

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2002-34 AND M2002-35

**Sole Source Contract Amendments with Patty Grossman and Paige Chapel for
Community Development Fund (CDF) Consultant Services**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	3/21/02	Discussion/Possible Action to Recommend Board Approval Action	Ahmad Fazel, Link Director	(206) 398-5389
Board	3/28/02		Leonard McGhee, Project Manager	(206) 398-5206

Contract/Agreement Type:	3	Requested Action:	3
Competitive Procurement		Execute New Contract/Agreement	
Sole Source	4	Amend Existing Contract/Agreement	4
Memorandum of Agreement		Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

4 Applicable to proposed transaction.

OBJECTIVE OF ACTION

- To complete the Draft Community Development Fund (CDF) Operating Plan and provide near term staffing to the CDF Founding Board (pending Sound Transit Board approval of the CDF Operating Plan).

ACTION

- Authorize the Executive Director to execute an amendment to a sole source contract with Patty Grossman (Good Management, Inc.) to assist the Steering Committee in completing the Draft Community Development Fund (CDF) Operating Plan and provide near term staffing to the CDF Founding Board (pending approval of the CDF Operating Plan) in the amount of \$54,000 with a 10% contingency of \$5,400, for a total of \$59,400 and for a new total authorized amount not to exceed \$159,300.
- Authorize the Executive Director to execute an amendment to a sole source contract with Paige Chapel (Solutions in Community Development and Finance) to assist the Steering Committee in completing the Draft Community Development Fund (CDF) Operating Plan and provide near term staffing to the CDF Founding Board in the amount of \$57,250 with a 10% contingency of \$5,725 for a total of \$62,975 and for a new total authorized contract amount not to exceed \$162,875.

KEY FEATURES

- Provides for the completion of the Draft CDF Operating Plan, which is on the critical path with Central Link Light Rail acquisition and relocation plans scheduled for this spring. Provides interim staffing for near term start-up activities for the soon to be established CDF private non-profit entity (pending approval of the Operating Plan by the Sound Transit Board) including the following deliverables:

- The creation of by-laws and articles of incorporation for the entity governing the CDF and application to the IRS for tax-exempt status of this private non-profit entity.
 - The development of preliminary policies and procedures for payments, advances, investments, cash management and personnel.
 - The creation of a data collection and management system for the CDF.
 - Evaluate and retain legal support and a CPA firm to help with initial legal documents.
 - Ensure continuity in the orientation of new founding Board members.
- Authorizes a contract amendment with Paige Chapel for \$62,975 for a new total authorized contract amount not to exceed \$162,875.
 - Authorizes a contract amendment with Patty Grossman for \$59,400 for a new total authorized contract amount not to exceed \$159,300.
 - Authorizes payment for interim staffing and post Operating Plan deliverables upon approval of the CDF Operating Plan by the Sound Transit Board.
 - All costs incurred by Sound Transit for CDF consultant work will be reimbursed to Sound Transit upon capitalization of the CDF.

BUDGET

The total budget for the Community Development Fund, as identified in the 2002 Adopted Budget, is \$424,000, which includes \$200,000 for work in 2002. With this expenditure, there are sufficient funds identified to complete the project.

Resolution No. R99-34 states that the \$50 million fund shall pay all necessary and associated administrative, legal and staff support costs, including any economic feasibility studies completed to support the implementation of The Fund’s programs. Costs of The Fund are to be offset by contributions from the City of Seattle and King County to the Central Link Light Rail project.

Column A	Column B	Column C	Column D	Column E
Total Project Budget	Budget for this Task (B)	Obligated to Date (C)	Total Amount Requested (D)	Shortfall or Surplus (B-[C+D])
		Paige Chapel: \$99,900	\$62,975	
		Patty Grossman: <u>\$99,900</u>	<u>\$59,400</u>	
\$ 424,000	\$ 330,000	Total: \$199,800	\$122,375	\$ 7,825

FINANCIAL IMPACTS

Impact on Current Year Budget:

This action will have no additional impact on the current year budget beyond that contemplated in the 2002 Adopted Budget

Impact on Sound Move Budget:

This action will have no additional impact on the Sound Move budget beyond that contemplated in the 2002 Adopted Budget.

Impact on Cost-to-Complete:

N/A.

Impact on Subarea(s) Budget(s):

This action will have no additional impact on the North King Subarea budget beyond that contemplated in the 2002 Adopted Budget.

M/W/DBE AND/OR SMALL BUSINESS PARTICIPATION

Paige Chapel (Solutions in Community Development and Finance) and with Patty Grossman (Good Management, Inc.) are sole proprietor women owned business enterprises.

HISTORY OF PROJECT

On November 18, 1999, by Resolution No. R99-34, the Sound Transit Board directed staff to establish a \$50 million (YOES) Transit-Oriented Community Development Fund to be available to mitigate impacts of the construction and operation of light rail in Southeast Seattle. In August of 2000, by Motion No. M2000-72, the Sound Transit Board directed staff to establish a steering committee for the \$50 million Transit-Oriented Community Development fund for Southeast Seattle, providing for associated tasks and procedures.

Following the Board's direction, in September of 2000, Sound Transit's Link Light Rail Department retained the services of Patty Grossman and Paige Chapel for professional services in establishing the Rainier Valley Transit-Oriented Community Development Fund (CDF). The services of Paige Chapel and Patty Grossman were originally procured through a purchase order for a term of 20 days. The initial amount of the purchase order was \$20,000 each. After that initial purchase order, a change order adding a contingency amount of \$60,000, for a total not to exceed amount of \$80,000, was approved for each consultant for a nine month term from October 2000 through June 2001.

Since that time, one additional change order has been processed for each contract to extend the term from June 30, 2001 to December 31, 2001 and from December 31, 2001 to June 30, 2002 in order to complete the work. Subsequent to that action, one change order was approved in January of this year to increase the amount from \$80,000 each to \$99,900 each.

Due to the uniqueness of this project and its myriad of complexities, the necessary work has taken substantially longer to complete than originally envisioned and the budget for these professional services is nearly exhausted. Legal issues, educating a citizen-based committee, the general public, and elected officials on unfamiliar subjects, and the changing status of the light rail project are just some of the complexities that have lengthened the amount of time necessary to complete the work.

Together with the Board's decision approving a south focused Initial Segment, the CDF Steering Committee intensified its effort to develop an operating plan to meet Link's projected schedule for initiating property acquisition. When the term of service was last extended, the Steering Committee was hopeful that the operating plan could be completed by the end of the year. However, resolution of earlier issues raised new ones making it very difficult to target a firm completion date. The Steering Committee is now targeting spring 2002 to complete the Draft Operating Plan when it is anticipated that Sound Transit will begin contacting impacted property owners.

This series of change orders for the services of Paige Chapel and Patty Grossman are exceptional due to the uniqueness of developing this type of fund and operating plan. Amending these contracts is necessary in order to keep the project on track through the

continuity of Paige Chapel and Patty Grossman's services and to help ensure timely completion of an operating plan for Board consideration. For that reason, and in the interest of time, Sound Transit is requesting a contract amendment with Paige Chapel for \$62,975 for a new total authorized contract amount not to exceed \$162,875 and a contract amendment with Patty Grossman for \$59,400 for a new total authorized contract amount not to exceed \$159,300.

**Prior Board or Committee Actions
and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
Motion No. M2000-72	Established a steering committee for the \$50 million Transit-Oriented Community Development fund for Southeast Seattle, providing for associated tasks and procedures, and directed staff to develop Memoranda of Understanding with the City of Seattle and King County identifying their offsetting contributions to the Link Light Rail program.	8/10/00
Reso No. R99-34	<p>Selected the alignment alternatives and profiles, station locations, and vehicle maintenance base site alternative to be built for the Central Link Light Rail line.</p> <p>(R99-34 Sound Transit shall establish within the North King County sub-area budget a \$50 million (YOES) Transit-Oriented Community Development Fund ("The Fund") to be available to mitigate impacts of the construction and operation of light rail in Southeast Seattle. The cost of this fund shall, to the extent possible, be offset by contributions from the City of Seattle and King County to the Central Link Light Rail Project. The Fund shall be available to the community to fund physical and economic improvements to the Southeast Seattle corridor. The Fund shall be to address project impacts. Sound Transit will work with the City of Seattle and the southeast Seattle Community to develop a process to decide how decisions regarding the use of the Fund will be made. A community advisory panel or panels shall be established to set priorities and make recommendations for the use of the Fund. Expenditures from the Fund shall be generally consistent with the timing of construction of the project, the mitigation of impacts of the project, and promotion of increased ridership. The Fund shall pay all necessary and associated administrative, legal and staff support costs, including any economic feasibility studies completed to support the implementation of the Fund's programs.)</p>	11/18/99

CONSEQUENCES OF DELAY

- Delay in acting on this contract will hold up the delivery of the Draft CDF Operating Plan and the performance of critical near term start-up tasks of the new funding entity.
- Disapproval of this contract could result in the loss of continuity and momentum to meet the needs of impacted residents and businesses in the light rail corridor.

REGIONAL PARTNERSHIP AND COOPERATION

- The City of Seattle is looking forward to the completion of the Draft CDF Operating Plan and the start-up of the new funding entity to meet the needs of its citizens in the Rainier Valley. The City has been working daily with Sound Transit on an agreement that supports the Operating Plan, which is in the queue of actions to bring the CDF to fruition.

PUBLIC INVOLVEMENT

- The CDF Steering Committee has conducted three community forums and have held numerous committee meetings in the development of the operating plan.
- Over the past year, the CDF Steering Committee and consultants have presented several briefings of their ongoing progress in developing an operating plan to the C-Link Task Force.

LEGAL REVIEW

JDW 3/8/02

SOUND TRANSIT

MOTION NO. M2002-35

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute an amendment to a sole source contract with Patty Grossman (Good Management, Inc.) to assist the Steering Committee in completing the Draft Community Development Fund (CDF) Operating Plan and provide near term staffing to the CDF Founding Board (pending approval of the CDF Operating Plan) in the amount of \$54,000 with a 10% contingency of \$5,400, for a total amount of \$59,400 and for a new total authorized contract amount not to exceed \$159,300.

Background:

On November 18, 1999, by Resolution No. R99-34, the Sound Transit Board directed staff to establish a \$50 million (YOE\$) Transit-Oriented Community Development Fund to be available to mitigate impacts of the construction and operation of light rail in Southeast Seattle. In August of 2000, by Motion No. M2000-72, the Sound Transit Board directed staff to establish a steering committee for the \$50 million Transit-Oriented Community Development fund for Southeast Seattle, providing for associated tasks and procedures.

Following the Board's direction, in September of 2000, Sound Transit's Link Light Rail Department retained the services of Patty Grossman and Paige Chapel for professional services in establishing the Rainier Valley Transit Oriented Community Development Fund (CDF). The services of Paige Chapel and Patty Grossman were originally procured through a purchase order contract for a term of 20 days. The initial amount of the purchase order was \$20,000 each. After that initial purchase order, a change order adding a contingency amount of \$60,000, for a total not to exceed amount of \$80,000, was approved for each consultant for a nine month term from October 2000 through June 2001.

Since that time, two additional change orders have been processed to extend the term from June 30, 2001 to December 31, 2001 and from December 31, 2001 to June 30, 2002 in order to complete the work. Subsequent to that action, two change orders were approved in January of this year to increase the amount from \$80,000 each to \$99,900 each.

Due to the uniqueness of this project and its myriad of complexities, the necessary work has taken substantially longer to complete than originally envisioned and the budget for these professional services is nearly exhausted. Legal issues, educating a citizen-based committee, the general public, and elected officials on unfamiliar subjects, and the changing status of the light rail project are just some of the complexities that have lengthened the amount of time necessary to complete the work.

Together with the Board's decision approving a south focused Initial Segment, the CDF Steering Committee intensified its effort to develop an operating plan to meet Link's projected schedule for initiating property acquisition. When the term of service was last extended, the Steering Committee was hopeful that the operating plan could be completed by the end of the year. However, resolution of earlier issues raised new ones making it very difficult to target a firm completion date. The Steering Committee is now targeting spring 2002 to complete the Draft Operating Plan when it is anticipated that Sound Transit will begin contacting impacted property owners.

This series of change orders for the services of Patty Grossman are exceptional due to the uniqueness of developing this type of fund and operating plan. Amending this contract is necessary in order to keep the project on track through the continuity of the consultants' services and to help ensure timely completion of an operating plan for Board consideration. For that reason, and in the interest of time, Sound Transit is requesting a contract amendment with Patty Grossman for \$59,400 for a new total authorized contract amount not to exceed \$159,300.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute an amendment to a sole source contract with Patty Grossman (Good Management, Inc.) to assist the Steering Committee in completing the Draft Community Development Fund (CDF) Operating Plan and provide near term staffing to the CDF Founding Board in the amount of \$54,000 with a 10% contingency of \$5,400, for a total amount of \$59,400 and for a new total authorized contract amount not to exceed \$159,300.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held March 28, 2002.

A handwritten signature in black ink, appearing to read "Ron Sims", written over a horizontal line.

Ron Sims
Board Chair

ATTEST:

A handwritten signature in black ink, appearing to read "Marcia Walker", written over a horizontal line.

Marcia Walker
Board Administrator