

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2003-105**

**Sole Source Contract Award for Vehicle Consulting Services**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	10/2/03	Discussion/Possible Action to Recommend Board Approval Action	Martin Minkoff, Sounder Director	(206) 398-5111
Board Meeting	10/9/03		<b>Martin Young,</b> <b>Transportation Services</b> <b>Program Manager</b>	(206) 398-5115

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

*3Applicable to proposed transaction.*

**OBJECTIVE OF ACTION**

To secure on-call consulting services for Sounder vehicle technical, warranty, leasing support, and vehicle safety enhancements.

**ACTION**

Authorizes the Chief Executive Officer to execute a sole source contract with Raul Bravo & Associates to provide on-call consulting services related to vehicle technical, warranty, leasing support, and vehicle safety enhancements in the amount of \$359,698, with a 10% contingency of \$35,970, for a total authorized contract amount not to exceed \$395,668.

**KEY FEATURES**

- Allows the retention of an experienced technical expert to be available and provide continuity for the remainder of Sounder vehicle procurement and leasing-related requirements on a task order notice-to-proceed basis.
- Sounder requires vehicle consultant services to support existing and pending vehicle leasing arrangements. The budgeted annual cost for these services represents about 4% of the total revenue expected from Sounder leasing.

**BUDGET IMPACT SUMMARY**

**Project Description:** Vehicle procurement follow-on and leasing support.  
**Current Status:** Procurement complete; 39 of 69 vehicles still under warranty.

**Projected Completion Date:** Last warranty expires in March 2006; leasing expected into 2007.

<b>Action Outside of Adopted Budget:</b>	<b>Y/N</b>	<b>Y Requires Comment</b>
This Line of Business	N	
This Project	N	
This Phase	N	
This Task	N	
Budget amendment required	N	
<b>Key Financial Indicators:</b>	<b>Y/N</b>	<b>Y Requires Comment</b>
Contingency funds required	Y	Actual Contingency expenditures are otherwise expected to be only 7% used in 2003; this contract would bring expenditures to about 23%. In 2004 there is a separate budgeted line item.
Subarea impacts	N	
Funding required from other parties other than what is already assumed in financial plan	N	Funding in current plan; supported by leasing process.

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

### **BUDGET DISCUSSION**

Budget for this action is drawn from the Sounder Transit Operations budget. The contract spans three years and future years are identified in the Proposed 2004 Budget.

Budget for this year's portion of these services was not in the original 2003 budget, although there is sufficient transit operations contingency available.

### **REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS**

Sounder currently receives revenues from vehicle leases, and will continue to expand those revenue-generating opportunities as further anticipated leasing arrangements are completed. The proposed budget of \$395,668 over the 3-year contract term has an annual expected expenditure rate of \$131,900, or about 4% of the expected annual revenues to be received from the vehicle leasing.

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

### **SUMMARY FOR BOARD ACTION**

### Summary for Board Action (Year of Expenditure \$000)

#### **Action Item: Sole Source Contract with Raul Bravo & Associates for Vehicle Consulting Services**

2003 Transit Operations Budget Detail	2003 Budget	2003 Spent to Date	Proposed Action	2003 Surplus (Shortfall)
1 Services	6,437,970	3,226,837	-	3,211,133
2 Purchased Transportation Svcs	3,799,089	2,108,120	-	1,690,969
3 Miscellaneous Expenses	683,513	63,646	110,000	509,867
4 Other Transit Operations	3,504,638	2,039,560	-	1,465,078
5 Total	14,425,210	7,438,163	110,000	6,877,047

#### **Miscellaneous Expense Detail**

6 Contingency	677,755	-	110,000	567,755
7 Marketing & Other Misc. Expend.	5,758	49,711	-	(43,953)
8 Total Misc. Expenses Element	683,513	49,711	110,000	523,802

Contract Budget	Proposed Action for 2003	Proposed Action for Future Years	Total Proposed Action
9 Raul Bravo Associates	93,000	233,094	326,094
Direct Expenses	7,000	26,604	33,604
10 Contingency	10,000	25,970	35,970
12 Total	110,000	285,668	395,668
13 Percent Contingency	10%	10%	10%

#### **Notes:**

- 1 Services include Vehicle Maintenance, Security, Stations and TVMs
  - 2 Purchased Transportation Services are paid to BNSF
  - 4 Includes Fuel, Administration allocations, Depreciation & Amortization
  - 10 Contingency as % of total contract value
- Actuals through July 31, 2003

### **M/W/DBE – SMALL BUSINESS PARTICIPATION**

Raul V Bravo & Associates (RVBA) is certified by the State of Washington as a Minority Business Enterprise, and as a Disadvantaged Business Enterprise by the federal government; 100% of the work is expected to be performed by RVBA.

### **HISTORY OF PROJECT**

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

Motion or Resolution Number	Summary of Action	Date of Action
M2001-107	Authorizing the Executive Director to modify contract No. RTA/CR 44-98 with Raul V. Bravo & Associates for Quality Assurance, Quality Control, and inspection by adding \$936,692 to the current contract value of \$2,996,608 for a new total authorized contract value not to exceed \$3,933,300.	10/18/01
M2000-86	Authorizing Change Order Number 1 to contract RTA/CR 44-98 with Raul V. Bravo & Associates for Quality Control, Quality Assurance and inspection services to the vehicle option of 20 additional passenger coaches and five locomotives.	9/21/00
M98-61	Awarding the competitively procured Contract RTA/CR 44-98 between Sound Transit and Raul V. Bravo & Associates to provide for Quality Control, Quality Assurance, and Inspection Services (during	8/27/98

	the manufacturing and 2-year warranty of cab cars, coaches and locomotives) for the Sounder Commuter Rail procurement of thirty-eight (38) cab cars and coaches, and six (6) locomotives, in an amount not to exceed \$1,851,667.43, and a 5% contingency amount of \$92,583	
M98-52	Authorizing the Executive Director to amend Contract RTA/CR 27-97 between Sound Transit and Raul V. Bravo & Associates to Refine Public Domain Commuter Rail Vehicle Specifications, by increasing the contract price of \$199,825.53 by \$47,400.00, for a total contract amount not to exceed \$247,225.53, for the purpose of the "Pre-Manufacturing Planning Process for the Manufacture of Rail Transit Vehicles"	7/16/98

On August 27, 1998, the Finance Committee authorized the approval of Contract No. RTA/CR 44-98 between Sound Transit and RVBA to provide Quality Assurance/Quality Control (QA/QC) inspection services during both the manufacturing and warranty periods of the vehicles procured for the Sounder fleet. RVBA was selected through a competitive RFP process, and had also assisted in the development of the specifications for the vehicles.

### ***Demonstrated Excellence***

## **SCOPE OF WORK**

### ***Technical Contract Support***

RVBA will continue to help Sounder achieve excellence in providing quality products and service to agency's customers, while meeting all regulatory and manufacturers' recommendations by planning for unplanned events. Sound Transit will benefit from the on-call services, for the support of technical issues that may arise related to:

- ***Maintenance/Warranty work and procedures*** – ensuring contractor performance according to manufacturers recommendations and applicable federal rules, proper maintenance of vehicle history books.
- ***Operations support*** – Ensuring prompt response and solutions to potential issues arising from equipment operation.
- ***Assessment of damages*** – in case of failure or accident.
- ***Maintenance of technical documentation*** – to ensure full compliance with all relevant requirements of regulatory agencies.

- **Warranty Support** – currently, warranties are open on 5 locomotives and 34 cars, with various components with warranty periods up to 15 years commencing with Sounder's conditional acceptance of the vehicle. Design modifications found to be necessary after vehicles are put into operation may have warranty impacts and require discussion and sometimes negotiation. RVBA services help facilitate and coordinate these negotiations, along with ensuring that required documentation is completed and all issues are closed.

Leasing Support – Sounder currently has three train-sets leased to other operators, and by late October of this year expects to lease an additional 12 cars and two locomotives by mid-fourth quarter, 2003.

RVBA will assist Sound Transit in evaluating the best candidate for additional equipment leasing.

Other leasing support services include inspections for the periodic monitoring of equipment to ensure proper protection of assets, acceptance of vehicles during and after any required repair work, and pre- and post-delivery consultation related to the leasing itself.

- **Transition of Work In-House**

The recent addition to Sounder staff of a Quality Assurance (QA) Manager means that some of the work previously performed by consultants can be done in-house. With a QA Manager on staff, there is now the opportunity for the consultant to transition work to Sounder staff. In addition, much of the documentation process for the vehicle quality and historical development of the procurement, having been previously administered by the consultant, can also be absorbed as Sounder's Document Control division is now fully staffed.

## **SOLE SOURCE JUSTIFICATION**

### **CONSEQUENCES OF DELAY**

The leasing procurement process is already in place, and support will be useful as soon as available. In order to achieve the optimum benefit from the available services, a notice to proceed is needed as soon as possible.

### **REGIONAL PARTNERSHIP AND COOPERATION**

N/A

### **PUBLIC INVOLVEMENT**

N/A

### **LEGAL REVIEW**

MB

## **SOUND TRANSIT**

### **MOTION NO. M2003-105**

A motion of the Board of the Central Puget Sound Regional Transit Authority to authorize the Chief Executive Officer to execute a sole source contract with Raul V. Bravo & Associates to provide on-call consulting services related to vehicle technical, warranty, leasing support, and vehicle safety enhancements in the amount of \$359,698, with a 10% contingency of \$35,970, for a total authorized contract amount not to exceed \$395,668.

#### **Background:**

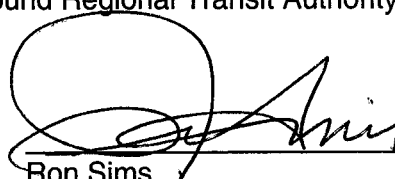
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This contract would allow the retention of an experienced technical expert to be available and to provide continuity for the remainder of Sounder vehicle procurement and leasing-related requirements on a task order notice-to-proceed basis. Sounder requires vehicle consultant services to support existing and pending vehicle leasing arrangements. The budgeted annual cost for these services represents about 4% of the total revenue expected from Sounder leasing.


#### **Motion:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a sole source contract with Raul V. Bravo & Associates to provide on-call consulting services related to vehicle technical, warranty, leasing support, and vehicle safety enhancements in the amount of \$359,698, with a 10% contingency of \$35,970 for a total authorized contract amount not to exceed \$395,668.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 9, 2003.

  
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Ron Sims  
Board Chair

#### **ATTEST:**

  
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Marcia Walker  
Board Administrator