

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2003-15

**Contract with Pharos Corporation for Real Estate Appraisal,
Acquisition, and Relocation Services**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	2/6/03	Discussion/Possible Action to Recommend Board Approval Action	Joann H. Francis, Chief Administrative Officer	(206) 689-4934
Board	2/13/03		Don Vogt, Sr. Real Estate Representative John McLean, Sr. Real Estate Representative	(206) 689-3396 (206) 689-4916

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

✓ Applicable to proposed transaction.

OBJECTIVE OF ACTION

- Procure real estate appraisal, acquisition, and relocation services to acquire needed property rights for the Sounder Commuter Rail and Regional Express projects that currently remain under Sound Move.

ACTION

- Authorize the Executive Director to execute a three-year contract with Pharos Corporation to provide appraisal, acquisition and relocation services for the Sounder Commuter Rail and Regional Express projects yet to be completed under Sound Move, for a total amount not to exceed \$6,165,885, with two one-year options to extend the term of the contract.

KEY FEATURES

- Authorizes the Executive Director to execute a three-year contract, with two (2) one-year options to extend, with Pharos Corporation for real estate appraisal, acquisition and relocation services in a total amount not to exceed \$6,165,885.
- Defines a scope of work, including the current Regional Express projects of the Bellevue Transit Center, Lynnwood Transit Center, Federal Way Transit Center, and Bellevue Direct Access, Lynnwood Direct Access, and Federal Way Direct Access. For Sounder Commuter Rail, the scope of work includes concluding acquisitions on the Everett-to-Seattle projects at Everett, Mukilteo, and Edmonds stations, various acquisitions on the Tacoma-to-Seattle segment, and initiating the acquisition process on the newly started Lakewood-to-Tacoma segment.

BUDGET IMPACT SUMMARY

Project Description: Regional Express and Commuter Rail Projects

Current Status: Services are currently being performed by Pharos Corporation and Bruce Allen & Associates under sole source contracts executed in September 2002

Projected Completion Date: February 2006

Action Outside of Adopted Budget:	Y/N	Y	Requires Comment
This Line of Business	N		
This Project	N		
This Phase	N		
This Task	N		
Budget amendment required	N		
Key Financial Indicators:	Y/N	Y	Requires Comment
Contingency funds required	N		
Subarea impacts	N		
Funding required from other parties other than what is already assumed in financial plan	N		

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

BUDGET DISCUSSION

Funding for this contract is provided by the various Sounder Commuter Rail and Regional Express projects for which acquisition services are performed. The purpose of this motion is to approve entering into a contract with Pharos Corporation to provide appraisal, acquisition and relocation services at a cost not exceeding \$6,135,885. The capital projects plan for Regional Express and Sounder Commuter Rail have sufficient budget to cover this cost.

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.

SUMMARY FOR BOARD ACTION

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

Action Item: Real Estate Acquisition Service

	(A) Current Approved Contract Value	(B) Spent to Date	(C) Proposed Action	(D) Proposed Total Contract Value
Contract Budget:				
Pharos	0	-	6,165,885	6,165,885
Contingency	0	-	0	-
Total			6,165,885	6,165,885
Percent Contingency	0%	-	0	0%

Accounts to be charged:	2002 Staff Budget	Future Staff Budgets	Direct Charges to Projects	Total
Real Estate Acquisition Services			6,165,885	6,165,885
				-
				-
TOTAL CONTRACT CHARGES:	-	-	6,165,885	6,165,885

Direct Charge Budget	Adopted Lifetime Capital Budget for ROW	Life Time Spent to Date	This Action	Surplus (Shortfall)
REX	73,385,000	23,070,242	3,082,943	47,231,816
Souder	54,129,000	36,144,027	3,082,943	14,902,031
TOTAL DIRECT CHARGE BUDGETS:	127,514,000	59,214,269	6,165,885	62,133,846

Budget Shortfall

Level	\$	Potential Revenues	Funding Source
NA	-	-	NA

M/W/DBE – SMALL BUSINESS PARTICIPATION

Pharos Corporation is a W/DBE contractor and is committed to using employees and subconsultants to achieve an overall goal of 40%.

HISTORY OF PROJECT

Generally, Sound Transit's acquisition/relocation activities are carried out by consultants selected by the agency. In early 2000, Arthur Andersen was competitively selected to provide these on-going real estate services for Regional Express and Sounder Commuter Rail projects. With the closure of the Seattle office of Arthur Andersen, this contract was terminated on July 12, 2002.

Under the Arthur Andersen contract, Pharos Corporation had been responsible for carrying out acquisition/relocation/property management work required for Regional Express and Sounder Commuter Rail projects. When the Arthur Andersen contract was terminated, Pharos had been actively involved in negotiating property acquisitions and performing related work for the Lynnwood Transit Center and Direct Access projects, the Bellevue Transit Center and Direct Access projects, and the Federal Way Transit Center and Direct Access projects. Pharos has also been involved in Sounder Commuter Rail projects for the acquisition of properties required for the Everett-to-Seattle, Tacoma-to-Seattle, and the Lakewood-to-Tacoma Segments. In many cases, this work is on the critical path for project schedules. To continue this work without interruption, Sound Transit entered into interim sole source contracts as authorized by the Sound Transit Board with Pharos Corporation and Bruce Allen & Associates to permit the continuation of appraisal, acquisition and relocation services for these projects.

At the same time, Sound Transit issued a new Request for Proposal for real estate acquisition, appraisal, and relocation services. This procurement was placed on an accelerated basis to select a new contractor within a short period of time. Five firms responded to the Request for Proposal and Pharos Corporation was selected. Because Pharos Corporation is both the interim contractor and the recommended contractor, the transition between contracts will be less disruptive to the provision of these services.

The proposed contract provides that the contractor be directed on a work order basis that defines the authorized work for each project and maximum dollar expenditure for each acquisition task.

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

Motion or Resolution Number	Summary of Action	Date of Action
M2002-104	Finance Committee approved sole source contract with Bruce Allen & Associates to provide Appraisal Services in the interim while this contract is in the procurement process.	9/12/02
M2002-103	Finance Committee approved sole source contract with Pharos Corporation to provide Acquisition/Relocation/ Services in the interim while this contract is in the procurement process.	9/12/02
M2000-29	Finance Committee approved Arthur Andersen Acquisition/Relocation/Property Management Services Contract	3/16/00

CONSEQUENCES OF DELAY

Interim sole source contracts have provided these real estate services required for a number of major projects in process for Regional Express and Sounder Commuter Rail. The sole source contract with Pharos will expire in March 2003. Staff seeks to procure replacement real estate services in order to support project schedule requirements.

REGIONAL PARTNERSHIP AND COOPERATION

N/A

PUBLIC INVOLVEMENT

N/A

LEGAL REVIEW

MB 1/24/03

SOUND TRANSIT

MOTION NO. M2003-15

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a three-year contract with Pharos Corporation to provide appraisal, acquisition and relocation services for the Sounder Commuter Rail and Regional Express projects yet to be completed under Sound Move, for a total amount not to exceed \$6,165,885, with two one-year options to extend the term of the contract.

Background:

In early 2000, Arthur Andersen was competitively selected to provide real estate acquisition and relocation services necessary for Regional Express and Sounder Commuter Rail projects. Under the Arthur Andersen contract, Pharos Corporation was responsible for carrying out acquisition/relocation/property management work required by Regional Express and Sounder Commuter Rail projects, and Bruce Allen & Associates was responsible for appraisal services. When the Arthur Andersen contract was terminated on July 12, 2002, following closure of their Seattle Office, Sound Transit entered into interim sole source contracts as authorized by the Sound Transit Board with Pharos Corporation and Bruce Allen & Associates to permit the continuation of appraisal, acquisition and relocation services for these projects.

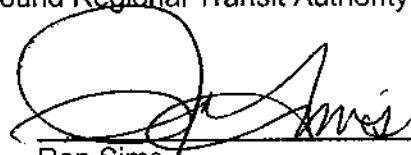
Sound Transit then issued a new Request For Proposal (RFP) for real estate acquisition, appraisal, and relocation services. Five firms responded to the RFP and Pharos Corporation was selected. Because Pharos Corporation is both the interim contractor and the recommended contractor, the transition between contracts will be less disruptive to the provision of these services.

The proposed contract provides that the contractor be directed on a work order basis that defines the authorized work for each project and maximum dollar expenditure for each acquisition task.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Executive Director is authorized to execute a three-year contract with Pharos Corporation to provide appraisal, acquisition and relocation services for the Sounder Commuter Rail and Regional Express projects yet to be completed under Sound Move, for a total amount not to exceed \$6,165,885, with two one-year options to extend the term of the contract.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 13, 2003.



Ron Sims
Board Chair

ATTEST:



Marcia Walker
Board Administrator

