

STAFF REPORT

SOUND TRANSIT MOTION NO. M2001-61

Increase of Expenditures to Fund Legal Services

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	6/7/01	Discussion/Possible Action	Desmond Brown, General Counsel	(206) 398-5017

PROPOSED ACTION

The proposed motion will authorize expenditures to fund legal work by firms on the Finance Committee-approved on-call legal services roster. The firms/solo practitioners provide general legal services, condemnation eminent domain legal services, and special services related to leveraged lease transactions involving commuter rail vehicles. The total compensation paid to each firm/solo practitioner over the multi-year contract term (maximum of five years) will depend on the work performed. Individual contracts may exceed \$200,000 without further Board action as long as the total amount expended for all contracts for legal services does not exceed the approved fiscal year budget for the year in which the services are performed. (The approved budget amount for 2001 is \$4,585,537.)

Discussion of Proposed Action:

Sound Transit uses an on-call legal services roster to procure outside legal services to supplement the agency's core legal staff. Each year the Board approves a legal services budget to fund the outside legal services as part of the annual budget process. In a separate action, the Finance Committee authorizes the expenditure of the legal budget to fund the services provided by attorneys on the on-call legal services roster. This process created a number of administrative difficulties with respect to legal work that occurred in two budget cycles and/or which involved multiple legal projects whose cumulative costs exceeded \$200,000 over the life of the contract.

The intent of Motion No. M2000-82 was to authorize expenditures from the legal budget to fund services provided on an on-going basis over two or more years and to permit the total compensation for each contract to exceed \$200,000 over the life of the contract, without further Board action, as long as the total amount expended on all legal contracts did not exceed the approved legal services budget for the year in which the services are performed. However, the precise wording of the Motion No. M2000-82, in conjunction with language included in Resolution No. R2000-17 adopting the 2001 annual budget, could be interpreted to mean that the authority to fund certain legal on-going legal work expired on December 31, 2000.

This motion is intended to make clear that the approved legal budget for each year can be expended to fund legal services performed in that budget year by a firm/solo practitioner on the on-call legal services roster. This motion also reaffirms the authority granted by Motion No. M2000-82 to authorize the total compensation paid pursuant to a contract with a firm/solo practitioner to exceed \$200,000 without further Board action, provided that the total amount expended on all legal contracts does not exceed the approved annual budget for legal services

in the year in which the services are performed. This motion will make clear that the approved legal budget can be used to fund ongoing legal services that will be provided over two or more budget years and/or to fund contracts that exceed \$200,000 in total compensation either because the work involves a multi-year project such as major litigation or the legal work involves a series of smaller projects whose cumulative costs over the contract term exceed \$200,000.

BUDGET

Budget for this Task	Expenditures to Date	Total Amount Requested	Shortfall or Surplus
(A)	(B)	(C)	(A-[B+C])
\$4,585,537	\$720,454.30	\$0	

ALTERNATIVES

The committee could review and approve each legal services contract at the beginning of each year and then authorize additional funds during the year if either a significant project were assigned to the firm/solo practitioner or the cumulative billings over the contract term approached \$200,000.

CONSEQUENCES OF DELAY

Prompt action is requested in order to clarify the expenditure authority. Significant delay in proceeding with one of the alternatives could result in the suspension of ongoing legal services required by the agency.

LEGAL REVIEW

DLB – 5/24/01

SOUND TRANSIT

MOTION NO. M2001-61

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to authorize expenditures to fund legal services provided by attorneys on the Finance Committee approved on-call legal services roster for a total amount not to exceed the approved budget for the year in which the services are performed.

Background:

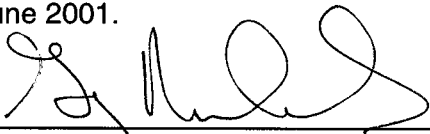
In September 1998 Sound Transit advertised a Request for the Proposals (RFP), RTA/LE 81-98, for 13 categories of legal service. In April 2000, Sound Transit advertised RFP (RTA/LE 54-00) to add five categories of legal services, and to add firms to the legal services on-call roster. A selection committee evaluated each of the proposals and determined that each of the firms and/or solo practitioners were qualified to perform legal work in one or more of the categories. The Finance Committee approved the firms and solo practitioners to be included on the on-call roster.

Sound Transit has entered into contracts with the firms and practitioners on the roster. The legal services budget approved by the Finance Committee is used to compensate firms based on the actual work performed over the potential five-year contract term. (Contracts were written for an initial term of two years with three one-year options to extend.) This motion authorizes the expenditure of the approved legal services budget to fund legal services requested from each firm without further Board action, including funding for individual contacts in which the total compensation may exceed \$200,000 during multi-year term of the contract as long as the total amount expended for legal services in each budget year is within the approved budget for that year.

Motion:

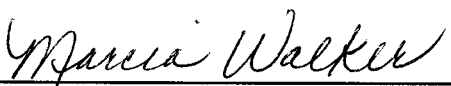
It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that expenditures are hereby authorized to fund legal services provided by attorneys on the Finance Committee approved on-call legal services roster. The compensation paid to individual firms/solo practitioners may exceed \$200,000 during the multi-year (a maximum of five-years) term of each contract, provided that the total amount expended shall not exceed the approved budget for legal services in the year in which the services are performed. (The fiscal year 2001 approved budget is \$4,585,537.)

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 7th day of June 2001.



Greg Nickels
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator