



Agenda Item No. (4)(a)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of January 23, 2020

From: Amy Frye, Director, Capital and Grant Programs
Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**
(a) BUDGET INCREASE AND INCREASE IN THE CONTRACTS
AMOUNT RELATIVE TO CONTRACT NO. 2018-D-096, GRANTS
MANAGEMENT PROFESSIONAL SERVICES

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize a budget increase in the amount of \$200,000, with a corresponding increase in the contracts amount, relative to Contract No. 2018-D-096, *Grants Management Professional Services* in order to fund additional on-call grant development and professional support services.

This matter will be presented to the Board of Directors at its January 24, 2020, meeting for appropriate action.

Summary

The Golden Gate Bridge, Highway and Transportation District (District) has had success in securing grant funds aided by support services provided by the *Grants Management Professional Services* contract, so staff requests an increase in the total contract amount so that staff may continue developing competitive grant applications over the contract term.

As background, on November 16, 2018, the Board of Directors approved contracts with NWC Partners and WSP USA for professional support services in areas where factors such as the degree of specialization required or timeliness of work would not enable the use of permanent, in-house staff. Services requested from outside firms include economic/cost benefit analysis preparation, grant application development and writing, capital planning assistance, development of grants management best practices, and technical support for large, discretionary grant applications.

District staff play a key role in developing grant applications, and the professional support services complement the work that staff do in-house. These services will not displace or negatively affect

District staff. On the contrary, the support services augment staff's work and allow staff to apply for grant funding from several highly competitive state and federal programs.

Since January 2019, grants professional services have supported the District in five discretionary grant applications; two of those are currently in progress. One of the three submitted applications was successful: The Department of Transportation (DOT) awarded the District \$5.9 million in Ferry Passenger Discretionary funds for the acquisition of a new ferry vessel. The total funding awarded nationwide for this program was \$32.8 million. The services have also supported efforts that inform the District's capital and grant planning strategy. Staff plans to continue submitting discretionary grant applications at the current rate of five to six per year for the next several years.

Utilizing experts to develop cost benefit analyses for large discretionary grant applications has become an industry standard within the region. Agencies such as Bay Area Rapid Transit (BART), Caltrain, and San Francisco Municipal Transportation Agency (SFMTA) have contracted out for similar services in previous grant cycles and received over \$350 million dollars in competitive awards. The District has received feedback from the DOT that a more thorough cost benefit analysis would make a future application for Phase IIIB of the Seismic Retrofit Project more competitive. With consultant support from the Grants Management Professional Services contract, the District is addressing DOT's feedback and developing applications for other discretionary funding opportunities. As the District continues to compete for grant funding with other transit operators in the region and across the nation, access to specialized consulting services at the appropriate level of expertise will provide the District a competitive advantage.

Fiscal Impact

The current contracts allow on-call professional support services for a three-year term, with two additional one-year options, to be exercised at the General Manager's discretion; in a total not-to-exceed amount of \$375,000 and \$75,000 annually. The demand for the expert services has exceeded expectations that it would be even each year of the five-year period of the contract. In the first two years of the contract, \$155,360 has been expensed for services, exceeding the combined annual authority. Based on the grants workload planned for the near term, staff estimates we will need an additional \$200,000 during the remaining contract term to support ongoing and future grant applications. The total not-to-exceed amount would increase from \$375,000 to a total of \$575,000 for both contracts and staff will amend the contracts to remove the \$75,000 annual cap.

These services are provided pursuant to task orders, on either a firm fixed price or time and materials basis, as appropriate for the work involved. Funding for the task orders will be based on the approved Operating Budget for the fiscal year in which these task orders are implemented.