

Q. Revenue Contracts

1. Purpose

Revenue contracts are third party contracts whose primary purpose is to either generate revenues in connection with a transit related activity or to create business opportunities utilizing Sound Transit property. Sound Transit shall ensure fair and equal access to Sound Transit property and maximize revenue derived from such property. Advertising and concessions are examples of revenue contracts.

2. Procedure

- a. Revenue contracts shall be awarded utilizing competitive selection procedures and principles. The extent of and type of competition required is within the discretionary judgment of Sound Transit.
- b. If there are several potential competitors for a limited opportunity (for example, advertising space on the side of a bus), Sound Transit will use a competitive process to permit interested parties an equal opportunity to be selected for the limited opportunity.
- c. Competition is not necessary if the opportunity to obtain contracts or licenses is open to all similar parties. For example, if a party seeks access to a public transportation asset (such as a utility that might seek cable access in a transit tunnel) and Sound Transit offers contracts or licenses to other parties similarly situated.

R. Unsolicited Proposals

1. Introduction

Unsolicited proposals can be a valuable means for Sound Transit to obtain innovative or unique supplies, methods, or approaches from outside sources to accomplish Sound Transit's mission. As a public entity, Sound Transit has an obligation to act as a good steward of public funds. Laws and regulations require Sound Transit to seek full and open competition for most procurement and contracting opportunities. This process is intended to facilitate, not impede, the proper receipt and evaluation of unsolicited proposals while preserving the integrity of the procurement process and conforming to applicable laws and regulations. Sound Transit is under no obligation to accept an unsolicited proposal, or to make a contract award arising from an unsolicited proposal.

2. Definition of Unsolicited Proposal

- a. An unsolicited proposal is a proposal that is:
 - i. Innovative, unique, and pragmatic.
 - ii. Independently originated and developed by the proposer.
 - iii. Prepared without Sound Transit's supervision, endorsement, direction, or direct involvement.
 - iv. Sufficiently detailed that its benefits in support of Sound Transit's mission and responsibilities are apparent.
 - v. Not an advance proposal for property or services that Sound Transit plans/intends to acquire through traditional competitive methods.
 - vi. Not an offer responding to a Sound Transit previously advertised expression of need or Request for Proposals.
- b. An unsolicited proposal should be distinguished from the following:
 - i. Advertising or Promotional Material: Material designed to acquaint Sound Transit with a prospective proposer's current products or potential capabilities, or designed to determine Sound Transit's interest in procuring such products or services.
 - ii. Contributions: Concepts, suggestions, or mere ideas presented to Sound Transit for its use, with no indication on the part of the offeror that it will continue in its efforts with regard to such concepts, suggestions, or ideas on behalf of Sound Transit.

- iii. Technical Correspondence: Written inquiries regarding Sound Transit's interest in developing infrastructure projects, preproposal explorations, technical inquiries and research proposals.
- c. Sound Transit may enter into a contract based on an unsolicited proposal when authorized by applicable State law and Sound Transit Board delegations of authority. Receipt of an unsolicited proposal does not, by itself, justify contract award without providing for full and open competition. Unless the unsolicited proposal offers a proprietary concept that is essential to contract performance, Sound Transit will seek competition.

3. Unsolicited Proposal Process

To satisfy the requirement for full and open competition, Sound Transit will take the following actions before entering into a contract resulting from an unsolicited proposal.

a. Initial Review and Evaluation

- i. An initial review shall be conducted by the Procurement, Contracts and Agreements (PCA) Division to determine whether:
 - a) The proposal fits the definition of an unsolicited proposal.
 - b) The proposal contains sufficient information and detail to permit a comprehensive evaluation.
- ii. If the proposal does not fit the definition of an unsolicited proposal it shall be rejected. If the proposal does not contain sufficient information and detail to permit a comprehensive evaluation the proposer may be given the opportunity to provide additional required information. When a proposal meets items 1 and 2, above, PCA Division will share the proposal with agency stakeholders (Sound Transit department(s) most affected by the subject-matter of the proposal) for a determination whether there is sufficient interest in the agency to proceed further to a comprehensive evaluation. Upon determining that the proposal fits the definition of an unsolicited proposal, the PCA Division will notify the proposer of the amount of time it is expected to take, but not to exceed 120 days, to perform a comprehensive evaluation. However, if there is not sufficient interest, the PCA Division will inform the proposer that the proposal is not accepted, thereby ending the process.
- iii. If it is determined that the proposal fits the definition of an unsolicited proposal, contains sufficient information and detail to permit a comprehensive evaluation, and Sound Transit has elected to proceed further, PCA Division will organize a comprehensive evaluation of the unsolicited proposal through an internal process involving the agency stakeholders and insuring a balanced assessment. Sound Transit shall consider the following factors, in addition to any other appropriate for the particular proposal:
 - a) Direct or anticipated benefits to Sound Transit, its passengers and the region;
 - b) Unique, innovative or meritorious methods, approaches or ideas that have originated with or assembled together by the offeror that are contained in the proposal;
 - c) Overall merits of the proposed project;
 - d) Capabilities related to experience, facilities or techniques, or unique combinations thereof that the offeror possesses and offers, and which are considered to be integral factors for achieving the objective(s) of the proposal;
 - e) Qualifications, capabilities, and experience of the proposed principal, team, leader or key personnel who are considered to be critical in achieving the objectives of the proposal;

- f) Financial benefit or cost to Sound Transit, and level of capital contributions and risk assumption by the proposer;
 - g) Timing considerations;
 - h) Responsibility of the Proposer as an eligible contractor; and
 - i) Other factors appropriate for the particular proposal.
 - iv. The evaluation team reviewing the proposal will prepare a summary of the evaluation results including a recommendation for further action. If Sound Transit determines that a proposal is unacceptable, the proposer will be notified in writing with the reasons for the decision.
- b. Publication and Opportunity to Compete
 - i. Following a recommendation to proceed by the evaluation team, Sound Transit will solicit competitive proposals by publicizing the following:
 - a) The receipt of the unsolicited proposal.
 - b) Sound Transit's interest in acquiring the property or services described in the proposal.
 - c) Sound Transit's intention to award a contract based on the unsolicited proposal or another proposal submitted in response to the publication.
 - d) An adequate description of the property or services offered without improperly disclosing proprietary information or disclosing the originality of thought or innovativeness of the property or services sought.
 - e) Deadline for the submission of competing proposals.
 - ii. The original proposer may choose to submit a new or further defined proposal at this stage.
 - iii. If it is impossible to describe the property or services offered without revealing proprietary information or disclosing the originality of thought or innovativeness of the property or services sought, Sound Transit may make a sole source award to the proposer. A sole source award may not be based solely on the unique capability of the offeror to provide the specific property or services proposed and must comply with the requirements for Sole Source Procurements contained in Sound Transit Board Resolution 2018-40.
- c. Post Publication Evaluation and Recommendation

Following the deadline the evaluation team will evaluate the proposal(s) based on the factors used during the evaluation of the original unsolicited proposal, plus any new factors that have been identified. The evaluation team will prepare a summary of the evaluation results including a recommendation for further action. At this time the evaluation team may recommend rejecting all proposals, requesting revised proposals which will be re-evaluated, recommending one or more proposals be approved to enter into contract negotiations with Sound Transit, or recommending that Sound Transit issue a separate Request For Proposals. Any recommendation to enter into contract negotiations will be submitted by the Procurement, Contracts and Agreements Division to the Sound Transit CEO, or the holder of sufficient delegated authority from the CEO to execute the resulting contract, for their approval to proceed into negotiations.
- d. Execution

Any contract resulting from an unsolicited proposal, or a proposal received through the Opportunity to Compete process described above will be executed in compliance with the delegations of authority found in Sound Transit Board Resolution 2018-40 and any subsequent delegations of authority that apply.

4. Public Disclosure

Pursuant to Chapter 42.56 RCW, unsolicited proposals submitted under this process shall be considered public records and, with limited exceptions, will be available for inspection and copying by the public. Proposers must specifically designate and clearly label as "CONFIDENTIAL" any and