

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	06/13/11	Open	Action	06/01/11

Subject: Conditionally Approving the Second Contract Amendment with E and M, Inc. for the Purchase of Additional Digital Messaging Signs

ISSUE

Whether or not to conditionally Approve a Second Contract Amendment with E and M, Inc. for the Purchase of 36 Additional Digital Messaging Signs.

RECOMMENDED ACTION

Adopt Resolution No. 11-06_____, Conditionally Approving the Second Amendment with E and M, Inc. for the Purchase of 36 Additional Digital Messaging Signs.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$
Budget Source:	Capital	Next FY:	\$ 417,492 plus tax
Funding Source:	State Proposition 1B – Transit Security Grant Program	Annualized:	\$
Cost Cntr/GL Acct(s) or Capital Project #:	GL=910800 WBS=G045 + H022	Total Amount:	\$ 417,492, plus tax
Total Budget:	\$ 2,405,626		

DISCUSSION

On September 7, 2010, RT entered into a contract with E and M, Inc. for the purchase of 24 outdoor multi-colored LED messaging signs, with an option to purchase up to 72 within one year from the effective date of the contract. Subsequently on December 1, 2010, RT executed the first amendment to this contract, purchasing 12 additional messaging signs.

In FY11 staff applied for an additional Proposition 1B grant to complete the messaging sign project. In April, 2011, CalEMA determined the project is eligible for FY11 Proposition 1B funding. However, the funding is not currently available. In these situations CalEMA allows the prospective grantee (RT) to request a Letter of No Prejudice (LONP). The LONP, if approved by CalEMA, allows RT to spend its own money to fund the project while preserving the right to request reimbursement at a later date if the Proposition 1B funding becomes available. The LONP does not guarantee the Proposition 1B funding will be available at a later date. As such, although RT is eligible, the funding may not materialize.

If RT requests the LONP and it is approved by CalEMA, staff will request the purchase of the remaining 36 signs through contract option.

Approved:

Presented:

Final 6/2/11
General Manager/CEO

Director of Information Technology

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If a contract amendment is executed in June for the purchase of additional signs, the new signs should arrive in August, and be will installed by the end of the calendar year.

Staff recommends conditionally approving the second amendment to the contract with E and M, Inc. increasing the total consideration from \$426,492 to \$843,984 for the purchase 36 additional digital messaging signs subject to the receipt of an LONP from CalEMA.

RESOLUTION NO. 11-06-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

June 13, 2011

**CONDITIONALLY APPROVING THE SECOND AMENDMENT WITH E AND M, INC.
FOR THE PURCHASE OF 36 ADDITIONAL DIGITAL MESSAGING SIGNS**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Second Amendment to the Agreement between the Sacramento Regional Transit District, therein referred to as "RT," and E and M, Inc., therein referred to as "Contractor," whereby the total number of signs to be purchased is increased from 36 to 72, and the total consideration is increased by \$417,492 from \$426,492 to \$843,984, plus applicable sales tax, is hereby approved conditioned upon receipt of a "Letter of No Prejudice" ("LONP") from the California Emergency Management Agency ("CalEMA"), authorizing RT to spend at least \$417,492 of its own funds, subject to reimbursement from Proposition 1B funds if they become available.

THAT, the General Manager/CEO is hereby authorized and directed to execute said Second Amendment upon satisfaction of the foregoing contingencies.

DON NOTTOLI, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary