

STAFF REPORT FOR CALENDAR ITEM NO.: 8.2
FOR THE MEETING OF: March 13, 2025

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorize the Executive Director to execute Amendment No. 02 to Agreement No. 19-03-FIN-002 (Agreement), Financial Consulting Services between the Transbay Joint Powers Authority (TJPA) and NWC Partners Inc. (NWC), exercising an option to extend the contract by one (1) two (2) year additional term to April 8, 2027, increasing the compensation under the Agreement by \$585,706 for a revised not-to-exceed amount of \$2,235,523 for the approved term of the Agreement, adjusting Contractor's hourly rates, and codifying a change in subcontractor.

EXPLANATION:

The current Financial Consulting Services contract with NWC expires on April 8, 2025. The TJPA Chief Financial Officer would like to exercise one of the two options listed in the Professional Services Agreement which allows an additional two years to be added to extend the contract term, adjust Contractor's hourly rates, and codify a change in subcontractor.

On November 6, 2019, TJPA issued Request for Proposals (RFP) No. 19-03 for Financial Consulting services, seeking firms with expertise in grants administration, financial planning, financial analysis, financial monitoring and reporting, and administrative support in all these areas, on an if-and-as-needed basis. The TJPA's objective in contracting for these services is to ensure receipt of sufficient funds, to identify revenue streams necessary to complete design and construction of the Downtown Rail Extension, also known as The Portal, to manage those funds through appropriate budgeting, and assist in efficient and effective administration in support of the management of the TJPA. The TJPA looks to the financial consulting team to be responsible for supporting staff and the program control functions of other TJPA consultants to help ensure that all elements of the Transbay Program are completed and delivered on time and within budget.

On April 9, 2020, the TJPA awarded two professional services agreements through this solicitation, one to NWC and one to Rockfleet Financial Services, Inc., to provide services in their respective areas on an as-needed basis for a five-year term, with the option to extend for two additional two-year terms, for a maximum compensation under both agreements of \$7,100,000.

On July 13, 2024, the TJPA and NWC entered Amendment No. 01 to the Agreement, increasing the compensation under the Agreement by \$395,000 for a total not-to-exceed contract amount of \$1,649,817. The increase in compensation under Amendment No. 01 did not exceed the total maximum compensation the Board approved.

Staff recommends TJPA exercise its first option to extend the Agreement term by two (2) years to April 8, 2027, and increase the maximum compensation under the Agreement by the amount of \$585,706 for a revised not-to-exceed amount of \$2,235,523.

The Agreement contemplates that Contractor's hourly rates may be adjusted for reasonable cost of living increases. Staff recommends a modest adjustment to the rates that does not exceed cost of living as reflected in Appendix B.

The Agreement permits the Contractor to subcontract portions of the services and to substitute subcontractors with the TJPA Executive Director's prior written consent. Staff recommended and the Executive Director approved a change in subcontractors; the change would be codified as shown in Appendix B.

NWC has demonstrated strong performance under the contract, consistently delivering high-quality financial consulting services. They have provided significant value by ensuring financial-related deliverables are completed accurately and on time. Their deep understanding of TJPA's financial structure, operations, and funding requirements has been instrumental in supporting key financial initiatives. NWC has assisted TJPA in developing the Anticipated Disadvantaged Business Enterprise (DBE) Participation Level (ADPL) goal and is currently working on the new triennial goal. Additionally, NWC has played a crucial role in securing and managing grant funding, including Regional Measure 3, Transit and Intercity Rail Capital Program and Proposition L, as well as in grant reporting processes. Their expertise and reliability have been essential in maintaining TJPA's financial stability and compliance with funding requirements.

RECOMMENDATION:

TJPA staff recommends that the TJPA Board authorize the Executive Director to execute Amendment No. 02 to the Agreement with NWC in the form presented, exercising an option to extend and making other changes as described.

ENCLOSURES:

1. Resolution
2. Amendment No. 02

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The Transbay Joint Powers Authority (TJPA) requires the services of financial consulting firms to provide expertise in grants administration, financial planning, financial analysis, financial monitoring and reporting, and administrative support for the Transbay Program; and

WHEREAS, On November 6, 2019, the TJPA issued Request for Proposals (RFP) No. 19-03 for Financial Consulting services; and

WHEREAS, The TJPA received two responses to the RFP that met all minimum qualifications and requirements, from NWC Partners Inc. (NWC) and Rockfleet Financial Services; and

WHEREAS, A selection committee evaluated the written proposals and interviewed both firms, and determined both firms met the specific needs of TJPA albeit in different areas; and

WHEREAS, The selection committee recommended NWC and Rockfleet Financial Services to serve as a bench of financial consultants to provide services in their respective areas on an as-needed basis for a five year term, with the option to extend the term for two additional two-year terms, for a total maximum compensation under both bench agreements of \$7,100,000; and

WHEREAS, On April 9, 2020, the TJPA Board of Directors adopted Resolution No. 20-014, which authorized the Executive Director to execute professional services agreements for financial consulting services with NWC and Rockfleet Financial Services to provide services in their respective areas on an as-needed basis for a five year term, with two options to extend the term for two years each, for a total maximum compensation under both agreements of \$7,100,000; and

WHEREAS, On June 13, 2024, the TJPA and NWC entered Amendment No. 01 to the Agreement, increasing the compensation under the Agreement by \$395,000 for a total not-to-exceed contract amount of \$1,649,817. The increase in compensation under Amendment No. 01 did not exceed the total maximum compensation the Board approved pursuant to Resolution 20-014; and

WHEREAS, The TJPA staff recommend the TJPA Board authorize the option to extend the Agreement term by two (2) years and increase the maximum compensation under the Agreement accordingly without changing the scope, approve adjustments to Contractor's hourly rates, and codify a change in subcontractor providing services under the Agreement; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute Amendment No. 02 to the Agreement between the TJPA and NWC, in the form presented.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of March 13, 2025.

Secretary, Transbay Joint Powers Authority

**Amendment No. 02
Professional Services Agreement between
the Transbay Joint Powers Authority and
NWC Partners Inc.**

THIS Amendment No. 02 to the Professional Services Agreement, 19-03-FIN-002, to Financial Consulting Services dated April 9, 2020, as previously amended June 13, 2024 (“Agreement”), is entered into effective as of the ___ day of _____, 2025 in San Francisco, California, by and between **NWC Partners Inc.** (“Contractor”), and the **Transbay Joint Powers Authority** (“TJPA”).

Recitals

- A. On April 9, 2020, the TJPA Board of Directors adopted Resolution No. 20-014 authorizing the Executive Director to execute professional agreements for financial consulting services with NWC Partners Inc. and Rockfleet Financial Services in substantially the form presented to provide services in their respective areas on an as-needed basis for a five-year term, with two options to extend the term for two years each, for a maximum compensation under both agreements of \$7,100,000.
- B. On June 13, 2024, the TJPA and Contractor entered Amendment No. 01 to the Agreement, increasing the compensation under the Agreement by \$395,000 for a total not-to-exceed contract amount of \$1,649,817. The increase in compensation under Amendment No. 01 did not exceed the total maximum compensation the Board approved pursuant to Resolution No. 20-14.
- C. The TJPA and Contractor desire to exercise one option to extend the Agreement term by two (2) years and increase the maximum compensation under the Agreement accordingly without changing the scope; approve adjustments to Contractor’s hourly rates; and codify a change in subcontractor providing services under the Agreement.
- D. On _____, 20___, the TJPA Board of Directors adopted Resolution No. _____ authorizing the TJPA’s Executive Director to execute this Amendment No. 02 to the Agreement.
- E. The TJPA and Contractor intend that this Amendment No. 02 to the Agreement complies with the regulations of the United States Department of Transportation (“USDOT”).

Terms and Conditions

Now, therefore, the TJPA and Contractor agree to amend the following sections of the Agreement in their entirety to read as follows:

- 1. Section 2 Term of the Agreement, is hereby modified as follows:
 - 2. **Term of the Agreement**

Subject to Section 1, the term of this Agreement shall be for ~~five~~ **seven** years from the Effective Date of the Agreement, as described in Section 3 below, provided that (i) the TJPA shall have the right to extend this Agreement for ~~two~~ **one** additional two-year terms by providing to the Contractor written notice of such extension on or before the expiration of this Agreement, and (ii) any such extension shall be subject to and conditioned upon the written agreement of the Contractor and the approval of such extension by the TJPA.

2. Section 5 Compensation, is hereby modified as follows:

5. Compensation

All work under this Agreement shall be compensated on an hourly basis, subject to any maximum price set forth in a particular NTP. In no event shall the total compensation under this Agreement exceed ~~one million six hundred forty nine thousand eight hundred seventeen dollars and no cents (\$1,649,817)~~ **Two Million, Two Hundred Thirty Five Thousand, Five Hundred Twenty Three Dollars (\$2,235,523)**. In the event that the TJPA elects to exercise the ~~two~~ **one** two-year options, the maximum compensation shall increase by an amount not to exceed ~~one million one hundred seventy one thousand four hundred eleven dollars and no cents (\$1,171,411)~~ **Five Hundred Eighty Five Thousand, Seven Hundred Six Dollars (\$585,706)**. The breakdown of the Contractor's fees appears in Appendix B, ("Fees").

Hourly rates for services are to remain fixed during the entire contract period, including any option periods, except for reasonable cost of living increases and pursuant to Appendix B.

No charges shall be incurred under this Agreement nor shall any payments become due to the Contractor until the Services required under this Agreement are received from Contractor and approved by the Executive Director as being in accordance with this Agreement. The TJPA may withhold payment to the Contractor in any instance in which the Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall the TJPA be liable for interest or late charges for any late payments.

3. Appendix B. Fees, of the Agreement is hereby amended to update the maximum compensation, hourly rates, and subcontractor information in the form attached hereto.

The Agreement is amended only to the extent expressly provided herein; all other provisions of the Agreement shall remain in full force and effect.

The individuals executing this Amendment No. 02 to the Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties hereto have executed this contract Amendment No. 02 as of the day first mentioned above.

**TRANSBAY JOINT POWERS
AUTHORITY**

CONTRACTOR
NWC Partners Inc.

Adam Van de Water
Executive Director

Mary Pryor
Co-President
NWC Partners Inc.
64 Kingston Road
Kensington, CA 94707
Phone: (415) 896-6945
Tax Identification No.: 47-1214219

Transbay Joint Powers Authority
Board of Directors
Resolution No. _____
Adopted: _____
Attest:

Secretary, TJPA Board

Approved as to Form by:

TJPA Legal Counsel

**APPENDIX B - AMENDED
FEES**

All work under this Agreement shall be compensated on an hourly basis, subject to any maximum price set forth in a particular NTP. In no event shall the total compensation under this Agreement exceed ~~one million six hundred forty nine thousand eight hundred seventeen dollars and no cents (\$1,649,817)~~ **Two Million, Two Hundred Thirty Five Thousand, Five Hundred Twenty Three Dollars (\$2,235,523)**. In the event that the TJPA elects to exercise the ~~two~~one two -year options, the maximum compensation shall increase by an amount not to exceed ~~one million one hundred seventy one thousand four hundred eleven dollars and no cents (\$1,171,411)~~ **Five Hundred Eighty Five Thousand, Seven Hundred Six Dollars (\$585,706)**.

Contractor – NWC Partners:

Staff Name	Staff Function	Hourly Rate
Mary Pryor	Partner/ Lead Analyst	\$260 <u>\$292</u>
Tina Spencer	Partner/ <u>Analyst</u>	\$260 <u>\$292</u>

Subcontractor — Sperry Capital:

Staff Name	Staff Function	Hourly Rate
Bryant Jenkins	Principal	\$390
TBD	Senior Principal	\$360
TBD	Senior Associate	\$300
TBD	Associate	\$270
TBD	Analyst	\$225

Subcontractor – Gloria Salazar

Staff Name	Staff Function	Hourly Rate
<u>Gloria Salazar</u>	<u>Sole Proprietor/Analyst</u>	<u>\$225</u>

As provided in Section 5 of the Agreement, the above hourly rate schedule may be adjusted from time-to-time with prior approval from TJPA, but no more frequently than annually, for reasonable cost of living increases based upon the San Francisco Bay Area Consumer Price Index.

There shall be no mark-up by the Contractor for the cost of subcontractors retained by the Contractor in the performance of the Services.

The flat and hourly rates above shall include all incidental expenses of the Contractor, including the costs of toll telephone calls, document binding, filing fees, express mail, delivery charges, courier service, in- and out-of-house photocopying, facsimiles, transportation, travel, automobile rental, taxicab fares, parking, meals, secretarial services, printing, internet, computer, overhead, administration, and other costs and charges incurred by the Contractor or the Contractor's subcontractors.