

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-109

**Sole Source Contract Amendment
for Additional Negotiation, Strategy & Analysis Services**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	10/16/03	Discussion/Possible Action to Recommend Board	Martin Minkoff, Director, Sounder Commuter Rail	(206) 398-5111
Board	10/23/03	Approval Action		

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

3Applicable to proposed transaction.

OBJECTIVE OF ACTION

To provide additional professional services in support of negotiations with Burlington Northern Santa Fe Railway (BNSF).

ACTION

Authorizes the Chief Executive Officer to execute a sole source contract amendment with Lonnie Blaydes, Jr., to provide additional professional services in support of negotiations with BNSF Railway in the amount of \$50,000, for a new total authorized contract amount not to exceed \$149,000.

KEY FEATURES

- Provides continued assistance to Sound Transit in developing and executing strategies, contract language, and analyses in support of construction and service agreements and contracts with BNSF.
- Provides continued professional consultation in Sound Transit negotiation team meetings in Fort Worth, Denver, Seattle, and/or other venues, as necessary.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET DISCUSSION

Activities performed under this contract support both the Everett to Seattle Track and Facilities (100) and the Tacoma to Lakewood Track and Facilities (130) projects. The total budget for the combined projects is \$277 million in the 2003 Board-adopted budget.

The contract is charged to the Administration phase of the projects and is apportioned on a 50/50 basis between the projects. The total administration phase budget for these two projects is \$15.46 million. There is sufficient budget for this task.

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.

BUDGET TABLE

Action Item: Blaydes Contract Amendment

Project: Sum of:
Everett to Seattle (100), and
Tacoma to Lakewood (130)
Track & Facilities projects

	Current Board Adopted Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Maintenance Yard/Layover	7,235	5,862		5,862	1,373
2 Agency Administration	15,463	10,959	50	11,009	4,454
3 Pre-Engineering	6,469	5,635	-	5,635	834
4 Final Design	9,992	1,395	-	1,395	8,597
5 ROW Acquisition	7,800	831	-	831	6,969
6 Construction	176,178	360	-	360	175,818
7 Vehicles	49,859	48,752	-	48,752	1,107
8 Contingency	4,375	-	-	-	4,375
9 Total Current Budget	277,371	73,794	50	73,844	203,527

Phase Budget Detail

10 Agency & LOB administrative costs	9,329	9,329	-	9,329	-
11 Blaydes	150	99	50	149	1
13 Other	5,984	1,531	-	1,531	4,453
14 Total Phase	15,463	10,959	50	11,009	4,454

Contract Budget	Current Approved Contract Value (F)	Spent to Date** (G)	Proposed Action (H)	Proposed Total Contract Value (I)
15 Blaydes	99		50	149
16 Contingency	-	-		-
18 Total	99	-	50	149
19 Percent Contingency	N/A	N/A	N/A	0%

Budget Shortfall

Level	\$ (J)	Potential Revenues (K)	Funding Source (L)
	N/A	N/A	

Committed-to-date includes actuals and commitments through August 31, 2003 (HQReports).

M/W/DBE – SMALL BUSINESS PARTICIPATION

No M/W/DBE or Small Business goals were set for this sole source contract because the services needed were specific professional services provided by Lonnie Blaydes, Jr. and, as such, subcontracting was infeasible. Lonnie Blaydes, Jr. is a sole practitioner small business.

HISTORY OF PROJECT

Sound Transit entered into a sole source contract with Lonnie Blaydes, Jr. for negotiation strategy/analysis services in support of negotiations with BNSF in the amount of \$99,000, effective December 17, 2002 through June 30, 2003.

Mr. Blaydes specialization in commuter rail operating agreements, long-standing relationships with BNSF management, and office location near BNSF headquarters in Fort Worth, Texas makes him uniquely qualified to assist Sound Transit in its negotiations with BNSF. Consequently, Sound Transit authorized sole source procurement for this contract.

As critical negotiations with BNSF continued beyond the June 30, 2003, contract termination date, an administrative change order was issued to extend the contract termination date to December 31, 2003, without adding any additional funding.

Mr. Blaydes provided invaluable insight and assistance in reaching an agreement in principle (the Term Sheet) with BNSF last May. He has become an integral part of Sound Transit's negotiating team, bringing exceptional skills to the agency's negotiations with BNSF in developing binding agreements that will implement the Term Sheet.

RATIONALE FOR CONTRACT AMENDMENT

As good faith negotiations with BNSF are continuing beyond the 120-day goal identified in the Term Sheet, the current contract amount is nearly expended. Considering any other source for the expertise he has contributed on behalf of Sound Transit's interests is not feasible, as it would jeopardize the continuity of almost ten months of work. Mr. Blaydes' services and counsel, as defined in the current scope, will continue to be needed as these negotiations proceed and contract language is drafted and further refined.

The recommended amendment for an additional \$50,000 would provide enough funds to enable Sound Transit to continue using Mr. Blaydes' services, as needed, at his current hourly rate of \$150.00, plus travel and related expenses. It is estimated that this amendment would be adequate to cover his services for actual hours worked through execution of the BNSF-Sound Transit agreements for the Everett-Seattle and Lakewood-Tacoma corridors, plus capacity for follow-up services as may be needed.

CONSEQUENCES OF DELAY

A delay beyond October 23, 2003 would require suspension of Lonnie Blaydes' services, impacting his availability for the continuing negotiation and contract development process.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 10/02/03

SOUND TRANSIT

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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 amendment with Lonnie Blaydes, Jr., to provide additional professional services in support of negotiations with Burlington Northern Santa Fe Railway in the amount of \$50,000, for a new total authorized contract amount not to exceed \$149,000.

Background:

Sound Transit entered into a sole source contract with Lonnie Blaydes, Jr. for negotiation strategy/analysis services in support of negotiations with Burlington Northern Santa Fe Railway (BNSF) in the amount of \$99,000, effective December 17, 2002 through June 30, 2003. As critical negotiations with BNSF continued beyond the June 30, 2003, contract termination date, an administrative change order was issued to extend the contract termination date to December 31, 2003, without adding any additional funding.


Mr. Blaydes provided invaluable insight and assistance to Sound Transit in reaching an agreement in principle (the Term Sheet) with BNSF last May. He has become an integral part of Sound Transit's negotiating team, bringing exceptional skills to the agency's negotiations with BNSF in developing binding agreements that will implement the Term Sheet.

This sole source contract amendment will allow the continuation of Mr. Blaydes' services, as needed in Sound Transit's negotiations with BNSF.

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 amendment with Lonnie Blaydes, Jr., to provide additional professional services in support of negotiations with Burlington Northern Santa Fe Railway in the amount of \$50,000, for a new total authorized contract amount not to exceed \$149,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 23, 2003.



Ron Sims
Board Chair

ATTEST:



Marcia Walker
Board Administrator