority could elect to modify or not approve this request. However, since this is a long-term consultant agreement, it is reasonable and standard industry practice to update the overhead rate and total multiplier on a periodic basis.
<b>Attachments (See APC Packet dated 4/3/08)</b>	A. Amendment No. 3 to Agreement No. 175. B. Letter from Parsons dated March 7, 2008. C. Historical summary of contract amendments
<b>Changes from Committee</b>	<i>None</i>

**Background**

The proposed project is to construct a two-lane fourth bore for the Caldecott Tunnel, north of the existing third bore, to alleviate congestion in the non-peak direction. The Authority, the Alameda County Congestion Management Agency (ACCMA) and Caltrans are working collaboratively to deliver this project.

The Authority initially hired Parsons in summer 2004 to provide on-call preliminary engineering and environmental study services. The Agreement included a provision to augment Parsons’ scope of services at a later date to include final design services. Consistent with this provision, Amendment No. 1 to Agreement No. 175 was approved in March 2006 to add final design scope of services as well as to revise the overhead rate and total multiplier, specified in Section 1.1.2 of Exhibit D. The Agreement was amendment again in October 2007 to include additional scopes of service not originally envisioned.

Parsons produced a 2006 independent audit report performed by Price Waterhouse Coopers and submitted a letter to the Authority dated March 7, 2008 requesting that their corporate overhead rate be revised for the remainder of their final design services. This is a task order based contract, and no

additional budget is requested for this change. Since it is a standard industry practice to update the overhead rate on a periodic basis for long-term contracts, staff recommends approval of this amendment.