

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2002-103, M2002-104, AND M2002-105

Interim Sole Source Contracts with Pharos Corporation for Acquisition/Relocation Services; URS Corporation for Environmental Investigation Services; and Bruce Allen & Associates for Appraisal Services for Real Estate Services for Commuter Rail And Regional Express

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	9/5/02	Discussion/Possible Action to Recommend Board Approval Action	Joann Francis, Director, Administrative Services Don Vogt, Senior Real Estate Representative John McLean, Senior Real Estate Representative	(206) 689-4934
Board	9/12/02			(206) 689-3396 (206) 689-4916

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	✓
Sole Source	✓	Amend Existing Contract/Agreement	
Memorandum of Agreement		Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

✓ Applicable to proposed transaction.

OBJECTIVE OF ACTION

- To have an acquisition/relocation consultant under contract to acquire needed property rights for the capital projects of Regional Express and Commuter Rail
- To have an appraisal consultant under contract to acquire needed property rights for the capital projects of Regional Express and Commuter Rail
- To have an environmental investigation consultant under contract to acquire needed property rights for the capital projects of Regional Express and Commuter Rail

ACTION

- Authorize the Executive Director to execute a sole source contract with Pharos Corporation to provide interim acquisition and relocation services for Regional Express and Commuter Rail capital projects in an amount not to exceed \$ 250,000.
- Authorize the Executive Director to execute a sole source contract with Bruce Allen & Associates to provide interim appraisal services for Regional Express and Commuter Rail capital projects in an amount not to exceed \$ 250,000.
- Authorize the Executive Director to execute a sole source contract with URS Corporation to provide interim environmental services for Regional Express and Commuter Rail capital projects in an amount not to exceed \$ 300,000.

KEY FEATURES

- Defines for each provider a scope of work that includes both Regional Express (REX) and Sounder Commuter Rail (Sounder) projects. For REX, it would include as needed the provider's expertise for projects such as the Lynnwood Transit Center, Federal Way Transit Center, and Bellevue Direct Access, Lynnwood Direct Access, and Federal Way Direct Access. For Sounder, the scope of work includes remaining services needed (1) to acquire North Line properties at Everett, Mukilteo, and Edmonds stations, (2) to acquire Seattle-Tacoma Line for projects at Seattle, Kent, and Tacoma stations; and (3) to initiate the acquisition process on the Lakewood Line, once the ROD issues.
- Responds to the required termination of the Arthur Andersen contract by initiating urgently needed contracts to continue ongoing real property acquisition. Recognizes the emergent nature of the work already in progress, and, in some cases, the unique knowledge obtained by the acquisition/relocation consultant in carrying out negotiations to acquire needed property interests, as well as addresses the emergent scheduling issues of the Lakewood Line.

BUDGET IMPACT SUMMARY

Project Description: Various Regional Express and Commuter Rail projects

Current Status: ongoing

Projected Completion Date: February 2003

Action Outside of Adopted Budget:	Y/N	Y	Requires Comment
This Line of Business	N		
This Project	N		
This Phase	N		
This Task	N		
Budget amendment required	N		
Key Financial Indicators:	Y/N	Y	Requires Comment
Contingency funds required	N		
Subarea impacts	N		
Funding required from other parties other than what is already assumed in financial plan	N		

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

BUDGET DISCUSSION

Funding for this contract is provided by the various projects for which acquisition/relocation, appraisal, and environmental services are performed. Necessary amounts were provided for when the Board Finance Committee approved the Arthur Anderson Contract in 2000.

REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit's current long-term financial plan and the subarea financial capacity.

SUMMARY FOR BOARD ACTION (Year of Expenditure \$000)

Action Item: Real Estate Acquisition Service

	(A) Current Approved Contract Value	(B) Spent to Date	(C) Proposed Action	(D) Proposed Total Contract Value
Contract Budget:				
Pharos	0	-	250,000	250,000
Bruce Allen & Co	0	-	250,000	250,000
URS	0	-	300,000	300,000
Contingency	0	-	-	-
Total	0	-	800,000	800,000
Percent Contingency	0%	-	0%	0%

Accounts to be charged:	2002 Staff Budget	Future Staff Budgets	Direct Charges to Projects	Total
Real Estate Acquisition Services			800,000	800,000
				-
				-
TOTAL CONTRACT CHARGES:	-	-	800,000	800,000

Direct Charge Budget	Adopted Lifetime Capital Budget for ROW	Life Time Spent to Date	This Action	Suplus (Shortfall)
REX	73,385,000	23,070,242	400,000	49,914,758
Sounder	54,129,000	36,144,027	400,000	17,584,973
TOTAL DIRECT CHARGE BUDGETS:	127,514,000	59,214,269	800,000	67,499,731

Budget Shortfall

Level	\$	Revenues	Funding Source
NA	-	-	NA

Previously, the services now sought were provided under the Arthur Anderson Contract (Motion No. M2000-29). The following table shows the amounts committed but unused under that contract, as well as the interim replacement amounts sought in these motions. The unspent Arthur Anderson contract funds will be uncommitted and new contracts will be issued to each provider. Remaining uncommitted amounts will be available for future programming.

	Total Amount	Regional Express	Commuter Rail
Original AA Contract Amount	4,994,142	2,497,071	2,497,071
Amount Expended	1,872,550	1,111,434	761,116
Amount of Commitments to be cancelled	3,121,592	1,385,637	1,735,955
New Acq./Reloc Contract (Pharos Corp.)	250,000	125,000	125,000
New Appraisal Contract (Bruce Allen)	250,000	125,000	125,000
New Environmental Servc. Contract (URS)	300,000	150,000	150,000
TOTAL	800,000	400,000	400,000
Remaining Uncommitted Budget	2,321,592	985,637	1,335,955

M/W/DBE – SMALL BUSINESS PARTICIPATION

Pharos Corporation is a W/DBE contractor. These interim contracts do not contemplate sub-contracting.

HISTORY OF PROJECT

In August 1999, Arthur Andersen was selected through a competitive procurement process to provide certain acquisition/relocation, appraisal, and environmental services for Regional Express and Commuter Rail. The Finance Committee approved the subsequently negotiated contract with Arthur Andersen in the amount of \$4.9 million to provide these services on March 16, 2000. Pharos Corporation, Bruce Allen & Associates, and URS Corporation subcontracted with Arthur Andersen to provide their respective services. The contract was for a term of 2 years, with annual options to renew. Recently, the Seattle office of Arthur Andersen was closed, and a request was made to assign the contract to an entity that was employing the Arthur Andersen personnel who had provided service under the contract. After consultation with the Federal Transportation Administration, the Arthur Anderson contract was terminated on July 12, 2002. At termination, approximately \$ 1.8 million had been spent under the contract.

Each subcontractor was part of the team included in the Arthur Anderson contract when it was awarded after a competitive bidding process. While the contract has been terminated, Sound Transit's requirements for the underlying services remain. A failure to provide the services puts schedule and, in some cases, budget, at risk on multiple projects. To replace the long-term loss of services, two Requests for Proposals (RFP's) have been initiated on an accelerated basis. One RFP seeks a consultant to provide acquisition/relocation and appraisal services. The second RFP seeks a consultant to provide environmental services. Until new contracts are in place, the present procurement actions are intended to fill the breach. Once the new competitive procurements have been completed, all new work would be undertaken by the new contractors, and existing work would be closed out and/or transferred as rapidly as possible (in an orderly, cost effective manner). A six-month period for the contract should provide ample time to close out the proposed sole source contracts.

In order to avoid disruption to the agency's right of way acquisition efforts, it is recommended that the ongoing work of each provider be continued under a separate sole source contract. Each contract will provide for the work of the contractor to be directed on a work order basis that defines the authorized work and maximum dollar expenditure for each provider's task.

Prior Board or Committee Actions and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
Motion No. M2000-29	Finance Committee approved Arthur Andersen Acquisition/Relocation/Property Management Services Contract	3/16/00

CONSEQUENCES OF DELAY

Efforts have been undertaken to prepare two new RFP's, one for acquisition/relocation and appraisal services, the other for environmental services, each to be advertised as a full, competitive process as soon as possible. In the interim, there are a number of major projects in process, including the several for Regional Express and Commuter Rail. A delay in approving these contracts will jeopardize the continued work of property acquisition.

REGIONAL PARTNERSHIP AND COOPERATION

Not specific to this action.

PUBLIC INVOLVEMENT

Not specific to this action.

LEGAL REVIEW

JDW 8/23/02

SOUND TRANSIT

MOTION NO. M2002-103

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a sole source contract with Pharos Corporation to provide interim acquisition/relocation services for a period of six months for Regional Express and Commuter Rail capital projects in an amount not to exceed \$250,000.

Background:

In August 1999, Arthur Andersen was selected through a competitive procurement process to provide certain acquisition/relocation, appraisal, and environmental services for Regional Express and Commuter Rail. The Finance Committee approved the subsequently negotiated contract with Arthur Andersen in the amount of \$4.9 million to provide these services on March 16, 2000. Pharos Corporation, one of the three main service providers, subcontracted with Arthur Andersen to provide acquisition/relocation services. The contract was for a term of 2 years, with annual options to renew. Recently, the Seattle office of Arthur Andersen was closed. After consultation with the Federal Transportation Administration, the Arthur Anderson contract was terminated on July 12, 2002.

Pharos Corporation subcontracted under the AA Contract to provide acquisition/relocation services. The contract was for a term of 2 years, with annual options to renew. While the contract has been terminated, Sound Transit still needs the services provided by Pharos. Requests for Proposals (RFP's) have been initiated on an accelerated basis to replace the Arthur Anderson contract.

This interim contract is intended to cover Sound Transit's needs until new competitively procured contracts are in place. Failure to procure the acquisition/relocation services until the new contracts are in place puts schedule and, in some cases, budget, at risk on multiple projects. Under this interim contract, the contractor's efforts will be directed by work orders that define the authorized work and maximum dollar expenditure for each task. Once the new competitive procurements have been completed, all new work would be undertaken by the new contractors, and existing work would be closed out and/or transferred as rapidly as possible (in an orderly, cost effective manner). A six-month period for the contract should provide ample time to close out the proposed sole source contract.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute a sole source contract with Pharos Corporation to provide interim acquisition/relocation services for a period of six months for Regional Express and Commuter Rail capital projects in an amount not to exceed \$250,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 12, 2002.



Ron Sims
Board Chair

ATTEST:



Marcia Walker
Board Administrator