



February 25, 2016
1:00 p.m.

AGENDA

**Board Executive Committee Meeting
Riverside County Administration Center
Board of Supervisors Conference Room C
4080 Lemon Street, Fifth Floor
Riverside, CA 92501**

Any person with a disability who requires a modification or accommodation in order to participate in this meeting, or any person with limited English proficiency (LEP) who requires language assistance to communicate with the Riverside Transit Agency Board of Directors during the meeting, should contact the Riverside Transit Agency Clerk of the Board, telephone number (951) 565-5044, no fewer than two business days prior to this meeting to enable the Riverside Transit Agency to make reasonable arrangements to assure accessibility or language assistance for this meeting.

Agenda item descriptions are intended to provide members of the public a general summary of business to be conducted or discussed. Posting of any recommended action on an agenda item does not indicate what action will be taken. The Board of Directors may take any action it believes is appropriate on the agenda item and is not limited in any way by the notice of any recommendation.

All documents related to any agenda item are available for public inspection at www.riversidetransit.com or through the Clerk of the Board's office at the Riverside Transit Agency, 1825 Third Street, Riverside, CA 92507.

ITEM

RECOMMENDATION

- 1. CALL TO ORDER**
- 2. SELF-INTRODUCTIONS**

ITEM

RECOMMENDATION

3. PUBLIC COMMENTS – NON-AGENDA ITEMS

RECEIVE COMMENTS

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Each person's presentation is limited to a maximum of three (3) minutes.

4. APPROVAL OF MINUTES – JANUARY 21, 2016, SPECIAL EXECUTIVE COMMITTEE MEETING (P.3)

APPROVE

5. FEDERAL TRANSIT ADMINISTRATION (FTA) TRIENNIAL AUDIT

DISCUSS

6. APPROVE REVISIONS TO THE AGENCY'S PROCUREMENT POLICIES AND PROCEDURES MANUAL (P.6)

APPROVE

7. CLOSED SESSION

A CLOSED SESSION WILL BE HELD PURSUANT TO GOVERNMENT CODE SECTION 54957.6 TO DISCUSS THE COLLECTIVE BARGAINING AGREEMENT NEGOTIATIONS WITH THE AMALGAMATED TRANSIT UNION, LOCAL 1277. THE DESIGNATED REPRESENTATIVE FOR THE RIVERSIDE TRANSIT AGENCY IS LARRY RUBIO, AND THE DESIGNATED REPRESENTATIVE FOR THE AMALGAMATED TRANSIT UNION, LOCAL 1277 IS ARTURO E. AGUILAR.

8. NEXT MEETING

Thursday, March 24, 2016, 1:00 p.m.
Riverside County Administration Center
Board of Supervisors Conference Room C
4080 Lemon Street, Fifth Floor, Riverside, CA 92501

9. MEETING ADJOURNMENT

RTA SPECIAL BOARD EXECUTIVE COMMITTEE MEETING
Minutes
January 21, 2016

1. CALL TO ORDER

Chairman Johnston called the Special Board Executive Committee meeting to order at 1:00 p.m. on January 21, 2016, in the Board of Supervisor's Conference Room C, 4080 Lemon St., Riverside, CA.

2. SELF-INTRODUCTIONS

Self-introductions of those in attendance took place.

Committee Attendees

1. Chairman Frank Johnston, City of Jurupa Valley
2. Second Vice-Chair Art Welch, City of Banning
3. Director Randon Lane, City of Murrieta
4. Director Brenda Knight, City of Beaumont

Absent

1. Immediate Past Chair Marion Ashley, County of Riverside District V
2. First Vice-Chair, Linda Krupa, City of Hemet

RTA Staff

1. Larry Rubio, Chief Executive Officer
2. Craig Fajnor, Chief Financial Officer
3. Vince Rouzaud, Chief Procurement & Logistics Officer
4. Jim Kneepkens, Director of Marketing
5. Eric Ustation, Government Affairs Manager

Other Attendees

1. James Donich, Agency General Counsel

3. PUBLIC COMMENTS - NON-AGENDA ITEMS

None.

4. APPROVAL OF MINUTES – DECEMBER 17, 2015 EXECUTIVE COMMITTEE MEETING

M/S/C (KNIGHT/LANE) approving the minutes of the December 17, 2015 Executive Committee meeting.

The motion carried unanimously.

5. TRANSPORTATION NOW QUARTERLY ATTENDANCE REPORT

Mr. Ustation presented the Transportation NOW Quarterly Attendance Report.

6. 2016 FEDERAL AND STATE LEGISLATIVE PROGRAM

M/S/C (LANE/WELCH) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Approve proposed 2016 Federal and State Legislative Program.

The motion carried unanimously.

7. ACCESS TO DIVISION II LOCATED IN HEMET BY THE HEMET POLICE DEPARTMENT

Mr. Rouzaud made a presentation regarding access to Division II located in Hemet by the Hemet Police Department.

8. AUTHORIZE A ONE-TIME INCENTIVE PAYMENT FOR MAINTENANCE EMPLOYEES FOR ACHIEVING 1,000 CONSECUTIVE DAYS WITHOUT A LOST TIME INJURY, AND AUTHORIZE AN AGENCY LUNCHEON TO RECOGNIZE THESE EMPLOYEES

M/S/C (LANE/WELCH) approving and recommending this item to the full Board of Directors for their consideration as follows:

- Authorize a one-time payment of \$380 per maintenance employee for achieving this major milestone;
- Authorize an Agency-wide luncheon to recognize these employees with certificates and commemorative pins.

The motion carried unanimously.

9. NEXT MEETING

Thursday, February 25, 2016, 1:00 p.m.
Riverside County Administration Center
4080 Lemon St., 5th Floor, Conference Room C
Riverside, CA 92501

10. MEETING ADJOURNMENT

The meeting was adjourned at 1:16 p.m.

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

February 25, 2016

TO: BOARD EXECUTIVE COMMITTEE

THRU: Larry Rubio, Chief Executive Officer

FROM: Vince Rouzaud, Chief Procurement and Logistics Officer

SUBJECT: Approve Revisions to the Agency's Procurement Policies and Procedures Manual

Summary: The Agency, as a recipient of federal funding programs, is required to have formalized procurement policies and procedures that comply with federal laws and regulations, specifically Federal Transit Administration (FTA) Circular 4220.1F (Circular), entitled Third Party Contracting Guidance.

This Circular describes the requirements that FTA recipients or sub-recipients must follow to ensure that federal funds are expended in compliance with all applicable federal guidelines while ensuring fair and open competition in all procurements. These requirements are outlined in the Agency's Procurement Policies and Procedures Manual (Procurement Manual) which is reviewed by the FTA every three years as part of the triennial review process to ensure Agency compliance with the Circular.

On February 18 and 19, the consulting firm Calyptus Consulting Group conducted a triennial review of the Agency on behalf of the FTA. During the review it was suggested the Agency modify its Procurement Manual to address contract/project management activities that occur post award. While these activities are shared responsibilities and are currently being performed by staff managing capital projects in conjunction with procurement, they are not documented in any policy or procedures manual.

Since the Procurement Manual includes an existing section that addresses contract administration responsibilities, staff is recommending that this section be expanded to incorporate all

post-award administrative and/or project management responsibilities.

To assist in identifying the specific changes within the manual, the changes in the attached document are shown in bold, italicized and underlined text. A summary of the changes is listed below:

Page/Section #	Change
Cover Page	The Board of Directors approval date has been changed from May 2015 to February 25, 2016.
Page 23, Section 2.3.4	Expanded Contract Administration Procedures.

Fiscal Impact:

There is no fiscal impact associated with this action.

Recommendation:

Approve and recommend this item to the full Board of Directors for their consideration as follows:

- Approve the above revisions to the Agency's Procurement Policies and Procedures Manual.



Purchasing Policies and Procedures Manual

**1825 Third Street
Riverside, CA 92507**

Authorized by the Board of Directors
Date Approved: May 28, 2015
Proposed changes February 25, 2016



Purchasing Policy and Procedures Manual

Approved by RTA Board of Directors

Date Approved: ***February, 2016***

OVERVIEW

The purpose of this purchasing manual is to provide general guidelines on conducting procurements that meet the standards of Federal Transit Administration (FTA) Circular 4220.1F. This circular sets forth the requirements that RTA must adhere to in the solicitation, selection and administration of federally funded contracts. In addition, where appropriate, many procedures and practices have been adopted from the FTA's Best Practices Procurement Manual. One of the principles of contracting with Federal funds received from the FTA is a recognition that, as a condition of receiving the funds, certain specific Federal requirements must be met not only by RTA but also by contractors and subcontractors of RTA. This manual will enable staff to comply fully with those as well as other state and local requirements. In addition, this manual will help aid procurement staff in making business judgments based upon the application of sound procurement policies and procedures.



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Date Approved: **February, 2016**

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APPENDIX

**APPENDIX A – Governing Documents; Required Contract Provisions
FTA Circular 4220.1F**

APPENDIX B – Forms

APPENDIX C – RTA DBE Section



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Date Approved: **February, 2016**

ABBREVIATIONS

FTA	FEDERAL TRANSIT ADMINISTRATION
DBE	DISADVANTAGED BUSINESS ENTERPRISE
CEO	CHIEF EXECUTIVE OFFICER
A/E	ARCHITECTURAL AND ENGINEERING
IFB	INVITATION FOR BID
RFQ	REQUEST FOR QUOTE
RFP	REQUEST FOR PROPOSAL
GSA	GENERAL SERVICE ADMINISTRATION
BAFO	BEST AND FINAL OFFER
GL	GENERAL LEDGER
CFO	CHIEF FINANCIAL OFFICER
IRS	INTERNAL REVENUE SERVICE
UCP	UNIFIED CERTIFICATION PROGRAM
DBELO	DISADVANTAGED BUSINESS ENTERPRISE LOGISTICS OFFICER



Purchasing Policy and Procedures Manual

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1. POLICIES, GOALS AND OBJECTIVES

It is the responsibility of the Purchasing and Materials Management Department to coordinate, monitor, and record all activities in connection with the purchasing of supplies, equipment, construction and other services. The Department is also responsible for the management and disposition of RTA surplus personal property.

In the course of performing its responsibilities, the Purchasing Department is guided by certain policy objectives, broadly stated as follows:

- A. Ensure that public funds are expended properly and that the integrity of the procurement process is maintained.
- B. Achieve and promote cost effective procurements by:
 - 1. Analyzing alternative approaches for procurement, such as: time-share, lease, and intergovernmental/interagency agreements.
 - 2. Structuring procurements by consolidating similar products and taking advantage of “economies of scale”.
 - 3. Eliminating purchases of unnecessary or duplicate items and services.
 - 4. Encouraging price and quality competition among suppliers, contractors and consultants.
- C. Ensure full and open competition as well as equitable treatment between vendors.
- D. Utilize competent technical expertise where needed in the initiation and administration of procurements and contracts.
- E. Adhere to participation goals and procedures within the RTA Disadvantaged Business Enterprise (DBE) Program.
- F. Follow the procedures of the Purchasing Manual.
- G. Perform all duties and responsibilities in compliance with federal, state and local laws and regulations, consistent with RTA standards of conduct and ethics.
- H. Ensure that business judgments are based upon the application of sound procurement policies and procedures.
- I. Ensure that there is an adequate system of checks and balances in the procurement process.



Purchasing Policy and Procedures Manual

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Date Approved: **February, 2016**

1.1 Standards of Conduct

A. Duty to Disclose. No employee, officer, agent, immediate family member, or Board member of RTA shall be involved in any purchasing decisions, tasks, or procedures (including participation in initiation, award, or administration of a contract) in which they or persons related to them have a real or apparent conflict of interest, as more particularly defined in Subsection B, below. In cases where there may be such conflict of interest, the individual employee, officer, agent or Board Member has the responsibility to report in writing such conflict to the Chief Procurement and Logistics Officer. Failure to make such disclosure is subject to penalties, sanctions or other disciplinary action.

B. Conflict of Interest. The Political Reform Act of 1974 maintains a conflict of interest code, Section 81000, et seq., and as amended through December 13, 2012, under which certain designated employees and Board Members are required to disclose economic interests and are prohibited from participating in decisions that may have an effect on their financial interests.

For the purpose of this Standards of Conduct section, it is further required that no employee, or Board Member of RTA shall participate in procedures, tasks, or decisions relative to initiation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when: (a) the employee, or Board Member; (b) any member of his or her immediate family; (c) his or her business associate; or (d) an organization which employs, or which is about to employ, any of the above has a financial or other interest in a firm that participates in a RTA bidding process or that is selected for an award.

C. Gratuities and Contingent Fees. No employee, officer, agent or Board Member of RTA shall knowingly solicit, accept, or agree to accept, gifts, gratuities, or favors in connection with actual or potential procurement and contracting activities.

D. Confidential Information. No member of the Purchasing Department staff shall use confidential information for his or her actual, anticipated, or apparent personal gain, or for the actual, anticipated, or apparent personal gain of any person related to such employee as such relationship is defined in Subsection B, above. "Confidential Information" is defined as any proprietary, privileged, or nonpublic information, coming to the employee's attention as a result of employment by RTA, the knowledge of which makes possible financial gain.



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- E. Discipline for Violation. The violation of any of these Standards of Conduct will subject the violator to any disciplinary proceedings or action deemed appropriate by RTA, up to and including dismissal.

1.2 Delegation of Authority

- A. The Board of Directors of the RTA authorizes and delegates to the Chief Executive Officer (CEO) the authority and responsibility to:

1. Approve and execute all Purchase Requisitions.
2. Approve and execute all Purchase Orders and Contracts with a value of or less than \$100,000.
3. Approve and execute Change Orders and Contract Amendments, as may be necessary, with a value of or less than \$100,000. (Board approved contracts)
4. Approve and execute sole source procurements with a value of or less than \$25,000.
5. Execute all contract documents including purchase orders, blanket purchase orders, contracts, change orders, and contract amendments after any necessary approval by the Board of Directors of RTA.

All of the above shall be within the approved RTA official budget and consistent with the established policies and approved projects of RTA.

Any purchase order, contract, contract change order, or contract amendment, with a value in excess of the amounts set forth above, shall be submitted for approval to the Board of Directors of RTA prior to execution.

In those instances, where work must progress immediately, the CEO may approve any purchase order, contract, change order, or contract amendment within the budget and under an approved project. The facts and circumstances of such action shall be reported to the Board of Directors at its next meeting for ratification.

- B. The CEO may delegate in writing any of the authorities granted by the Board of Directors, provided, however, he retains overall responsibility for the control over all matters conducted by him or as a result of his delegation of authority hereunder.



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2. GENERAL PROCUREMENT GUIDELINES

The following methods of solicitation and selection are consistent with FTA Circular 4220.1F and FTA’s Best Practices Procurement Manual.

- Micro purchase procedures for amounts less than \$3,000;
- Small purchase procedures for amounts between \$3,000.01 and \$100,000;
- Formal procurement procedures for items/services for amounts greater than \$100,000;
- Noncompetitive proposals (sole source) procurement only if you can justify not soliciting additional competition in the manner explicitly defined in FTA Circular 4220.1F;
- Intergovernmental Procurement Agreements for procurement or use of common goods and services.

Competitive procurements utilizing “full and open competition” are the preferred method of obtaining goods and services for the RTA. In general, RTA shall conduct procurements in a manner that prohibits the use of statutory or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preferences. The only noted exception to this prohibition is in the procurement of Architectural and Engineering (A/E) services, where knowledge of local conditions and building codes is a relevant factor in the quality of the A/E services (see Section 3.0 for further details on A/E services procurements).

During the conduct of any competitive procurement at RTA, extreme care will be exercised to assure that each vendor is treated fairly and that all vendors are given an equal opportunity to participate. RTA’s procurement documentation will not include provisions that knowingly or unduly restrict competition or place unreasonable requirements on firms in order for them to qualify to do business with RTA. In addition, RTA will ensure that specifications/scopes of work are written in a clear and concise manner and that no arbitrary action will occur in the procurement process.

2.1 Micro Purchases \$3,000.00 and under

Micro-purchases are procurements having values of \$3,000 or less. Procurements at or below this threshold may be made informally without obtaining competitive quotations. The RTA Purchasing Department will need to determine and document that the price is fair and reasonable. Such purchases are exempt from Buy America requirements. There should be an equitable distribution among



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qualified suppliers in the local area, and splitting of procurements to avoid competition is a violation of RTA procurement policy. Micro-purchases require minimum documentation detailing fair and reasonable pricing and how the determination was derived.

Exceptions to these general provisions are construction contracts and public works contracts. Both of these types of procurements must use formal procurement procedures. In accordance with California Public Code, public works contracts must be awarded using the Invitation for Bids (IFB) procedure. Further, the Davis-Bacon Act (federal prevailing wage determination, as determined by the Department of Labor) applies to construction contracts above \$2,000. Further information on Davis-Bacon regulations can be found at www.dol.gov/dol/compliance. State prevailing wage determinations may be accessed @ www.dirca.gov/dlsr.

2.2 Small Purchases \$3,000.01 – \$100,000.00

Small Purchases are defined as purchases with a value of \$3,000.01 up to and including \$100,000. Purchases in this range require full and open competition. Simple informal methods of procurement, such as Requests for Quotes (RFQ), are frequently used to fulfill these procurements. Quotations shall be obtained from an adequate number of qualified sources. Other than rolling stock purchases which are always subject to Pre-Award and Post-Delivery Audit Buy America requirements, small purchases are exempt from Buy America requirements for steel, iron or manufactured products (although they may be subject to other federal requirements). The quotes are to be documented on a Bid Summary Sheet and maintained in the Procurement History File. Award is made to the lowest responsive responsible bidder.

A/E services may be procured using small purchase procedures. Additionally, the language in FTA Circular 4220.1F requiring the use of Brooks Act procedures for the procurement of A/E services applies. The selection must be based initially on qualifications; price may be considered only for the most qualified offeror. (See Section 3.0 for further details.)

Exceptions to these guidelines are as stated above; construction contracts and public works contracts use formal procurement procedures; public works contracts must be awarded using an IFB procurement, and the federal Davis-Bacon Act applies to construction contracts in excess of \$2,000. Procurements



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exceeding \$3,000 should contain remedies for breach of contract and procurements exceeding \$10,000 must have termination for cause and termination for convenience clauses. All Small Purchases must include the applicable form of the Standard Terms and Conditions.

2.3 Competitive Purchases \$100,000.01 and over

Competitive Purchases are defined as any purchase with a value of \$100,000.01 and above. Purchases of this amount require full and open competition. Formal procurement methods (sealed bid/competitive proposals) must be utilized and most procurements of this nature are subject to federal and/or state requirements. Board approval is required prior to contract award. Technical specifications/scope of work and/or any other specific requirements shall be prepared by the appropriate department head and submitted to the Purchasing Department which will prepare and publicly release an IFB or a Request for Proposal (RFP), as appropriate (see Section 3.1 and 3.2 for further discussion). IFBs and RFPs are publicly advertised in a newspaper of general circulation in addition to being provided directly to the sources that are listed in RTA's vendor database. Competitive procurements are also posted on RTA's website.

The threshold requirements as outlined above apply to the aggregate purchase amount of the required goods or services. It is not the RTA's policy to separate related costs for the express purpose of avoiding the competitive bid process.

2.4 Non-Competitive (Sole Source) Procurement

Procurement by non-competitive proposals (sole source) may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

1. Item is only available from a single source.
2. The public exigency or emergency for the requirement will not permit a delay resulting from the competitive solicitation process.
3. FTA authorizes non-competitive negotiations.
4. After solicitation of a number of sources, competition is determined inadequate.



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5. The item is an associated capital maintenance item defined in 49 USC 5307 (a) (1) that is procured directly from the original manufacturer or supplier of the item. If this is the case the RTA must first certify in writing to the FTA:
 - a. Such manufacturer or supplier is the only source for such item; and
 - b. The price of such items is not higher than the price paid for such item by like customers.

Only when one of the above circumstances applies, shall sole source or non-competitive procurement methods be used. A cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit, is required. The cost analysis and documentation of the sole source justification shall be included in the Procurement History file.

2.5 Intergovernmental Procurement Agreements

To foster greater economy and efficiency, RTA may enter into State and local intergovernmental or interagency agreements for procurement or use of common goods and services. RTA may also plan procurements in advance with other governmental users, and competitively award contracts in which several governmental entities may draw upon to meet their needs. This approach creates economies of scale, reduces procurement lead times and reduces administrative effort and expense. The requirements and standards of this manual apply to these agreements.

2.6 Options

Option items may be included in contracts entered into by RTA. An option is a unilateral right in a contract by which, for a specified time, RTA may elect to purchase additional equipment, supplies, or services called for in the contract, or may elect to extend the term of the contract. If RTA chooses to use options, the requirements below apply:

1. Evaluation of options
 - a. If required in the solicitation, the option quantities or periods contained in the contractor's bid or offer must be evaluated in order to determine contract award. When options have not been evaluated as part of the



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award, the exercise of such options shall be considered a sole source procurement.

2. Exercise of Options

- a. RTA must ensure that the exercise of an option is in accordance with the terms and conditions of the option provisions stated in the initial contract awarded.
- b. An option may not be exercised unless RTA has determined that the option price is better than prices available in the market or that the option is the more advantageous offer at the time the option is exercised.

3. Contract Term Limitation

RTA shall not enter into any contract for rolling stock or replacement parts with a period of performance exceeding five (5) years inclusive of options. All other types of contracts (supply, service, leases of real property, revenue and construction, etc.) will be based on sound business judgment. Good procurement practice requires that RTA enter into contract terms no longer than is minimally necessary to accomplish the purpose of the contract. Additional factors that will be considered include competition, pricing, fairness and public perception.

2.7 Software Purchases

1. New Software

Software acquired for or on behalf of the Agency shall be approved by the Information Technology (IT) department to ensure that all applications conform to Agency software standards and are purchased at the best possible price. Upon approval by the IT department, the purchasing department shall be responsible for procuring the requested software following Agency procurement guidelines. When purchasing proprietary software where the software developer has the exclusive right to license and maintain the software, consideration at the time of purchase shall be given to both direct and indirect costs such as, but not limited to, the original acquisition cost, implementation costs, data conversion costs, training costs and other lifecycle costs. Lifecycle costs shall include the software license and support costs for a span of years that mirrors the life expectancy of the Agency's use of that software. This analysis shall be



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used in determining best value to the Agency to avoid duplication of both direct and indirect costs. When practical, the purchase of software and subsequent license renewal periods shall be approved by the BOD simultaneously.

2. Legacy and Application Services Provider Licensed Software (Hosted)

Existing software requiring the renewal of annual license and support services agreements shall be packaged and presented to the BOD as part of the annual budget and SRTP approval process

2.8 Natural Gas Fuel Purchase

There are two approved methods to purchase natural gas (per the Agency’s Investment Policy) if not purchased through the local utility, Southern California Gas Company (SoCalGas). Both methods involve initially contracting with an Energy Services Provider (ESP) for the Agency’s anticipated requirements.

The first method is an INDEXED PRICE where an agreed percentage per therm below the current SoCalGas commodity price is charged. The index price changes monthly and is based on the SoCalGas commodity price published at the beginning of each month. This price will include the cost of the natural gas commodity and the administrative fee charged by the designated ESP. The Agency will still pay SoCalGas directly for transmission and related fees.

The second method is a FIXED FORWARD PURCHASE PRICE where an agreed price per therm of the natural gas commodity is locked in for a pre-determined amount of time. The target or strike price for purchasing a three month supply of natural gas is based on the price of the natural gas commodity reaching one standard deviation less than the trailing 3-year average cost. When the market price of natural gas reaches two standard deviations below the trailing 3-year average cost, then the Agency should purchase a one year supply of natural gas.

Per the Agency’s Investment Policy, the strike price for both of the above scenarios will be communicated by RTA to the ESP in advance in order for the Agency to take advantage of rapidly fluctuating conditions in the commodities market. All FIXED FORWARD TRANSACTIONS require the execution of a TRANSACTION CONFIRMATION FORM signed by the Chief Executive



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Officer or his/her designee with a copy forwarded to the Chief Financial Officer and the Chief Procurement and Logistics Officer. All copies of FIXED FORWARD TRANSACTION FORMS shall be kept in the ESP contract file.

2.9 Revenue Contracts

RTA will utilize competitive selection procedures and principles in the award of revenue contracts. The extent of and type of competition required is within the discretionary judgment of RTA.

2.10 Tag-Ons

RTA will not participate in the use of tag-ons. A “tag-on” is defined as the addition of work (supplies, equipment, or services) that is beyond the scope of the original contract that amounts to a cardinal change. “In-scope” changes are not considered tag-ons.

2.11 Piggybacking

Piggybacking is permissible when the solicitation document and resultant contract contain an assignability clause that provides for the assignment of all or a portion of the specified deliverables as originally advertised, competed, evaluated, and awarded. If the contract award was through the use of an indefinite-delivery-indefinite quantity (IDIQ) contract, then both the solicitation and contract award must contain both a minimum and maximum quantity that represent the reasonably foreseeable needs of the party(s) to the solicitation and contract.

2.12 E-Commerce

If RTA chooses, it may utilize E-Commerce as an allowable means to conduct competitive procurements.

2.13 Best Value

“Best Value” is a selection process in which proposals contain both price and qualitative components, and award is based upon a combination of price and qualitative considerations. Qualitative considerations may include technical design, technical approach, quality of proposed personnel, and/or management plan. The award selection is based upon consideration of a combination of technical and price.

2.14 Design-Bid-Build

RTA may procure construction services utilizing a “Design-Bid-Build” approach. When utilizing this method, RTA will procure the services of an architect or engineer to prepare drawings and specifications under a design services contract, and separately contract for at-risk construction, by engaging the services of a contractor through sealed bidding or competitive negotiations.

2.15 Design-Build

RTA may procure construction services utilizing a “Design-Build” approach. When utilizing this method, RTA will procure the services of one entity to perform both architectural/engineering and construction services under one contract.

2.16 Cost Plus Percentage of Cost Prohibited

RTA may not procure goods or services utilizing a “Cost Plus Percentage of Cost” method.

2.17 Profit

RTA will negotiate “profit” as a separate element of the price for each contract in which there is no price competition and in all cases where a cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor’s investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

2.18 Federal Cost Principles

Costs or prices based on estimated costs for contracts will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent and comply with applicable Federal cost principles.



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2.19 Bonding Requirements

In order to adequately protect Federal interest in contracts for construction or facility improvement contracts or subcontracts exceeding \$100,000, it is RTA's policy to meet the following minimum criteria.

1. A bid guarantee from each bidder equivalent to five (5) percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time frame specified.
2. A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract; and
3. A payment bond on the part of the contractor. A "payment bond" is one executed in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in the execution of the work provided for in the contract. Payment bond amounts determined to adequately protect the Federal interest are as follows:
 - (a) Fifty percent of the contract price if the contract price is not more than \$1 million;
 - (b) Forty percent of the contract price if the contract price is more than \$1 million but not more than \$5 million; or
 - (c) Two and a half million dollars if the contract price is more than \$5 million.

2.20 Liquidated Damages Provisions

It is RTA's policy to include "liquidated damages" provisions in contracts where it may reasonably expect to suffer damages and to the extent or amount of such

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damages would be difficult or impossible to determine. The assessment for damages shall be at a specific rate per day for each day of overrun in contract time; and the rate must be specified in the contract. The procurement file should include a record of the calculation and rationale for the amount of damages established. Any liquidated damages recovered must be credited to the project account involved unless FTA permits otherwise.

2.21 Use of Excess or Surplus Federal Property

RTA may use Federal excess and surplus property in lieu of purchasing new equipment and property, whenever such use is feasible and reduces project costs.

2.22 Use of Value Engineering in Construction Contracts

RTA may use “value engineering clauses” in contracts for construction projects.

2.23 Awards to Responsible Contractors

RTA shall make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

2.24 Use of Time and Materials Type Contracts

RTA will use “time and materials” type contracts only:

1. After a determination that no other type of contract is suitable: and
2. If the contract specifies a ceiling price that the contractor shall not exceed except at his own risk.

2.25 Written Procurement Selection Procedures

RTA’s solicitation selection procedures shall:

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1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equal” description may be used as a means to define the performance or other salient characteristics of procurement. The specific features of the named brand which must be met by offerors shall be clearly stated.
2. Identify all requirements that offerors must fulfill and all other factors to be used in evaluating bids or proposals.

2.26 Prequalification of Vendors

RTA does not maintain a list of “prequalified” “firms that are used in acquiring goods and services. It is RTA’s policy to ensure maximum full and open competition for each procurement action.

2.27 Contract Provisions

All contracts entered into by RTA shall include provisions to define a sound and complete agreement. In addition, contracts and subcontracts shall contain contractual provisions that allow for:

1. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, including sanctions and penalties as may be appropriate. (All Small Purchases must include the applicable form of the Standard Terms and Conditions.)
2. Termination for cause and for convenience by including the manner by which it will be effected and the basis for settlement. (All contracts in excess of the Micro Purchase Threshold)

2.28 Purchasing Department Files



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The Purchasing Department shall maintain a Procurement History file which provides an audit trail from the initiation of a purchasing requirement through contract closeout. Where appropriate, the files will include, but not limited to, documentation such as, the requisition, independent cost estimate, list of sources solicited, specifications/scope of work, original solicitation, addenda, proposals, bid evaluation results, determination that price is fair and reasonable, contract or purchase order, change orders, Board agendas, copies of public notices, insurance documents, evidence of performance/payment or other bond documents, notice of award, notice to proceed and all other related correspondence.

2.29 Geographic Restrictions

RTA will not use geographic preferences in the award of contracts except in the case of procurement of A/E services, where knowledge of local conditions and building codes is a relevant factor in the quality of the A/E services.

2.30 Progress Payments

In some circumstances, RTA may enter into contracts that require the use of progress payments. Progress payments shall only be made to the contractor for costs incurred in the performance of the contract. In addition, the agency must obtain title to the property (materials, work in progress, finished goods) for which the progress payments are made. The agency does not participate in funding payments (advance payments) to a contractor prior to the incurrence of costs by the contractor.

2.31 Bidders List

In addition to the general requirement for full and open competition (publicly advertised solicitations), the agency maintains a bidders list of eligible and qualified vendors who have expressed an interest in receiving solicitations. The bidders list contains the names, addresses and points of contact for entities that will receive the solicitation. Firms responding to the publicly advertised notice for a specific solicitation are added to the bidders list.

2.32 Pre-Bid and Pre-Proposal Conferences

Pre-bid and pre-proposal conferences are generally used in complex acquisitions as a means of briefing prospective offerors and explaining complicated



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specifications and requirements. The conference is chaired by the responsible Purchasing Department staff member and is an open forum where potential respondents may address ambiguities in the solicitation documents. Notice of the conference is included in the solicitation at the time of issuance.

2.33 Cost and Price Analysis

Some form of cost or price analysis shall be made and documented for every procurement action, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement. At a minimum, RTA shall develop independent cost estimates for each major procurement before receiving bids or proposals. The intent of performing a cost or price analysis is to insure RTA receives a fair and equitable price consistent with the required quality, delivery, and overall terms of the transaction. A cost analysis is also required when adequate price competition is lacking and for sole source procurements, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of process set by law or regulation.

2.34 Contract Administration (*Revised 2/16*)

General Responsibilities

RTA shall ensure federal and state funds are expended in a responsible manner through its contract administration activities. Contract administration, those activities performed after a contract has been awarded, ensures that the contractor's performance meets all requirements set forth in the contract. The administration and monitoring of the contractor's performance shall be the responsibility of the RTA's Contracts Manager (for contractual issues) and the Project Manager (for technical issues).

Contracts involving the expenditure of public funds are subject to review and audits by funding agencies. A central file for post-award contract activities with all written documentation produced during the life of the contract shall be kept in the Purchasing Department. The post-award file contents shall include, at a minimum, the executed contract and notice of award/notice to proceed; bond-related documentation; contract-required insurance documentation; post-award correspondence concerning the contract; documentation of submittals by the



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contractor and corresponding approvals by the RTA; all documentation relating to changes to the contract, claims, disputes and final close-out of the contract.

The Purchasing Department's general role in RTA's contract administration activities is to coordinate all involved parties so that the contract's Scope of Work/Specifications, invoicing, change order approvals, contract modifications, evaluating contractor performance and other deliverables are handled in accordance with RTA Board policy and in accordance with federal guidelines regarding documentation requirements. *This process begins with an interoffice Contract Administration Summary memo issued by the procurement department to the Project Manager and/or other staff that may be assigned to assist in the project. This memo is not intended to be a substitute for the entire agreement; its purpose is to provide a quick summary and reference to some of the more important provisions of the agreement and to identify the roles and responsibilities of key staff assigned to the project. The subject memo also advises assigned staff to contact the procurement department for any assistance or if any disputes arise in the administration of the agreement.*

Project Manager Responsibilities

After contracts are executed, it is the Project Manager's responsibility to guide the contractor through the work process. Generally, the Statement of Work/Technical Specifications in the contract defines specific tasks, milestones, and review procedures which vary depending on the specific project. It is recommended that the Project Manager conduct a kick-off meeting after contract execution to document and communicate key milestones. The Project Manager provides technical direction to the contractor and responds to correspondence on technical matters from the contractor's designated representative. A copy of all correspondence is to be provided to the Contracts Manager. The Project Manager reviews the progress of the work on a periodic basis and initiates review by RTA staff and other stakeholders as required. In-house management reviews include, but are not limited to, status meetings with key personnel and larger status meetings with multiple functional areas.

If required, as part of the contract, the contractor must document the progress of the work on a periodic basis as specified in the contract. The Project Manager will review the contractor's documentation and invoices in



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relation to the milestones, costs expended to date, and budgeting information. The Project Manager will also review invoices for accuracy and content and then approve them for payment in accordance with the Contract Terms and Conditions.

The Project Manager has a continuing responsibility to monitor the contractor's work progress until the work is completed and the product or service is accepted by RTA. Project milestones are reviewed by management staff no less than on a monthly basis. The nature of the project and the size/complexity of the project influences the project management techniques utilized by project managers.

For federally funded contracts greater than \$100,000 the contract administration activities shall include evaluation of contractor performance. The project manager completes a contractor performance evaluation form and submits the form to the Contracts Manager for file documentation. Poor contractor performance evaluations are noted and may be used by the procurement department when considering the contractor in future solicitations.

Contracts Manager Responsibilities

Immediately after execution of the contract and the issuance of the notice to proceed, the technical administration of the contract becomes the responsibility of the Project Manager with the administrative assistance of the Contracts Manager. The Contracts Manager and Project Manager establish the methods and procedures to be utilized in the performance of the contract. The following are the routine duties that may be performed by the Contracts Manager:

1. Receives and transmits all correspondence with contractor regarding contractual matters; provides direction to the contractor on contractual matters.
2. With the assistance of the Project Manager, coordinates proposed changes with contractors, obtains cost quotes, obtains necessary approvals, and initiates contract changes.
3. Assists in the negotiation of all changes to contracts, to include cost/price and profit/fee, and prepares all contract modifications with technical



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assistance from the Project Manager, with supporting backup reflecting these changes.

- 4. Assures contractor insurance is maintained during the life of the contract.**
- 5. Attends, as required, project progress meetings between contractor(s) and other RTA staff.**
- 6. Files the contractor evaluation form at contract close-out.**

Cost/Price analysis for change orders, verification of invoiced costs and contractor adherence to budgets and schedules shall be coordinated with the Project Manager and other involved parties; the Purchasing Department will maintain the file documentation for these activities. Ensuring the contractor submits insurance certificates, bonding documentation, and all other contractually required documentation shall be the responsibility of the Contracts Manager. Final contract closeout activities will be administered by the Contracts Manager and shall include those items listed on the “Contract Closeout Checklist” (see Appendix B). The Contracts Manager shall ensure all administrative steps have been accomplished prior to the RTA issuing final payment to the contractor.

For micro and small purchases, file documentation will be kept with the system generated purchase order.

Contract Modifications

Contract modifications, are handled in accordance with RTA procedures and federal guidelines regarding documentation requirements. Price/cost analysis for change orders, verification of invoiced costs and contractor adherence to budgets and schedules shall be coordinated with the Project Manager and other involved parties; the Purchasing Department will maintain the file documentation for these activities.

As a general rule, change orders less than \$100,000 and within Board authorized dollar amounts follow the process set forth below. Unless otherwise noted, contractor costs for each change order will be based on the previously negotiated and allowable profit percentage of no more than 10 percent. Change orders on small projects (those with estimated costs less than \$100,000) follow the guidelines below with brief memos in the file to document the review process.



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For change orders less than \$100,000.00 on large projects (those with estimated costs of more than \$100,000), the procedure for review, approval and implementation are as follows:

- 1. Potential changes are discussed at the weekly onsite construction meetings with Contracts Manager, Project Manager, third party construction management personnel and contractor personnel;*
- 2. If changes are deemed appropriate and reasonable, contractor will be required to provide its estimated costs for the change in the form of a 'FCO' (field change order) to the onsite construction manager;*
- 3. Onsite construction manager will review and suggest changes;*
- 4. If applicable, the project design team will review, if needed, for any design impacts;*
- 5. The 'FCO' then becomes a 'PCO' (proposed change order) and proposed costs are evaluated using the Schedule of Values (pre-negotiated prior to the project start). Price reasonableness is also evaluated in terms of comparing proposed costs to independent cost estimates of the on-site construction manager;*
- 6. Once all parties are satisfied with the proposed change and associated costs, RTA's Project Manager, as the client/project owner's representative and in accordance with Section 4 of the RTA Purchasing Policies & Procedures Manual, will then approve the PCO;*
- 7. RTA will initiate a formal amendment to its agreement with the contractor and a formal amendment will be sent to the contractor for signature.*

Change orders greater than \$100,000 follow the above process, but the item will be taken to the Board of Directors for approval before the contractor can be authorized to proceed with the work.

The minimum documentation required to formalize a contract modification is as follows:

- 1. A revised statement of work, if appropriate.*
- 2. An independent cost estimate*
- 3. A proposal from the contractor.*
- 4. Technical evaluation of contractor's proposal.*
- 5. Procurement summary with cost and/or price analysis, determination of fair and reasonable price, and evidence that profit/fee were negotiated.*



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Authority

All modifications must be in compliance with these procedures. Any change or modification that affects the contract price will be subject to prior written approval of the Contracts Manager and all other authorities. Other RTA personnel are not authorized to perform any of the following:

1. Execute contract modifications;
2. Act in a manner that causes a contractor to believe that they are authorized to bind RTA; or
3. Direct or encourage a contractor to perform work that should be the subject of a contract modification.
4. Make changes authorized by a provision of the contract other than a changes clause, such as an option.

Funding Authorization

The Contracts Manager will not execute a contract modification that causes or will cause an increase in the funding level of the contract without having first obtained a new requisition stating the availability of funds. The requisition will be based on the negotiated price or the negotiated maximum price. When issuing a unilateral change order, the requisition will be based on RTA's estimate.

Outside Scope of Contract Modification

Work outside the scope of the contract is a cardinal change to that contract and therefore not permitted. RTA is not responsible for any costs incurred by a contractor for any additional work or other actions by a contractor outside the scope of the written contract and written contract modifications signed by the Contracts Manager. A contractor will not rely on any written or oral statements or directions of employees or agents of RTA other than the Contracts Manager, or other delegated authority, to perform work, alter schedules or specifications, or any other action that would normally require a written contract modification.



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Federal Transit Administration Requirements

1. **The Contracts Manager is responsible for issuing, evaluating and making necessary decisions involving any change to RTA contracts, and for preparing and executing any change orders or modifications issued in accordance with the Changes Provision in RTA contracts. The Contracts Manager is also responsible for evaluating and making the necessary decisions involving any claim of a constructive change.**

2. **The Contracts Manager must have cost justifications supporting any change order and have the proposed change approved per RTA policy before it is issued. To be eligible for FTA assistance, the cost of the change, modification, change order, or constructive change must be allowable, allocable, within the scope of its grant or cooperative agreement, and reasonable for the completion of project scope.**

3. FORMAL COMPETITIVE PROCUREMENT PROCEDURES

3.1 Sealed Bids (Invitation for Bids)

The IFB is a formal competitive procurement process that is used for public works/construction projects, and, if appropriate, for the purchase of goods and services that may exceed \$100,000.

- a) The IFB method of procurement is employed when all of the following apply:
 - A complete, adequate and realistic specification or purchase description is available;
 - Two or more responsible suppliers are willing and able to compete effectively for the contract;
 - The procurement lends itself to a firm-fixed price contract, and selection of the successful bidder can be made on the basis of price;
 - No discussion with bidders is needed after receipt of offers;

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- Award is made to the lowest, responsible and responsive bidder.
- b) The requesting department shall provide the independent cost estimate, specifications and/or scope of work for the solicitation to the Purchasing Department. The following general rules apply to the specifications and scope of work:
1. A common basis for bidding must be provided. Specifications and scope of work should set out the essential characteristics of the items or services to be procured. Whenever possible, the expected quality of services to be provided or the performance characteristics of the item should be specified.
 2. In order to foster free and open competition, specifications may not require a “brand name” product without allowing an “or equal” product to be offered. The specifications would, accordingly, describe, with sufficient detail, the performance or other salient characteristics of the brand name product.
 3. Specifications and scopes of work should not call for features or a level of quality that are not necessary to meet the bid requirements.
 4. All optional items should be identified by the requesting department, and the solicitation documents should set forth the expected needs and the manner in which the related bid prices will be considered.
 5. Because standard specifications and requirements allow for more efficient operations and result in lower prices, they should be used wherever suitable. Maximum use should be made of industry, federal, state and local government specifications and requirements.
- c) Once the Purchasing Department receives the required information from the requesting department, an IFB document is prepared and notice of the procurement action is posted on RTA’s website and published in a newspaper of general circulation. The IFB document contains instructions regarding the procurement requirement (technical specifications or scope of work), the bid format and required submittal items, contract conditions, and the procurement



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timeline (e.g., Pre-Bid Conference date, written questions deadline, bid submittal deadline).

- d) A Pre-Bid Conference and/or Site Visit may be used as a means of briefing prospective bidders and explaining the specifications and requirements. Attendance by potential bidders is not mandatory but all bidders should be strongly encouraged to attend. Typically, the responsible Purchasing Department staff member chairs the meeting and, at a minimum, gives an overview of the basic requirements of the procurement, the anticipated contract type, DBE requirements (if any), procurement schedule, etc. The responsible Department Head, or assigned Project Manager, is required to attend the pre-bid conference in order to answer the technical questions or explain the requirements more thoroughly.
- e) After the issuance of an IFB, but before the bids are opened, it may be necessary to make changes in quantities, specifications, opening dates, or issue clarifications as a result of questions received from potential bidders. All such changes and clarifications are accomplished by issuing an addendum to the IFB to all bidders to whom the IFB was furnished. At the time of bid submittal, it is essential that all bid submittals explicitly acknowledge the receipt of all issued addendums.
- f) Bids are to be submitted prior to the specified date and time. The responsible Purchasing staff member shall ensure that the receptionist or receiving department is aware that bid packages are expected and that a written record of their date and time of arrival is to be made and initialed by the person receiving the package.
- g) Bidders are solely responsible for ensuring that their bid is received at the specified place and time. Bidders who rely on overnight delivery services, U.S. Mail, local couriers or similar services, remain solely responsible for the timely delivery of their bid and assume all risk of late delivery, mis-delivery and non-delivery.
- h) Bids are to be kept unopened and in a secure place within the Purchasing Department until the time/date for submittal. Bids arriving after the set time/date for submittal will be returned unopened. Bids must be opened publicly and read aloud.
- i) Any Bidder may withdraw their bid, at any time prior to the time fixed for the receipt of bids. Negligence on the part of Bidders in preparing their bid does not confer any right of withdrawal to the bidder after bids have been opened.



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- j) It may become necessary to cancel the IFB, i.e., when there is no longer a requirement for the material or service or when there is a compelling reason to reject all bids. When an IFB is cancelled before bid opening, bid submittals are returned unopened along with a notice of cancellation which is sent to all prospective bidders who received the IFB. If the IFB is cancelled after the bids are opened, the RTA may keep the bid submittals and send a notice to all prospective bidders who received the IFB. The procurement history file must document the circumstances for the cancellation of the IFB.
- k) Bids shall be evaluated on the basis of responsiveness and responsibility as indicated in the IFB. Award shall be made to the lowest responsive and responsible bidder. A responsive bid is one that conforms and commits to meet all the criteria as defined in the IFB. These criteria typically include the following: adequate financial resources or the ability to obtain such resources, the ability to comply with the required delivery or performance schedule, and the possession of a satisfactory record of performance. The responsible bidder shall be able to perform the contract under applicable laws and regulations. Additionally, the responsible bidder shall have the necessary organization, experience, operational controls and technical skills or shall obtain them for the project, and shall have the necessary production, construction and technical equipment and facilities or shall obtain them for the project.

The evaluation of the responsibility of bidders may be made based upon the following sources:

1. A list of debarred, suspended or ineligible firms or individuals;
 2. Publications including credit ratings, trade and financial journals and business directories and registers;
 3. References such as suppliers, subcontractors, customers of the prospective bidder, banks and financial institutions, commercial credit agencies, other government agencies, purchasing and trade associations, and Better Business Bureaus and Chamber of Commerce organizations.
- l) In the event a single bid is received, a price or cost analysis shall be used to determine the reasonableness of the bid price. Price analysis is the process of examining and evaluating a prospective price without evaluating the separate cost elements or proposed profit of the prospective supplier. Normally, price analysis may be accomplished through one of the following activities:



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- i. The comparison of prior quotations and contract prices with current quotations for the same or similar end items (to provide a suitable basis for comparison, appropriate allowances must be made for differences in such factors as specifications, quantities ordered, time for delivery, etc.).
- ii. The use of “yardsticks” (such as dollars per pound, per horsepower, or other units) to identify apparent gross inconsistencies which should be subjected to greater pricing inquiry.
- iii. The comparison of prices set forth in published price lists issued on a competitive basis, published market prices of commodities, and similar indicators.
- iv. The comparison of proposed prices with independently developed cost estimates.
- v. The comparison of prices paid by other users (government or commercial) of the same or similar items to the proposed prices.

Should cost analysis be required, the following steps must be accomplished:

- i. Verify the bidder’s cost data.
- ii. Evaluate the specific elements of costs for the necessity of certain costs, the reasonableness of amounts estimated for costs, allowances for contingencies, the basis used for allocations of overhead costs and the profit margin.
- iii. If available, compare these costs with actual costs previously incurred by the bidder, bidder’s cost estimate for same or similar work/goods, current cost estimates from other sources and prior estimates and historical costs from other sources.

Cost analysis must address whether or not the costs proposed are allowable, allocable and reasonable for the specific project. Should the single bid costs appear unreasonable or if a determination as to reasonableness is not possible, the IFB should be cancelled and re-issued.

- m) Award shall be accomplished by written notice, within the acceptance time as specified in the bid to the responsible and responsive bidder whose bid is in conformance with all the material terms and conditions of the IFB and is the lowest in price. If the IFB award price is over \$100,000, Board approval is required prior to notifying the successful bidder. A staff report must be prepared and submitted to the appropriate committees. Upon the committee’s



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recommendation, the item will be submitted to the Board at the next regularly scheduled meeting.

- n) For all formal procurements, all original documentation related to the procurement shall be kept in the Procurement History file. For audit purposes, files shall be maintained for a minimum of three years after the project/procurement has been closed and completed.

3.2 Competitive Proposals (Request for Proposals)

The requesting department shall provide the independent cost estimate, scope of work and/or specifications for the solicitation to the Purchasing Department. The Purchasing Department then prepares a RFP document and notice of the procurement action is issued on the RTA’s website and in a newspaper of general circulation. The RFP document contains instructions regarding the procurement requirement (technical specifications or scope of work), the proposal format and required submittal items, anticipated form of Agreement, evaluation criteria, and the procurement timeline (e.g., Pre-Proposal Conference date, written questions deadline, proposal submittal deadline).

A Pre-Proposal Conference and/or Site Visit may be used as a means of briefing prospective offerors and explaining the specifications and requirements. Attendance by potential offerors is not mandatory but all offerors should be strongly encouraged to attend. Typically, the responsible Purchasing staff member chairs the meeting and, at a minimum, gives an overview of the basic requirements of the procurement action, project specific issues, DBE requirements (if any), procurement schedule, etc. The responsible Department Head, or assigned Project Manager, is required to attend the pre-bid conference in order to answer the technical questions or explain the requirements more thoroughly.

After the issuance of an RFP but before the proposals are opened, it may be necessary to make changes in quantities, specifications, opening dates, or issue clarifications as a result of questions from potential offerors. All such changes and clarifications are accomplished by issuing an addendum to the RFP to all offerors who received the RFP. At the time of proposal submittal, it is essential that all submittals explicitly acknowledge the receipt of all issued addendums.



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- a) Proposals must be received by RTA prior to the specified submittal date and time. The responsible Purchasing staff member shall ensure that the receptionist or receiving department is aware that proposal packages are expected and that a written record of their date and time of arrival is to be made and initialed by the person receiving the package. Timeliness of proposal receipt is the sole responsibility of the Offeror. Proposals received after the specified due date/time will be returned to the Offerors unopened.
- b) Offers received prior to the due date/time shall be kept unopened and in a secure place within the Purchasing Department until the date/time for submittal.
- c) Any Offeror may withdraw their proposal, at any time prior to the time fixed for the receipt of proposals. Negligence on the part of the Offeror in preparing their proposal does not confer any right of withdrawal to the Offeror after proposals have been opened.
- d) On occasion, it may become necessary to cancel an RFP, i.e., when there is no longer a requirement for the material or services or when there is a compelling reason to reject all proposals. When a RFP is cancelled before proposal opening, submittals are returned unopened along with a notice of cancellation. A notice of cancellation is sent to all prospective Offerors who received the RFP. If the RFP is cancelled after the proposals are opened, the RTA may keep the submittals and send a notice to all prospective Offerors who received the RFP. The procurement history file must document the circumstances for the cancellation of the RFP.
- e) Proposals are evaluated by a committee and in accordance with the criteria established in the RFP document. The evaluation committee is comprised of key project management staff, representatives of other interested functional areas, and the responsible Purchasing staff member. The committee members are responsible for evaluating the proposals on a technical basis. The assigned purchasing staff member is responsible for evaluating both the technical and price proposals. Purchasing staff then summarizes the committee's evaluation input using the weighted evaluation percentages set forth in the RFP document to rank the proposals. If there are several proposal submittals, a competitive range may be established and those within this range may be asked to participate in an interview presentation process and/or a Best and Final Offer (BAFO) process.

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- f) Price analysis is the process of examining and evaluating a prospective price without evaluating the separate cost elements or proposed profit of the prospective supplier. Normally, price analysis may be accomplished through one of the following activities:
- i. The comparison of contract prices with current pricing for the same or similar end items (to provide a suitable basis for comparison, appropriate allowances must be made for differences in such factors as specifications, quantities ordered, time for delivery, etc.).
 - ii. The use of “yardsticks” (such as dollars per pound, per horsepower, or other units) to identify apparent gross inconsistencies which should be subjected to greater pricing inquiry.
 - iii. The comparison of prices set forth in published price lists issued on a competitive basis, published market prices of commodities, and similar indicators.
 - iv. The comparison of proposed prices with independently developed cost estimates.
 - v. The comparison of prices paid by other users (government or commercial) of the same or similar items to the proposed prices.

Should cost analysis be required, the following steps must be accomplished:

- i. Verify the Offeror’s cost data.
- ii. Evaluate the specific elements of costs for the necessity of certain costs, the reasonableness of amounts estimated for costs, allowances for contingencies, the basis used for allocations of overhead costs and the profit margin.
- iii. If available, compare these costs with actual costs previously incurred by the offeror, offeror’s cost estimate for same or similar work/goods, current cost estimates from other sources and prior estimates and historical costs from other sources.

Cost analysis must address whether or not the costs proposed are allowable, allocable and reasonable for the specific project. If only one proposal has been received and if the single proposal costs appear unreasonable or if a determination as to reasonableness is not possible, the RFP should be cancelled and re-issued.



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- g) Best and Final Offers are solicited from all Offerors whose proposals are rated: “technically competent” and whose proposals have been deemed to be within the competitive range. Upon final review of BAFOs by the evaluation committee, all cost, technical evaluations and score sheets shall be consolidated by the responsible purchasing staff member. All evaluation findings shall be summarized into a recommendation in the form of a staff report to be presented to the appropriate committees prior to Board approval.
- h) Upon approval by the Board, award shall be accomplished by written notice to the Offeror whose proposal is in conformance with all the material terms and conditions of the RFP and whose proposal is shown to be the most advantageous to RTA.
- i) Upon approval by the Board, and notice to the successful Offeror, the final form of contract shall be negotiated and drafted for signature by all parties.
- j) For all formal procurements, all original documentation related to the procurement shall be kept in the Procurement History File. For audit purposes, files shall be maintained for a minimum of three years after the project/procurement has been closed and completed.

3.3 Architectural & Engineering Services (Brooks Act) Procurements

Special procedures will be used for competitive negotiation procedures for the procurement of qualifications-based A/E services. Related services such as program management, construction management, feasibility studies, preliminary engineering, design, surveying, mapping, or related services requiring the services of a registered or licensed engineer shall also be procured using the process set forth in this section.

Following this method, competitors’ qualifications are evaluated and the most qualified competitor is selected subject to the successful negotiation of fair and reasonable compensation. Under this method, RTA may not include pricing as an evaluation factor in determining the most qualified Offeror. The major difference with A/E procurements is that pricing is not a factor of the committee’s evaluation of the proposal submittals. Negotiations are conducted with the most qualified Offeror. If negotiations with the most qualified Offeror cannot be successfully completed, negotiations are then initiated with the next best qualified Offeror. This method of procurement is used only for the procurement of A/E services which require a registered engineer. They cannot be used to obtain other types of

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services even though firms providing A/E services are also potential sources to perform other services.

Refer to the RFP procedures above for a discussion of all required activities. Additional differences in handling A/E procurements with respect to proposal evaluation and contract negotiation are as follows:

- i. The evaluation team is assigned by the Chief Procurement and Logistics Officer to review eligible firms and all responses to RFP.
- ii. The team evaluates the firms based on:
 - Professional qualifications for performance of the required services;
 - Specialized experience and technical competence in the type work required;
 - Capacity to accomplish the work in the required time;
 - Past performance in terms of cost control, quality of work and compliance with performance schedules.
- iii. The evaluation team holds discussions with the most highly qualified firms (“short list”).
- iv. A staff report is prepared by the Purchasing Department for the Board Committee recommending, in order of preference, those firms that are considered to be the most highly qualified to perform the required services. The report should include a description of the discussions and evaluations by the team to allow the Board Committee to review the basis upon which the recommendations were made.
- v. When determining the amount of compensation and the method of payment, consideration shall be given to:
 - Scope and complexity of designs, surveys and other work and the skills necessary for these services;
 - Quality and quantity of data provided to A/E by RTA;
 - Location of, and conditions under which, the services will be performed;
 - Date services to begin and time allowed for performance.
- vi. Costs should be negotiated considering the following:

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- Direct Labor.
- Overhead
- General and administrative expenses.
- Materials
- Other direct costs.
- Profit, which is further influenced by:
 - a. Degree of A/E's risk
 - b. Level of effort
 - c. Level of talent or expertise the A/E must furnish
 - d. Amount of top level A/E management involved
 - e. Contractors investment
- vii. When the contract is negotiated and signed, the negotiations are documented and placed in the file that will be kept and maintained by the Purchasing Department.
- viii. The contractor's performance shall be monitored by the responsible department (original requesting department) to ensure that expenditures and payments are commensurate with its performance and that all the terms of the contract are satisfied.
- ix. The contractor is responsible for the professional quality, technical accuracy and coordination of all services under the contract. The contractor may be liable to RTA for costs resulting from errors or deficiencies in design services furnished under the terms of an A/E contract.

3.4 Non-Competitive (Sole Source) Procurement

Sole source procurements occur with the solicitation or acceptance of a proposal from only one source or after a number of sources have been solicited, the competition is determined to be inadequate. Should the appropriate circumstances apply (see Section 2.4), the exact circumstance(s) must be documented for the file. It is the responsibility of the requisitioner to thoroughly and carefully justify the sole source procurement. Without competition, a price or cost analysis becomes imperative to assuring the reasonableness and fairness of the price. A cost analysis verifying the proposed cost data, the projections of the data, and the evaluations of the specific elements of costs and profit is required to be documented for the Procurement History File. Finally, the approval levels as



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noted in Section 4.0 should be noted as the thresholds requiring Board approval are considerably lower than those for competitive procurements.

4. REQUIRED PROCUREMENT APPROVAL LEVELS

The Board of Directors of the RTA authorizes and delegates to the Chief Executive Officer (CEO) the authority and responsibility to:

1. Approve and execute all Purchase Requisitions.
2. Approve and execute all Purchase Orders and Contracts with a value of or less than \$100,000.
3. Approve and execute Change Orders and Contract Amendments, as may be necessary, with a value of or less than \$100,000. (Board approved contracts)
4. Approve and execute sole source procurements with a value of or less than \$25,000.
5. Execute all contract documents including purchase orders, blanket purchase orders, contracts, change orders, and contract amendments after any necessary approval by the Board of Directors of RTA.

All of the above shall be within the approved RTA official budget and consistent with the established policies and approved projects of RTA.

Any purchase order, contract, contract change order, or contract amendment, with a value in excess of the amounts set forth above, shall be submitted for approval to the Board of Directors of RTA prior to execution.

In those instances, where work must progress immediately, the CEO may approve any purchase order, contract, change order, or contract amendment within the budget and under an approved project. The facts and circumstances of such action shall be reported to the Board of Directors at its next meeting for ratification.

5. PURCHASE REQUISITION

5.1 Purchase Requisition Processing

All requirements for goods and services for both capital and operating supplies are initiated through a Purchase Requisition. Requisitions are required for all procurements of parts and services. The requisition is input directly into the



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automated procurement system (Oracle/Spear) by the requisitioner. The requisition may require several levels of approval depending upon the total dollar amount of the requisition (see Section 5.3 for Purchase Requisition approval limits). Once the requisition has received the appropriate approval levels, it is forwarded to the Purchasing Department to initiate procurement. The department director/manager approving the requisition is responsible for its accuracy and completeness. At a minimum, the requisition should include a complete and accurate description of the item/service needed, quantity needed, the estimated dollar amount of the item/service, appropriate General Ledger (GL) account number(s), prospective vendors (if known) and any other information necessary to fulfill the procurement. The department manager/director should ensure that the items or services requested are necessary and that sufficient funds are available.

The completed and approved requisition authorizes the Purchasing Department to process the request.

5.2 Purchase Requisition Preparation

1. **Requisition Number:** The requisition number is automatically assigned by the automated procurement system (Oracle/Spear).
2. **Description of Goods/Service:** A clear and accurate description of the technical requirements for the materials, supplies or services to be purchased along with all supporting information or documentation such as: drawings, specifications and part numbers should be provided. This description should include important characteristics such as: model number, size, shape, color, materials, and any other additional data to enable the Purchasing Department and the Supplier to identify the item.
3. **Recommended Vendor:** A suggested source (if known) may be provided. If possible, the assigned purchasing staff member will utilize the source in the procurement.
4. **Quantity:** Enter the actual common commercial number of units such as: each, ounce, pound, hundredweight, bag, ton, can, drum, job, etc. Where units are not definite in quantity, specify the weight, capacity, or number of units in the package as part of the description, job, or monthly service, whichever is applicable.
5. **Date Required:** State the date by which the material or service is needed.



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6. **Total Not-to-Exceed Cost:** State the total maximum dollar amount to be allocated, or the exact cost of each item if known and any applicable freight charges and taxes.
7. **Deliver To:** Complete delivery information should be provided on the requisition to ensure delivery to the right location.
8. **Distribution Account Number(s):** The initiator should ensure that the correct GL account number is indicated. All FTA funded procurements must be forwarded to the grants administrator for approval.
9. **Requested By:** The requisitioner should indicate his/her name.
10. **Date:** State the date the request is made.
11. **Approved By:** Refer to dollar limits as set forth under approvals under Section 1.2 (and Section 5.3 Purchase Requisition Approval). Oracle will forward the requisition automatically for additional approvals if needed.
12. **Special Requirements:** Requesting department must indicate, if any.
13. **Sole Source:** If a purchase from a sole source is specified, **the purchase must be justified in writing.** The requesting department shall provide the Purchasing Department with documentation justifying the need for sole source. The Chief Procurement and Logistics Officer is responsible for approving all sole source requests. For further details on sole source procurements, see Section 3.4.
14. **Component Part:** If the requirement is for a component part of a major assembly, special item, or piece of equipment, the make, model, and all other pertinent information for the assembly, item or equipment should be indicated on the requisition.
15. **Non-Inventory Parts:** All requirements for non-inventory items for revenue vehicles must be routed through the storeroom and approved by the Storeroom Supervisor. If a requirement is for a specific bus, the bus number and work order number should be indicated on the requisition to ensure expeditious handling.
16. **Inventory Parts:** All requirements for inventory parts are generated through the automated inventory system (Spear) and reviewed by the Storeroom Supervisor. If a part requirement is for a specific bus, the bus number and work order number should be indicated on the requisition to ensure



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expeditious handling. Janitorial supplies, fuel, lubricants and bus parts are inventory items.

5.3 Purchase Requisition Approval

Dollar Limits	Approvals
Up to \$2,500.00	Department Managers
Up to \$5,000.00	Department Directors, Chief Financial Officer (CFO) and Chief Operating Officer.
Up to \$25,000.00	Chief Procurement & Logistics Officer
Up to \$100,000.00	CEO

Note: A requisition is not required for medical, legal and insurance expenses; payroll, petty cash and travel advance reimbursements, utility payments, or temporary help.

Additionally, a requisition is not required for dues and subscriptions, registrations and training; all of which may be procured using the check request procedures.

Check requests must be coordinated through each department manager; see 7.0 Check Request Policy.

All procurements for office furniture, equipment and repair of office equipment must be coordinated through the Maintenance Manager.

All telecommunications equipment, computer equipment, computer software and computer supplies must be coordinated through the Director of Information Technologies.

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6. PURCHASE ORDER

6.1 Purchase Order Processing and Approval

Once the requisition has been approved and forwarded to the Purchasing Department, the procurement process will begin. Purchasing will contact an appropriate number of potential suppliers and generally, will award the procurement to the lowest, responsive responsible vendor. An electronic purchase order will be created by the Purchasing Department. As indicated in the table below, Purchasing staff will approve purchase orders up to \$2,500. Purchase orders between \$2,500 and \$25,000 are approved by the Chief Procurement & Logistics Officer; Purchase orders exceeding \$25,000.00 must be approved by the CEO (or his/her designee).

Dollar Limits	Approvals
Up to \$2,500	Buyers, Contracts Manager
Up to \$25,000	Chief Procurement & Logistics Officer
Up to \$100,000	Chief Executive Officer (CEO)
Over \$100,000	CEO with Board of Directors Approval

6.2 Purchase Order Distribution

Approved purchase order copies shall be distributed as follows:

Department	Distribution
Accounting	1 hard copy for grant Purchase Orders only
Vendor	Electronic copy/hard copy on request
Purchasing	Electronic and hard copy



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Purchase orders may be distributed by; e-mailing, faxing or sending a copy of the purchase order by USPS to the supplier, hand-carrying the purchase order for immediate pick-up, or by calling-in the order.

A confirming hard copy is sent to the vendor only at their request.

Note: When dealing with any supplier, have them include the P.O. number on all correspondence - this includes all packages, invoices, credit memos, etc.

6.3 Emergency Purchase Orders

A requisition shall, in most instances, be completed and a purchase order issued by the Purchasing Department prior to the commitment of any RTA funds. However, **in an emergency situation**, the Purchasing Department may issue the vendor a purchase order number before the receipt of an approved requisition. Generally speaking, this practice shall be limited to those instances where the emergency or nature of the requirement will not permit the normal procurement process.

Emergency procurements are defined as those which due to unusual circumstances beyond the control of the requisitioner, cannot be foreseen or otherwise provided for in the routine manner, but which must be accomplished without delay, such as, the urgent repair of revenue vehicles, correction of unsafe conditions, facility mechanical failures, or any instance, as defined by the CEO, which left uncorrected could result in financial loss to the RTA.

If a P.O. number was verbally given due to an on-site emergency repair, a Requisition must be created in accordance with Section 5.2 and reference the P.O. number provided verbally. A written service report must be obtained and provided to the Purchasing Department before forwarding the Requisition to Purchasing.

In all instances, it remains the responsibility of the requisitioner to ensure that the requisition is prepared and that all necessary approvals are obtained. The requisition shall be submitted to the Purchasing Department as soon as possible and shall include the phrase; “CONFIRMING ORDER – DO NOT DUPLICATE”. Nothing in this provision shall relieve the requisitioner from following standard procurement guidelines whenever possible.

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Repairs of equipment not covered by service contracts or maintenance agreements must have a purchase order number issued before the equipment can be sent to the vendor or taken in for repairs, coordinate with Purchasing Department

For all repairs procurement shall coordinate and obtain the following information:

1. Make model and serial number of equipment.
2. Inventory tag number.
3. Department where equipment is located.
4. Hourly or flat rate to be charged.
5. If the item to be repaired is an accessory, provide the above information for the equipment of which the item is an accessory.

7. CHECK REQUEST POLICY

In some instances, it may not be feasible to purchase goods or services with a purchase order. Purchases between \$100 and \$500 may be accomplished using a “check request” with appropriate departmental approvals. The check request process is appropriate when the selected vendor will not accept an RTA purchase order or if the item needed is such a small dollar amount that the generation of a purchase order is not practical. The check request process should never be used to circumvent the procurement process of RTA. Examples of appropriate uses for check requests are identified further in Section 5.3.

7.1 Check Request Form

An approved Check Request Form must be completed before a check can be generated. The form is located on *F:/Data/Public/Forms/Form-CheckRequest-Purchase.xls*. The following information is required to process a check request:

- Vendor Name
- Vendor Address
- Oracle Vendor Number (***)
- GL Account Number
- Description
- Dollar Amount
- Proper Back-Up/Documentation
- Proper Approvals



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*** The Accounts Payable Department cannot process a check request if the vendor identification number does not exist in RTA’s automated procurement system (Oracle/Spear). If the vendor is a new RTA vendor, the requestor must contact the Purchasing Department to have the vendor set-up in the system prior to submitting the check request to the Accounts Payable Department. It is the responsibility of the requestor to ensure that the appropriate vendor information is provided to the Purchasing Department for vendor set-up. If it is unclear whether or not a vendor is an established RTA vendor, the requestor should contact the Purchasing Department for verification.

If necessary, the Purchasing Department will contact the vendor and will require the vendor to complete the Vendor Profile (see RTA website) and a W-9 Form. These forms must be completed and returned to the Purchasing Department for vendor set-up. Due to Internal Revenue Service (IRS) regulations, no payments or check requests can be processed prior to the receipt of a completed Vendor Profile and a W-9 Form.

7.2 Manual Check Requests

Manual Check Requests are processed only in the event of an emergency. Generally, checks are processed weekly, usually on Thursday, to ensure timely payment of invoices, check requests, expense reports, etc. Processing manual check requests are extremely inefficient and time consuming; therefore a manual check request will only be processed if it has been approved by the CEO or the CFO.

8. PETTY CASH

Purchases up to \$250 may be made through petty cash. The petty cash fund was established to pay for emergency expenses, and should never be used to circumvent the procurement process of the agency. Petty cash is designed for expenses that have an immediate need. All petty cash reimbursements are limited to general ledger accounts.

Petty cash may NOT be used for the following:

- Reimbursement for mileage and related expenses, business meals, meetings, or conferences (which require an Employee Expense Reimbursement form, submitted in accordance with Travel and Conference Expense Procedures);

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- Accounts Payable;
- Cash personal checks;
- Make change for employees.

Whenever possible, pre-existing purchase orders and contracts shall be used instead of petty cash.

8.1 Petty Cash Form

If Petty Cash is needed, the Petty Cash Request Form must be completed and approved before money can be disbursed. The form is located on *F:/Data/Public/Forms/Petty Cash Request Form.xls*. It is the responsibility of the individual receiving the cash to ensure that the receipt for the items purchased is approved and returned along with any remaining RTA funds to the Accounting Department.

See the Accounting Department for further information.

9. RECEIVING

The receipt of goods and materials is the responsibility of the Parts Department. This includes inventory items for the storeroom, maintenance requirements, facilities requirements, janitorial supplies and, items ordered for other departments. The Parts Department will receive and distribute the items to the appropriate department accordingly.

9.1 Receipt of Goods

Upon receipt, the Parts Clerk will adhere to the following process:

- Match the packing slip to the appropriate purchase order number;
- Count the material received and verify the number counted matches the number on the packing slip;
- If the number on the packing slip equals the number counted, the packing slip is signed, dated and the items are received into the automated system (Oracle for non-inventory, Spear for inventory items) and delivered to the appropriate department;



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- If a discrepancy is noted, (shortages, overages, incorrect items, damaged goods, etc.) the Parts Clerk will note the discrepancy on the packing list and immediately notify the Purchasing Department for direction;
- Purchasing will contact the vendor and advise them of the nature of the discrepancy;
- The Accounts Payable Department is advised of the discrepancy and instructed not to process the invoice until the discrepancy is resolved;
- The Purchasing Department will notify the Parts Department and the Accounts Payable Department of the resolution of the discrepancy;
- All documentation relating to the discrepancy should be attached to the purchase order and filed in the Purchasing Department.

9.2 Receipt of Services

The receipt of services is verified by the requesting department upon their approval (sign-off) of the invoice for payment. It is the responsibility of the Chief Procurement & Logistics Officer to ensure that the services have been completed to the satisfaction of the RTA and that all necessary paperwork is submitted to the Accounts Payable Department for payment processing.

10. DISADVANTAGED BUSINESS ENTERPRISES (DBE)

10.1 Overview

RTA has established a Disadvantaged Business Enterprise (DBE) program in accordance with the regulations of the DOT, 49 CFR Part 26. RTA receives federal financial assistance from the DOT, and as a condition of receiving this assistance, RTA has signed an assurance that it will comply with 49 CFR Part 26.

10.2 Policy Statement

It is the policy of RTA to ensure that DBEs, as defined in 49 CFR Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy:

1. To ensure nondiscrimination in the award and administration of DOT assisted contracts;



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2. To create a level playing field on which DBEs can compete fairly for DOT assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in DOT assisted contracts; and
6. To assist the development of firms that can compete successfully in the market place outside the DBE Program.

It is the policy of the RTA to ensure that opportunities to compete for and receive a fair share of RTA's procurement expenditures are provided to small businesses, as defined in 49 CFR Part 26.5 and the Small Business Act and Small Business Administration regulations under Title 13, Part 121. It is also our policy:

1. To engage in outreach activities and programs to assist, counsel, and advise small businesses on how to pursue contracting opportunities with RTA.
2. To foster an environment where highly skilled suppliers and vendors may compete successfully for a fair share of RTA's procurements based on their own merits; and will encourage large businesses to increase subcontracting opportunities for small businesses.
3. To publish and post information to assist small businesses in their contracting efforts including a forecast of future contract opportunities, current procurement opportunities and "How to do Business with RTA" to assist small businesses in marketing their service and products to RTA.

The Chief Procurement & Logistics Officer has been delegated as the DBE Liaison Officer (DBELO). In that capacity, the DBELO is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by RTA in its financial assistance agreements with the DOT.

Firms submitting responses to IFBs or RFPs are requested to report all subcontractor and DBE participation in accordance with the RTA's DBE Program. RTA contracts include clauses requiring contractors and subcontractors to adhere to the applicable requirements of 49 CFR Part 26. RTA will alert the



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DOT of any false, fraudulent, or dishonest conduct in connection with its DBE program so that the DOT can take the necessary steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, and action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 26.109.

The full text of RTA’s DBE Program is included in Appendix C.

11. PROTEST PROCEDURE

Under certain circumstances, an interested party may protest to RTA the award of a contract if it is felt that the solicitation contained restrictive specifications or if there are improprieties alleged in the procurement. The term "interested party" includes all vendors, suppliers or contractors associated with subject procurement. The term may also include a subcontractor or supplier at any tier who shows that he/she has a substantial economic interest in the subject procurement. Protest procedures are intended to insure that valid complaints are handled expeditiously and that the protesting firm receives a fair review of the complaint. It is RTA’s intent that all protests be resolved at the local level. All protests shall be filed, handled and resolved in a manner consistent with the requirements of the FTA Circular 4220.1F Third Party Guidelines and RTA’s Protest Procedures which are on file and available upon request.

11.1 RTA Procedure

Protests relating to the content of a procurement (RFQ/IFB/RFP) must be filed within ten calendar days after the date the IFB is first advertised. Protests relating to a recommendation for award solicited by an IFB must be filed by an interested party within five calendar days after the staff's written recommendation and notice of intent to award is issued to the bidders. The date of filing shall be the date of receipt of protests or appeals by the RTA.

All Protests shall be submitted in writing and addressed to the Chief Procurement & Logistics Officer, Riverside Transit Agency, 1825 Third Street, Riverside, CA 92507. No other location is acceptable. The RTA will respond in detail to each substantive issue raised in the protest. The Chief Procurement & Logistics Officer shall make a determination on the protest normally within ten working days from receipt of protest. Any decision rendered by the Chief Procurement & Logistics Officer may be appealed to the RTA’s Board of Directors. The Protester has the



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right within five working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Chief Procurement & Logistics Officer's decision and directly related to the grounds of the protest. The Chief Executive Officer has the authority to make a final determination upon Board authorization and the Board of Director's decision shall constitute the RTA's final administrative remedy.

The RTA review of any protest will be limited to:

- Providing a determination that the procurement under protest has met the requirements of the Purchasing Procedures adopted by the RTA Board of Directors.
- Before RTA accepts a protest, the protester must demonstrate that the failure to be awarded the bid in question substantially prejudices its rights. Minor technical deviations, which do not compromise the integrity of the procurement process, do not qualify.

The initial protest shall be filed with RTA's Chief Procurement & Logistics Officer and shall:

- Include the name and address of the protester.
- Identify the solicitation number.
- Contain a statement of the grounds for protest and any supporting documentation. (The grounds for protest filed with RTA must be supported to the fullest extent feasible. Additional materials in support of an initial protest will only be considered if filed within five calendar days).

Protests must be filed within the specified time limits set forth in this Section 11.1 and must strictly adhere to the procedures specified herein.

A protest may be considered, even if the initial filing is late, in the following circumstances:

- Good cause based on a compelling reason beyond the protester's control, whereby the delays is due to the fault of RTA in the handling of the protest submission.



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- A court of competent jurisdiction requests, expects, or otherwise expresses interest in the RTA decision.

Any additional information requested or required by RTA from the protester or interested parties shall be submitted as expeditiously as possible but in no case later than five calendar days after the receipt of such request unless a specific exception is made by the RTA.

When a protest has been filed before award, RTA will not make an award prior to the resolution of the protest, and when a protest has been filed before the opening of bids, RTA will not open bids prior to the resolution of the protest, unless RTA determines any of the following:

1. The items to be procured are urgently required.
2. Delivery or performance will be unduly delayed by failure to make the award promptly.
3. Failure to make prompt award will otherwise cause undue harm to RTA or the Federal Government.

RTA may refuse to decide any protest where the matter involved is the subject of litigation before a court of competent jurisdiction, or has been decided on the merits by such a court. The foregoing shall not apply where the court requests, expects, or otherwise expresses interest in the RTA decision.

11.2 FTA Appeal of RTA Decision

A protester may appeal RTA's decision to FTA only if FTA funds are involved. A protest appeal to the FTA must be filed in accordance with the provisions of FTA Circular 4220.1F. Current FTA Policy states that: "Reviews of protests by FTA will be limited to a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest" (FTA Circular 4220.1F, Section 7.1.b.(2)(a)). An appeal to the FTA must be made no later than five working days after a final decision is rendered under the RTA's protest procedure (FTA Circular 4220.1F, Section 7.1.b.(1)(c)). Protest appeals should be filed with: the Federal Transit Administration, Regional Administrator Region IX, 201 Mission Street, Suite 1650, San Francisco, CA 94105-1839



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Violations of State law or regulation will be handled by the complaint process stated within that law or regulation. Violations of State or local law or regulations will be under the jurisdiction of State or local officials.

12. PURCHASING PROCEDURE CHANGES

From time to time the U.S. Department of Transportation, the Federal Transit Administration or other governing bodies may set forth new procurement standards or supplementary directives. As changes, revisions or applicable guidance is determined necessary for proper procurement administration, the RTA Chief Procurement & Logistics Officer will prepare a summary of the proposed changes for submittal by way of the CEO to the Board of Directors in the form of an agenda item for consideration and incorporation of the proposed amendment into the existing Purchasing Policies and Procedures.

13. SURPLUS/FIXED ASSET DISPOSITION

13.1 Disposition

The following disposition procedures shall apply to both capital and non-capital assets. Examples of Agency owned assets that require disposition include furniture, obsolete shop equipment, vehicles, computer equipment, surplus bus inventory, etc. Generally speaking, an asset is determined to be surplus when one of the following conditions has been met:

1. The asset has reached the end of its useful life as defined by FTA Circular 5010.1D and is no longer needed by the Agency.
2. The cost to repair the item being disposed is no longer economical and/or will exceed its book value.
3. Replacement spare parts or repairs are no longer available.

The Chief Procurement and Logistics Officer is responsible for ensuring compliance with Agency disposition procedures and, determining the method of disposition which may include but is not limited to; public auction, competitive sale, trade-in, transfer, or scrap. The disposal of FTA funded assets shall be in accordance with FTA requirements.



Approved by RTA Board of Directors

Date Approved: ***February, 2016***

It is the responsibility of department directors who control or have jurisdiction over the asset(s) to prepare an Asset Disposition Memorandum (ADM) when seeking approval to dispose of an Agency owned asset(s). The ADM shall identify the surplus asset by including, a complete description of the asset, asset number/vehicle number, serial number/vehicle identification number, date of purchase, mileage, etc. and where appropriate, a statement that the asset has exceeded its useful life, is fully depreciated and is no longer needed by the Agency. The ADM is then reviewed and adjudicated by the Asset Retirement Committee (ARC) in accordance with the applicable Asset Retirement Process flowchart. Under no circumstances shall an asset be disposed of prior to review and approval by ARC.

If the item identified for disposal was acquired through FTA capital grant assistance, disposition procedures shall comply with FTA rules and regulations in Circular 5010.1D.

Complete records shall be maintained on the disposition of all surplus and retired assets by the purchasing department.

13.2 Vehicle Donation Policy

The Agency has a vehicle donation policy that allows for the donation of surplus vehicles that have been fully depreciated and have otherwise met the FTA's guidelines governing "useful service life requirements". Vehicles meeting those requirements and having a fair market value of \$5,000 or less, may be donated to service and/or non-profit entities in those cities that are members of the Joint Powers Agency (JPA) and the County of Riverside's Supervisorial Districts 1, 2, 3, and 5. The Agency will consider vehicle donation requests upon receiving a formal written request from the affiliated JPA member. All requests must be addressed to the Agency's Chief Executive Officer (CEO). The CEO will administer the Agency's vehicle donation program in compliance with the Agency's policy governing vehicle donations.