

MOTION NO. M2017-84

Contract Public Private Partnership Advisory Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	06/08/2017	Final Action	Brian McCartan, Executive Director Finance and IT

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract with Hatch Associates Consultants, Inc. to provide public private partnership advisory services for a total authorized contract amount not to exceed \$400,000.

KEY FEATURES SUMMARY

- The proposed contract would provide on-call advisory services to assist the agency in evaluating opportunities for public private partnerships (P3) to improve the delivery of the agency's capital program.
- If P3 opportunities are identified, the contract would provide services to help in the further evaluation and potential execution of P3 transactions.

BACKGROUND

Public private partnerships (P3) have been used effectively in the U.S., Canada and Europe to deliver capital projects. Many types of P3 have been implemented, but generally share the common element that the public entity enters into a contract with a single private party to build and operate a public asset. P3 have been most commonly used in the United States for toll roads but have also been used to deliver public transit rail projects. The potential advantages of a P3 delivery model can include: faster delivery, lower capital costs, lower long-term operating costs, and risk transfer from public sector to private sector.

To determine whether P3 may offer benefits to Sound Transit in implementing its capital program would require close cooperation, evaluation and input by all departments within Sound Transit, input and coordination with key partners and stakeholders, and guidance and review by the Sound Transit Board. Sound Transit staff will return to the Board to review initial results of P3 project evaluation in 3Q 2017.

To assist in this evaluation effort, Sound Transit is seeking consultant support for advisory services. The scope of the advisory work is divided into two stages: (1) assist the Agency in perform a systematic review of the Agency's capital program to identify viable P3 opportunities; and (2) on those projects deemed feasible P3 candidate projects, conduct additional analysis, proposal development, solicitation of developments, evaluation of P3 proposals and, if approved by the Sound Transit Board, assist in execution of a P3 transaction.

The firms would be selected on an on-call basis as determined by price, qualifications and work plan for individual task orders. As the highest scoring firm from the RFP, KPMG will serve as lead during initial mobilization and evaluation. Firms will be compensated on an hourly or task order basis.

PROCUREMENT INFORMATION

In February 2017, the agency issued an RFP for P3 Advisory Consulting Services. Sound Transit received 10 proposals. All 10 proposals were evaluated based on the advertised evaluation criteria which included firm and key individual experience, project organization, EEO compliance, partnership strength, and price. The evaluation committee evaluated all 10 proposals and determined that KPMG, Ernest & Young, and Hatch submitted the three best value proposals.

FISCAL INFORMATION

This on-call contract would be used for advisory consulting services to evaluate opportunities for public private partnerships. The services described in this proposed action will be expensed from the Finance and Information Technology department budget on an as-needed basis after available budget is verified. Funding for 2017 will be made from savings from existing budget accounts while funding for the additional years of the contract will be included in future annual budget requests.

SMALL BUSINESS/DBE PARTICIPATION, AND APPRENTICESHIP UTILIZATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBE) Goals for participation were not established by Sound Transit for this procurement.

PUBLIC INVOLVEMENT:

Not applicable to this action

TIME CONSTRAINTS

A one-month delay would delay beginning work on P3 evaluation.

ENVIRONMENTAL REVIEW

JI 5/26/2017

LEGAL REVIEW

JW 6/2/2017

MOTION NO. M2017-84

A motion of the Capital Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Hatch Associates Consultants, Inc. to provide public private partnership advisory services for a total authorized contract amount not to exceed \$400,000.

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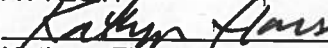
MOTION:

It is hereby moved by the Capital Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with Hatch Associates Consultants, Inc. to provide public private partnership advisory services for a total authorized contract amount not to exceed \$400,000.

APPROVED by the Capital Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 8, 2017.


Fred Butler
Capital Committee Chair

ATTEST:


Kathryn Flores
Board Administrator