

PRESENTED & ADOPTED: OCTOBER 28, 1999
SUBJECT: APPROVAL OF THE ESTABLISHMENT OF A
REIMBURSABLE PROJECT POLICY AND PROJECT RESERVE FUNDS

#99-63
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, from time to time the Authority is called upon to provide assistance and services on behalf of the local jurisdictions, state governments, and other entities; and

WHEREAS, the Board of Directors encourages staff to support, to the extent possible, requests by the local jurisdictions and state governments that are of benefit to the Authority, provided that such projects do not affect the approved annual operating, capital improvement program or rail construction budgets or subsidies; and

WHEREAS, over the past several years, the number and complexity of reimbursable project requests have been increasing so as to require a definitive set of policy guidelines for recommending such requests to the Board Budget Committee for review and to the Board of Directors for approval; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors encourages staff to support, to the extent possible, requests for reimbursable projects by the local jurisdictions and state governments that are beyond the annual operating, capital improvement program and rail construction budgets and subsidies approved by the Board of Directors; and

1. That a Reimbursable Project, excluding adjacent construction projects, charter bus services, and projects with a full funding grant agreement shall be classified as either Reimbursable Services/Projects or Reimbursable Fixed Price Contracts and shall be fully funded (including all direct and indirect costs, insurance, and associated overhead costs), and paid for by the entity requesting the project; and
2. That upon request by a local jurisdiction, state government, or other entity, the General Manager shall present to the Board Budget Committee for review and to the Board of Directors for approval, a project description,

staffing, funding and duration of each request for a reimbursable project; except the General Manager may approve Reimbursable Projects with participating jurisdictions and state governments, provided that such projects do not require additional positions and do not exceed \$200,000; and the Board will be notified in advance of such actions; and

3. That the General Manager shall ensure that staffing and funding for a Reimbursable Project will be available so as to not require any staff or funds from the operating, capital improvement program or rail capital budgets or subsidies; and
4. That funding for all Reimbursable Projects shall be available in advance, except those under a Reimbursable Fixed Price Contract which may be paid in arrears; and
5. That pricing for all Reimbursable Fixed Price Contracts with an arrears payment schedule will include the cost of money; and
6. That either signed arrears payment contracts or funds for advance payments must be in place before work on a project begins; and
7. That the funds for Reimbursable Projects are payable within 30 days after the billing date, and all accounts that are not paid by the 31st day after billing are considered delinquent and will be assessed a late payment penalty and interest charge, except that the Authority will be responsible for any billing errors; and
8. That the Board of Directors will be notified of any Reimbursable Project for which payment is 90 days past due, that the project will cease when payment is 120 days past due, unless the Board of Directors authorizes continuation of the project; however, in no case, without approval of the Board of Directors, will the amount overdue for a project exceed the amount available in the Reimbursable Project Reserve; and
9. That if a project is discontinued for non-payment or non-adherence to project and funding agreements, the requesting party will be responsible for close-out and termination costs; and

10. That the Board authorizes and directs the use of the \$1.0 million new service reserve, established by Resolution #98-14, to establish the Reimbursable Project Reserve; and
11. That the Reimbursable Project Reserve shall be additionally funded from any savings realized at the completion of any Reimbursable Fixed Price Projects and shall be used to offset potential cost overruns and start-up costs for Reimbursable Fixed Price Contracts, delinquent payments from any Reimbursable Project, and to cover ineligible costs for reimbursable services agreements; and
12. That the General Manager is authorized, in the event that the Reimbursable Project Reserve balance is inadequate, to borrow from the Operating Claims Reserve, such borrowed funds to be repaid with interest as reimbursable program funds become available; and
13. That at the completion of a Reimbursable Services/Project, any savings realized or shortfalls incurred shall be returned or billed, respectively, to the participating jurisdiction; and
14. That a Reimbursable Projects Insurance and Claims Reserve will be established in an amount necessary to provide appropriate insurance coverage and funding for claims up to the deductible with the reserve level reviewed annually by an actuary; and
15. That the Reimbursable Projects Insurance and Claims Reserve will be funded by each project to provide protection for workers compensation, third party claims, errors and omissions, and property damage; and
16. That the General Manager is authorized, in the event that the Reimbursable Projects Insurance and Claims Reserve balance is inadequate for insurance deductibles, to borrow from the Operating Claims Reserve, such borrowed funds to be repaid with interest as reimbursable program funds become available; and
17. That upon completion or termination of a Reimbursable Project, the staffing positions associated with the project will be deleted and removed from the Authority's position authorization; and

BE IT FURTHER RESOLVED, that the General Manager will provide to the Board Budget Committee the Policy/Instruction setting forth the procedures for Reimbursable Services/Projects and Reimbursable Fixed Price Contracts;

BE IT FURTHER RESOLVED, that the General Manager shall submit to the Board Budget Committee a quarterly report on the status of the Reimbursable Services/Projects and Reimbursable Fixed Price Contracts; and

BE IT FURTHER RESOLVED, that this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency.

Cheryl C. Burke
General Counsel

Motion by Mrs. Mack, seconded by Mr. Zimmerman, and unanimously approved.
Ayes: 6 - Mrs. Hanley, Mrs. Mack, Mr. Trotter, Mr. Zimmerman, Mr. Barnett
and Mr. Catania