RESOLUTION NO. R2018-40  
Procurement, Agreements and Delegated Authority Policy

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<td>09/06/2018</td>
<td>Recommend to Board</td>
<td>Peter Rogoff, CEO</td>
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<td>09/27/2018</td>
<td>Final Action</td>
<td>Ted Lucas, Director, Procurements and Contracts</td>
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<td>Kathryn Flores, Manager, Board Administration</td>
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PROPOSED ACTION

Adopting a Procurement, Agreements and Delegated Authority Policy and superseding Resolution Nos. 78-2, 42, 58, and 98-7 and Motion Nos. M2004-111 and M99-2.

KEY FEATURES SUMMARY

- The Board policy governing delegated authority to Board committees and the CEO was last updated in 2011. Since that time, the volume of actions requiring Board approval has steadily grown.
- The Board undertook a process review in 2018 to ensure their time is optimized on the key issues facing the agency. A Board workshop was held in May to review the Board committee and CEO approval levels, as well as the Board committee structure. Staff has prepared an updated delegated authority policy based on the direction provided at the Board workshop.
- The updated policy delegates up to $50 million to the standing Board committees for contracts, agreements, and real property agreements, up to $5 million to the CEO for the approval of competitively-procured construction contracts and architectural and engineering services contracts, and up to $2 million to the CEO for the approval of competitively-procured materials, technology, and other services contracts.
- The updated policy establishes limitations on the CEO’s delegated authority and requires more frequent (monthly) and robust reporting of CEO approvals.
- The updated policy also revises delegated authority levels and parameters for sole source contracts, proprietary contracts, agreements, real property agreements, grants, and other areas of Board delegation to the CEO.

BACKGROUND

Based on direction from Board Chair Somers, the Sound Transit Board has reviewed its processes following the passage of ST3 to ensure that the Board is able to focus on the key issues and challenges facing the agency. The goals of the Board’s process review have been to efficiently manage the amount of time the Board spends on the growing number of approval actions in order to expand the ability of the Board to engage in more meaningful and frequent policy discussion and to enhance Board engagement in the project development process consistent with the System Expansion Implementation Plan.

On May 4, 2018, a Board workshop was held to review the Board committee structure and the Board’s delegated authority for procurement actions to rebalance and streamline work between the full Board, Board committees and CEO. At the workshop, the Board discussed increases to the
authority delegated to the Board committees and CEO to approve competitively-procured contracts and agreements.

Following the Board workshop, a cross-functional staff team updated the policy to reflect Board direction and revise the other areas of Board delegation to the CEO. This effort includes a review of administrative processes to align internal controls with the Board’s updated delegated approval levels to ensure continued transparency and effectiveness.

**PROCUREMENT INFORMATION**

Not applicable to this action.

**FISCAL INFORMATION**

The updated policy has no direct impacts on the agency’s long-term financial plan.

**SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION**

Not applicable to this action.

**PUBLIC INVOLVEMENT**

A Board workshop was held on May 4, 2018 as an open public meeting. Additional discussion also took place at the July 26, 2018 Board of Directors meeting.

**TIME CONSTRAINTS**

The policy would go into effect January 1, 2019 to coincide with updates to the Board’s committee structure. A one-month delay would not create a significant impact.

**PRIOR BOARD/COMMITTEE ACTIONS**

Resolution No. 78-2: Updated the existing delegated authority and policy for the procurement of contracts, materials, services, and work; for the acquisition, use, and disposal of real and personal property; for the execution of agreements with other public entities; and superseded Resolution No. 78-1.

Resolution No. 42: Authorized the Executive Director to adopt such policies and procedures as may be required to ensure compliance with U. S. Department of Transportation and Federal Transit Administration requirements for grant eligibility.

Resolution No. 58: Authorized the filing of applications for and the acceptance of transportation program grant funds from, and administered by, the Washington State Department of Transportation.

Resolution No. 98-7: Established and revised policies relating to the authorization of per diem allowances for Board members who are part time elected officials and reimbursement for travel and other expenses incurred by Board members, officers and employees of the Regional Transit Authority, appointing an auditing officer and superseding Resolutions 15, 21, and 83.

Motion No. M2004-111: Authorized the Chief Executive Officer to increase the total authorized expenditure amount for a given contract without explicit Sound Transit Board action in order to include public works betterments requested and fully funded by public agencies in the scope of Link Light Rail and Regional Express/Sounder Capital Projects professional services and
construction contracts, provided that no individual contract amendment for betterment work exceeds $500,000 and that incorporation of such betterment work has no adverse impact on Sound Transit project work.

Motion No. M99-2: Adopting policies to guide grant activities to secure funds that will augment local option tax revenues and fulfill Sound Move financial policies.

ENVIRONMENTAL REVIEW

KH 8/24/18

LEGAL REVIEW

AJP 8/31/18
RESOLUTION NO. R2018-40
Procurement, Agreements and Delegated Authority Policy

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting a Procurement, Agreements and Delegated Authority Policy and superseding Resolution Nos. 78-2, 42, 58, and 98-7 and Motion Nos. M2004-111 and M99-2.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Sound Transit has broad powers to contract for materials, work, and services and to secure or dispose of property and property rights as may be necessary for the benefit and operations of Sound Transit; and

WHEREAS, it is in the public interest to establish procedures to procure and contract for materials, services, and work and to acquire, use, and dispose of real, personal, and intangible property; and

WHEREAS, this policy encourages full and open competition, opportunities for small businesses, and appropriate diversity and sustainability initiatives as permitted by law; and

WHEREAS, the Board is committed to protecting the environment for present and future generations and encourages the increased use of environmentally preferable products and services while remaining fiscally responsible; and

WHEREAS, Sound Transit’s long-term financial plan is based on assumptions that funding to plan, build, operate, and maintain a regional high-capacity transportation system includes a combination of local revenues, bond proceeds, loan disbursements, and non-local grant funds; and

WHEREAS, the Board has determined that it is in the public interest to facilitate certain procurements by delegating authority to review and approve contracts to its standing committees and the chief executive officer (CEO).

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that Resolution Nos. 78-2, 42, 58, and 98-7 and Motion Nos. M2004-111 and M99-2 are hereby superseded with a Procurement, Agreements and Delegated Authority Policy, which is hereby adopted as follows:
1.0 Scope
1.1 This policy addresses the Board’s delegated authority to Board committees and the CEO, including, but not limited to, the procurement of materials, services, and work, and the execution of certain agreements.

2.0 Policy
2.1 Delegated authority

2.1.1 The Board has retained a CEO to operate the agency and to implement the mission, goals, objectives, policies, and guidelines established by the Board. Subject to Board oversight, the CEO is authorized to establish and implement business management, administrative, and employment policies and to employ such personnel as the CEO determines necessary to effectively manage and operate the agency. The CEO may establish additional regulations, requirements, certifications, and procedures as the CEO deems necessary to carry out Board policies. The CEO may delegate this authority to appropriate Sound Transit employees to facilitate the efficient management and operation of the agency.

2.1.2 The CEO is directed to regularly inform and consult with the Chair of the Board, the full Board, and the standing Board committees about business transactions, policies, and issues of significance to the agency.

2.1.3 Except in emergencies, only the Board acting as a body or a standing committee is authorized to direct the CEO to implement a policy or course of action.

2.1.4 The Board, acting as a body in a public meeting, may at any time adopt a motion or resolution to rescind or suspend all or any portion of authority delegated to the CEO in this resolution.

2.1.5 Whenever in the judgment of the Board, special circumstances require a procedure different from that set forth herein, the Board may authorize the making of purchases, the ordering of work, or the performance of services in such other manner as may be deemed to be appropriate to the circumstances.

2.2 Procurement and contracting authority

2.2.1 The Board must award, execute, and modify contracts when the contract value exceeds $50,000,000, excluding taxes. Any contract that establishes or modifies a Board policy must be approved by the Board.

2.2.2 The standing Board committees with delegated responsibility for transaction approvals are authorized to award, execute, and modify contracts within their areas of delegated responsibility when the contract value does not exceed $50,000,000, excluding taxes.

2.2.3 The CEO is authorized to award, execute, and modify competitively-procured contracts when the contract amount does not exceed the authorized budget or other Board authorization and when:

2.2.3.a The contract value for construction contracts and architectural and engineering services does not exceed $5,000,000, excluding taxes, and

2.2.3.b The contract value for materials, technology, and other services does not exceed $2,000,000, excluding taxes, and

2.2.3.c The term does not exceed 15 years, including options, and
2.2.3.d For construction contracts, the proposed amount does not exceed Sound Transit’s cost estimate by 20 percent or more.

2.2.4 For contracts with an approved contingency, the CEO is authorized to modify such contracts provided the following conditions are met:

2.2.4.a The estimated cost of the contract modification will not exceed funds available in the approved contingency for the scope as established in the subject contract,

2.2.4.b The contract provides for contract modifications, and the contract modification being exercised is within the scope of the original procurement, and

2.2.4.c The individual contract modification has been approved by appropriately delegated staff. Legal counsel must review any non-routine contract modifications.

2.2.5 The CEO will report monthly to the Board or standing Board committee with delegated responsibility regarding those competitively-procured contracts awarded, executed, and modified by the CEO pursuant to section 2.2.3 that exceed the federal simplified acquisition threshold, excluding taxes. The federal simplified acquisition threshold is currently $150,000, and the CEO will notify the Board when the federal simplified acquisition threshold changes.

2.2.6 The CEO is directed to establish and implement policies and procedures relating to procurement, contracting, contract administration, and contract close-out.

2.2.6.a Property, equipment, materials, supplies, services, and work must be procured efficiently and economically through a process that, to the extent practicable, facilitates full and open competition.

2.2.6.b The CEO may delegate the procurement and contracting authority provided in this resolution to appropriate Sound Transit employees.

2.2.6.c The CEO will ensure that Sound Transit complies with state law where specifically applicable to the award by Sound Transit of public contracts, including, without limitation, Title 39 RCW and chapter 60.28 RCW.

2.2.6.d The CEO may designate Sound Transit employees to act as the purchasing or contracting agents to implement the policies and provisions of this resolution.

2.2.6.e The CEO must establish procedures for considering and determining procurement protests and appeals. The CEO, or his or her designee, will render the final administrative determination on protests and appeals.

2.2.6.f When a procurement involves the expenditure of federal or state grant or contract funds, and the method of procurement required by such agency differs from the requirements of this resolution, the CEO will conduct the procurement in accordance with any mandatory applicable federal or state laws and regulations and as required by the grant.

2.2.6.g The CEO may require performance/payment bonds and/or bid bonds to secure the performance of public works or other contracts when in the agency’s best interests.
2.2.6.h To improve efficiency and minimize the disadvantages of traditional low-bid procurement and design-bid-build project delivery, these policies and procedures must include innovative procurement and contracting techniques and alternative procurement and project delivery methods.

2.2.6.i The CEO may include provisions in contracts awarded by Sound Transit that promote cooperation and motivate contractors or vendors to improve the project quality or function, to reduce the cost, or to save time in construction or delivery by using such methods as shared savings for value engineering, incentive payments, reimbursement for proposal or bid preparation expenses, and preconstruction planning and partnering.

2.2.6.j The CEO must provide an annual report to the Board summarizing the performance of the agency's procurement and contracts program including, but not limited to, accomplishments, challenges, and opportunities.

2.3 Competitive bidding

2.3.1 Contracts for work, equipment, goods, materials, supplies, and non-professional services that are estimated to exceed the federal simplified acquisition threshold, excluding taxes, and are procured based on price-related factors alone, must be awarded through publicly-advertised solicitations for competitive sealed bids when each of the following conditions are satisfied:

2.3.1.a Time permits the solicitation, submission, and evaluation of sealed bids,

2.3.1.b Award will be made based on price and other price-related factors,

2.3.1.c It is not necessary to conduct discussions with the responding bidders about their bids, and

2.3.1.d There is reasonable expectation of receiving more than one sealed bid.

2.3.2 The CEO may exercise discretion and reject any or all bids, or cancel or modify bid solicitations, when the CEO deems it to be in the best interests of the agency to reject, cancel, or modify bids or bid solicitations. The CEO may exercise discretion and waive minor irregularities in bid submittals.

2.3.3 The CEO may establish and use a small works process and limited public works process consistent with RCW 39.04.155.

2.4 Competitive proposals

2.4.1 When the CEO determines that it would be in the agency's best interest to use a best value procurement process rather than soliciting competitive sealed bids as described in section 2.3, contracts to procure equipment, materials, supplies, services, or other work may be awarded through publicly-advertised solicitations for sealed proposals, taking into consideration price and other established evaluation factors, which must, at a minimum, include past performance on Sound Transit contracts, if any.

2.5 Professional services

2.5.1 Except where the Board has approved a different procurement process in this resolution or other Board authorization, professional services to be performed by consultants, including, but not limited to, planning, engineering, construction management, financial, marketing, appraisal, and other specialized professional
services must be procured through competitive requests for proposals or qualifications.

2.5.2 The CEO may initiate the procurement of professional services in the following circumstances:

2.5.2.a When the services cannot be performed on a timely basis by employees of Sound Transit,

2.5.2.b The services are not part of employees’ regular and routine work,

2.5.2.c The services require specialized professional or technical expertise not available from employees, or

2.5.2.d The services are needed for only a specific period of time that does not warrant the hiring of an employee.

2.6 **Sole source procurements**

2.6.1 Notwithstanding any other provision of this resolution, when the CEO makes a written determination that there is only one source practicably available for that which is to be procured, a contract may be negotiated and awarded to that source without a competitive process.

2.6.2 Except as authorized in section 2.9, the Board must approve any sole source contract over $50,000,000, excluding taxes.

2.6.3 Except as authorized in section 2.9, the standing Board committees with delegated responsibility for transaction approvals are authorized to award, execute, and modify sole source contracts when the contract value does not exceed $50,000,000, excluding taxes.

2.6.4 The CEO is authorized to award, execute, and modify sole source contracts when the contract value does not exceed the federal simplified acquisition threshold, excluding taxes.

2.6.5 The CEO will report monthly regarding sole source contracts awarded, executed, and modified by the CEO that exceed $25,000, excluding taxes, as required by section 2.2.5.

2.7 **Proprietary procurements**

2.7.1 The CEO is authorized to order, acquire, and pay for spare parts, replacement parts, and equipment that can be acquired only from the manufacturer or from a single distributor or licensee when only proprietary items and services are compatible with the existing equipment and systems and the expenditure is in the best interests of Sound Transit and is included in the adopted budget or other Board authorization.

2.7.2 The CEO is authorized to enter into maintenance or subscription (e.g., software as a service) contracts for existing equipment and systems when only proprietary items and services are compatible with the existing equipment and systems, the original contract was competitively procured, the pricing is fair and reasonable, and the expenditure is in the best interests of Sound Transit and is included in the adopted budget or other Board authorization.

2.7.3 The CEO will report monthly regarding proprietary contracts awarded, executed, and modified by the CEO that exceed the federal simplified acquisition threshold, excluding taxes, as required by section 2.2.5.
2.8 Other delegations

2.8.1 The CEO may acquire, order, or pay for routine expenses of government, such as utilities charges, governmental taxes, publication and meeting expenses, and governmental fees for licenses and permits, when in the best interests of Sound Transit and when included in the adopted budget or other Board authorization.

2.8.2 The CEO is authorized to enter into reimbursement agreements with public and private utilities, including telecommunication providers, to relocate utilities when the expenditure is included in the adopted budget or other Board authorization.

2.8.3 The CEO is authorized to retain, or to cause to be retained through the general counsel, attorneys or law firms, or other appropriate professionals, experts, and support services, as necessary to provide general and specialized legal services, including litigation services, required by the agency. The CEO may pay for legal, expert, and related services based on a negotiated fixed fee for specific services or by hourly reimbursement not to exceed the established hourly rate, plus expenses, normally charged by the provider to the general public in the area when the expenditure is included within budget appropriations or other Board authorization. The CEO or general counsel may add the retained attorneys and law firms to the then-current on-call roster of qualified attorneys at the time the services are required and must manage the on-call roster consistent with the financial requirements of Motion No. M2001-61. The CEO or general counsel will inform the Board of the quarterly legal expenses.

2.8.4 The CEO is authorized to approve payments of claims, settlements, and judgments as may be in the best interests of Sound Transit when the expenditure does not exceed the authorized budget or other Board authorization.

2.8.5 The CEO is authorized to establish, select, fund, and administer existing or alternative employee compensation and benefit programs such as health, dental, vision, life, and disability insurance plans, and IRS Code 457 and 401(a) retirement plans and to pay the annual cost to administer and maintain these benefit plans within the adopted budget or other Board authorization.

2.8.6 The CEO is authorized to approve and reimburse employee business travel and other reasonable expenses necessary to conduct agency business.

2.8.7 The CEO, upon the written recommendation of the chief financial officer and legal counsel, may write-off uncollectible debts, provided that the amount of the debt is within the CEO’s delegated authority specified in section 2.2.3.a, reasonable efforts to collect the debt have been made, and the debt has been discharged in bankruptcy or the cost of collection exceeds the amount of the debt.

2.8.8 The CEO is authorized to enter into agreements under which Sound Transit will provide reimbursable services to others and for which Sound Transit will receive reimbursement, when such services are part of normal Sound Transit operations.

2.9 Emergency

2.9.1 Notwithstanding any other provision of this resolution, when any emergency requires the immediate execution of a contract for work or services, or any immediate purchases of materials, equipment, supplies, services, or construction items, the CEO is authorized to execute any contracts or make purchases necessary to respond to the existing emergency, provided that the CEO must make a written finding that an emergency exists.
2.9.2 At the first regular Board meeting following the written finding of the existence of an emergency, the CEO must request Board ratification of the finding of an emergency and of any purchases or contracts awarded and/or executed pursuant to that finding if the amount exceeds the federal simplified acquisition threshold, excluding taxes.

2.9.3 The CEO must keep the Board informed about the emergency and the progress of any contracts or purchases executed to address the emergency.

2.10 System expansion projects

2.10.1 The CEO is authorized to conduct preliminary project planning, scoping, environmental reviews, permitting, preliminary engineering, and environmental testing necessary for system expansion projects, provided the estimated combined cost of all such activities does not exceed $500,000, excluding taxes, and when the expenditure does not exceed the authorized budget or other Board authorization.

2.10.2 Unless the Board requests more frequent reporting, the CEO must report quarterly to the Board on the progress and status of system expansion projects.

2.10.3 The CEO must notify the Board in a timely manner if it becomes apparent that:

   2.10.3.a A system expansion project cannot be completed within the authorized amount including contingency,

   2.10.3.b Delays to a system expansion project will have negative financial, community, or operations implications, or

   2.10.3.c There is a possibility of substantial scope change to a system expansion project.

2.10.4 The CEO is authorized to increase the total authorized amount for contracts for system expansion projects to include betterments when the following conditions are met:

   2.10.4.a The requesting entity fully funds the betterment work,
   2.10.4.b The betterment work is in the scope of the contract,
   2.10.4.c No individual contract modification for betterment work exceeds $500,000, excluding taxes, and
   2.10.4.d The incorporation of such betterment work has no adverse impact on Sound Transit project work.

2.11 Agreements with government agencies, public and private rail entities, and nonprofit organizations

2.11.1 Any agreement that establishes or modifies a Board policy must be approved by the Board.

2.11.2 Unless the agreement is authorized under section 2.8, the Board must approve any agreement with another government agency when that agency is acting in its governmental capacity and the agreement implements the regional transit plan or involves a non-routine governmental function.

2.11.3 Subject to sections 2.11.1 and 2.11.2 and the monetary limitations in sections 2.2.2 and 2.2.3.a, standing Board committees and the CEO may enter into agreements on behalf of Sound Transit with any government agency for the provision or purchase of work, services, governmental approvals and mitigation requirements,
supplies, materials, and equipment whenever it has been determined to be in the best interest of Sound Transit.

2.11.4 Work, goods, or services acquired for Sound Transit by a government in the manner prescribed by the provisions of applicable law, charter, or regulation of such government is authorized in lieu of the conditions of this section 2.11.

2.11.5 Subject to section 2.11.1 and the monetary limitations in sections 2.2.2 and 2.2.3.a, standing Board committees and the CEO may enter into agreements on behalf of Sound Transit with public and private rail entities for the provision or purchase of work, services, supplies, materials, and equipment whenever it has been determined to be in the best interest of Sound Transit.

2.11.6 Subject to section 2.11.1 and the monetary limitations in sections 2.2.2 and 2.2.3.a, standing Board committees and the CEO may enter into agreements on behalf of Sound Transit with nonprofit organizations for the provision or purchase of work, services, supplies, materials, and equipment when the nonprofit is a sheltered workshop as defined by WAC 458-16-330 or whenever it has been determined to be in the best interest of Sound Transit.

2.12 Real property agreements

2.12.1 Section 2.12 applies to all agreements relating to the acquisition, use, or disposition of real property, including, but not limited to, purchase and sale agreements, deeds, leases, concession agreements, rental agreements, operating agreements, maintenance agreements, licenses, easements, access permits, rights of entry, and other use agreements (collectively real property agreements). This section 2.12 does not authorize acquisition of real property through the exercise of eminent domain.

2.12.2 The Board must approve real property agreements when the financial obligation of either Sound Transit or the other party exceeds $5,000,000 and for the grant by Sound Transit of permanent easements (excluding standard utility easements that service Sound Transit) or other property rights that deprive or substantially limit Sound Transit's use of essential property or property rights.

2.12.3 The standing Board committees with delegated responsibility for transaction approvals may approve real property agreements, within their area of delegated responsibility, that obligate Sound Transit or the other party to pay an amount not to exceed $5,000,000.

2.12.4 The CEO is authorized to execute the following real property agreements:

2.12.4.a All standard utility easements that service Sound Transit such as gas, water, sewer, electrical, and telephone,

2.12.4.b Real property agreements that allow the use of Sound Transit property when the right granted is ancillary to the normal operation of Sound Transit or its property and there is no new financial obligation owed by Sound Transit, and

2.12.4.c Real property agreements that obligate Sound Transit or the other party to pay an amount not to exceed $500,000; real property agreements that allow temporary use of Sound Transit property (such as leases, rights of entry, and temporary easements) must not exceed 10 years.
2.12.5 Real property agreements executed by the CEO must comply with the following conditions:

2.12.5.a The provisions conform to Sound Transit’s real estate policies and procedures,

2.12.5.b The price for the acquisition or use of real property does not exceed the authorized budget,

2.12.5.c The price does not exceed Sound Transit’s appraised value by more than ten percent, and legal counsel has approved any price in excess of Sound Transit’s appraised value, and

2.12.5.d The agreement is in a form approved by legal counsel.

2.12.6 The CEO must ensure compliance with all real property agreement terms and is authorized to take necessary measures to cause compliance or to protect Sound Transit, including, but not limited to, termination of an agreement, the giving of all notices provided for in an agreement, and filing actions for eviction, unlawful detainer, damages, and injunctive relief. The CEO may also take all necessary actions in connection with surety bonds, letters of credit, cash deposits, or other legal security and insurance coverage required pursuant to any real property agreements.

2.12.7 The CEO is authorized to take all necessary steps, including executing all required agreements, closing documents, deeds, decrees, and other necessary instruments to complete an authorized transaction to secure title to or to dispose of real property.

2.12.8 The CEO may execute agreements memorializing the exercise of an option to renew, sublease, or assign contained within an authorized real property agreement provided that the agreements are consistent with section 2.12.5 and provided that the combined original and new financial obligations and term durations are within the limits of section 2.12.4.

2.12.9 The CEO is authorized to apply for the vacation of streets or roads and to take all other steps necessary to acquire a fee interest in street or road ends or other public right of way ancillary to Sound Transit development when the estimated acquisition costs do not exceed $500,000 and do not exceed authorized budget.

2.13 **Surplus personal property (other than real property)**

2.13.1 The CEO may declare Sound Transit personal property surplus and may dispose of such property as the CEO determines to be in the best interests of Sound Transit, subject to applicable laws and Sound Transit policies.

2.13.2 When feasible, surplus personal property should be disposed of in a manner that provides reasonable and fair compensation to Sound Transit, provided that when the costs associated with disposing of the property exceed its reasonable value, the CEO is authorized to offer the property, without charge, to other public agencies or to be used to support the poor and infirm as allowed under Article VIII, Section 7 of the Washington State Constitution.

2.14 **Grants**

2.14.1 Sound Transit seeks to secure federal, state, and local grant funding through various sources to implement and maintain its voter-approved projects, programs, and services.
2.14.2 Sound Transit submits applications for projects, programs, and services that have been determined eligible for the source of grant funding. Any requirements specific to the proposed grant funding source are considered in cooperation with affected stakeholders.

2.14.3 The CEO or designee is authorized to approve and file applications for grant funding and accept and execute grant awards and agreements with grantor agencies on behalf of Sound Transit. The CEO must establish procedures to manage agency grant activities.

2.14.4 All of Sound Transit’s federally funded and/or regionally significant projects are included in the Puget Sound Regional Council’s Transportation Improvement Program. Sound Transit uses the Puget Sound Regional Council’s Public Participation Plan and outreach process to provide information to the public and provide opportunity for public review and comment for such projects.

2.14.5 Grant revenues are reported to the Board as part of Sound Transit’s financial statements. Grant revenues and assumptions are also reported to the Board as part of the annual update of the financial plan.

2.14.6 Sound Transit may partner with other agencies when developing grant funding applications. When applications for grant funding are made in partnership with another agency, the funding split is determined before submittal.

2.14.7 Sound Transit may support partners applying for grant funds whose projects benefit or enhance Sound Transit voter-approved projects, programs, and services. Sound Transit may pledge its investments, or in-kind donations, as a local match, taking into account any regulatory requirements that may apply to Sound Transit voter-approved projects, programs, and services. The CEO or designee may sign letters of support and commitment of local match for Sound Transit projects and any projects, programs, or services supported by Sound Transit.

2.15 Debarments and suspensions

2.15.1 The CEO may establish procedures for debarment and suspension actions. After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the CEO is authorized to debar a person, firm, or other legal entity for cause from consideration for award of contracts with Sound Transit for a period of not more than two years. The CEO is authorized to suspend a person, firm, or other legal entity from consideration for award of Sound Transit contracts for a period of not more than six months if, in the CEO’s discretion, there is probable cause for debarment.

2.15.2 The CEO’s decision of debarment or suspension, which must be reported to the Board at the next regular Board meeting, is the final and conclusive decision on behalf of Sound Transit, unless the Board determines otherwise.

2.16 Privatized contracts

2.16.1 The following provisions apply to contracts entered into by Sound Transit for work or services provided by private parties that retain an ownership interest in facilities used for such work or services:

2.16.1.a The specifications for each privatization contract that involves construction, reconstruction, maintenance, or repair of a facility must contain a provision stating the specified hourly minimum wage, not less than the Washington State or Davis Bacon Act prevailing wage,
whichever is higher, that must be paid to laborers, workers, or mechanics in each trade or occupation employed in the performance of such contract, either by the contractor, subcontractor, or other person doing or contracting to do the whole or any part of the work contemplated in the construction, reconstruction, maintenance, or repair of the facility.

2.16.1.b The CEO must ensure payment of prevailing wages by contractors and subcontractors on such work.

2.17 **Disadvantaged business enterprise and small business**

2.17.1 Sound Transit is committed to a policy of providing fair and representative employment and business opportunities for disadvantaged business enterprises and small businesses in the procurement of equipment, materials, supplies, and services purchased or work ordered for Sound Transit, consistent with those Sound Transit policies, procedures, and guiding principles in effect.

2.17.2 The CEO will take such steps as may be necessary to ensure that parties contracting with Sound Transit comply with all federal, state, and local laws, regulations, and ordinances pertaining to non-discrimination, equal employment, and affirmative action.

2.17.3 The CEO is further authorized and directed to utilize disadvantaged business enterprise and small business requirements or goals in Sound Transit's contracting as may be applicable under federal or state grant contracts or as may be imposed by federal and state laws and regulations or by Board policy.

2.17.4 The CEO will monitor the usage of disadvantaged business enterprises and small businesses to ensure Sound Transit's performance in this respect is consistent with the law and the Board's adopted policies and procedures.

2.18 **Green purchasing initiatives**

2.18.1 Sound Transit is committed to protecting the environment for present and future generations. That commitment includes encouraging and increasing the use of environmentally preferable products and services while remaining fiscally responsible. In its purchasing and contracting activities, the agency will balance overall life-cycle costs with minimizing environmental impacts, promoting human health and safety, conserving natural resources, and promoting sustainability.

3.0 **References**

3.1 Resolution No. 81-2 Code of Ethics

3.2 Resolution No. R2018-23 Budget Policy

3.3 Resolution No. R2018-10 Equitable Transit Oriented Development Policy

3.4 Resolution No. R2013-30 Real Property Excess, Surplus and Disposition Policy

3.5 Resolution No. 98-20-1 Real Property Acquisition and Relocation Policies, Procedures and Guidelines

3.6 Resolution No. R2004-06 Environmental Policy

3.7 Resolution No. R2007-12 Sustainability Initiative

3.8 Motion No. 17 Guiding Principles for Employment and Contracting

3.9 Motion No. 29 Policies to Implement Guiding Principles adopted in Motion No. 17
3.10 Resolution No. 80 Fair Work Environment Policy
3.11 Resolution No. R99-21 Project Labor Agreements Policy
3.13 Resolution No. R2009-24 Scope Control Policy
3.14 Motion No. M2002-22 Policy on Reimbursement to Sound Transit by Partner Agencies for Out of Scope Work
3.16 Resolution No. R2016-23 Authorizing the filing of applications with the Federal Transit Administration

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 27, 2018, to be effective on January 1, 2019.

Dave Somers
Board Chair

ATTEST:

Kathryn Flores
Board Administrator