

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	7/23/12	Open	Action	7/9/12

Subject: Repealing Resolution No. 11-03-0038 and Increasing the General Manager/CEO Procurement Authority for the UTDC Project Funded in Part by the American Recovery and Reinvestment Act of 2009

## ISSUE

Whether or not to repeal Resolution No. 11-03-0038 and Increasing the General Manager/CEO Procurement Authority for the UTDC Project Funded in Part by the American Recovery and Reinvestment Act of 2009 to add the award and execution of all contracts, sole source procurements, work orders, amendments, any single change order up to \$250,000 needed for the refurbishment and overhaul activities for the UTDC Vehicles.

## RECOMMENDED ACTION

Adopt Resolution No. 12-07-\_\_\_\_, Repealing Resolution No. 11-03-0038 and Increasing the General Manager/CEO Procurement Authority for the UTDC Project Funded in Part by the American Recovery and Reinvestment Act of 2009 for the Refurbishment and Overhaul Activities for the UTDC Vehicles.

## FISCAL IMPACT

This action does not involve the expenditure of funds. The award of contracts, which will involve expenditure of funds over \$250,000, will be presented to the Board in the future.

## DISCUSSION

Generally, RT's General Manager/CEO has authority to release solicitation documents and award Contracts for solicitations where the cost does not exceed \$100,000. However, in 2009 the Federal Government authorized the American Recovery's Reinvestment Act of 2009. Timeliness was crucial for the program. In order to ensure that RT maximized its ARRA entitlement, Staff requested that the Board increase the General Manager/CEO's Procurement Authority for ARRA funded projects.

At the March 14, 2011 Board Meeting, the Board adopted Resolution No. 11-03-0038 increased the General Manager/CEO procurement authority as follows:

1. To release all solicitations of bids and proposals for ARRA funded projects.
2. To award and execute all work orders up to \$250,000 on the existing support services contracts: General Construction Management Support Services, and General Engineering Support Services.

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Approved:

Presented:

Final 7/12/12

General Manager/CEO

Chief Operating Officer

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10	7/23/12	Open	Action	7/9/12

Subject: Repealing Resolution No. 11-03-0038 and Increasing the General Manager/CEO Procurement Authority for the UTDC Project Funded in Part by the American Recovery and Reinvestment Act of 2009

The Discussion for Resolution No. 11-03-0038 requested delegation of authority to the General Manager/CEO specific to the UTDC project to:

1. To release all solicitations of bids and proposals for ARRA funded projects.
2. To award and execute all work orders up to \$250,000 on the existing support services contracts: General Construction Management Support Services, and General Engineering Support Services.
3. Award and execute contracts any single change order up to \$250,000;
4. Award and execute sole source contracts up to \$250,000
5. Approve and execute amendments up to \$250,000.

See Exhibit A

Staff recommended that the Board increase the General Manager/CEO's Procurement Authority for all the above items. However, the Resolution included only part of the Issue Paper request and did not include the following actions:

1. Award and execute contracts for any single change order up to \$250,000;
2. Award and execute sole source contracts up to \$250,000;
3. Approve and execute amendments up to \$250,000.

A list of UTDC project procurements, known at this writing, is included within Exhibit A Resolution 11-03-0038. The list of procurements in Exhibit A may change based on any number of changes in the requirements based on variables in the conditions of vehicle components. Each Invitation to Bid and Request for Proposal will be customized, as such, to accommodate the needed work.

Staff wishes to incorporate all of the items that were discussed in the March 14, 2011 Issue Paper but that were excluded from the resolution. Therefore, Staff recommends that the Board Repeal the Original Resolution No. 11-03-0038 and the Board increase the General Manager/CEO's procurement authority authorizing him/her to release all Bids/Proposals; and to increase the General Manager/CEO's authority to \$250,000 for award of contracts, sole source contracts; work orders, change orders, and amendments, for the UTDC project; and authorization to use a negotiated procurement for the major UTDC Refurbishment contract to expedite expenditures on the ARRA funds before the September 30, 2013 deadline.

RESOLUTION NO. 12-07-\_\_\_\_\_

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

**July 23, 2012**

**REPEALING RESOLUTION NO. 11-03-0038 AND INCREASING THE GENERAL MANAGER/CEO PROCUREMENT AUTHORITY FOR THE UTDC PROJECT FUNDED IN PART BY THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FOR THE REFURBISHMENT AND OVERHAUL ACTIVITIES FOR THE UTDC VEHICLES.**

WHEREAS, Section 1.301 of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) requires approval by the RT Board of Directors of the release of any Request for Proposals (RFP) or Invitation to Bid (ITB) for any contract in excess of \$100,000; and

WHEREAS, Section 1.503 of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) requires approval by the RT Board of Directors of the award of any contract in excess of \$100,000; and

WHEREAS, Section 1.505 of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) requires approval by the RT Board of Directors of the award of any amendment for a supply contract in excess of \$40,000 and for a service contract the lesser of \$100,000 or fifteen percent (15%) of the initial contract price; and

WHEREAS, Section 1.506.D of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) requires approval by the RT Board of Directors of the award of any single change order in excess of \$100,000; and

WHEREAS, Section 1.406 of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) permits the purchase by competitive negotiation of specialized rail transit equipment upon a finding made by two-thirds vote of all members of the RT Board of Directors that a competitive bidding procedure will not meet RT's needs; and

WHEREAS, due to the Board schedule, not bringing solicitation documents or contracts to the Board of Directors for approval will help expedite the spending of the federal funds for the UTDC project; and

WHEREAS, the Board desires to delegate authority to the General Manager/CEO to award and execute contracts, sole source procurements, and any single change order up to \$250,000 for procurements that are funded in whole or in part with funding obtained under ARRA as necessary to expedite the spending of the 2009 ARRA federal stimulus funding.

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

THAT, Resolution No. 11-03-0038 is repealed;

THAT, the General Manager/CEO is authorized to release any RFP or ITB, as appropriate for any UTDC project Procurement that is funded in whole or in part with funding obtained under the ARRA, as referenced in Exhibit A to this resolution.

THAT, upon release, each RFP or ITB be advertised pursuant to the provisions of the RT Procurement Ordinance.

THAT, the General Manager/CEO is authorized to award and execute any contracts up to \$250,000, contract change orders up to \$250,000, contract work orders up to \$250,000, and contract amendments up to \$250,000 for work that is funded in whole or in part with funding obtained under the ARRA to expedite the spending of the 2009 ARRA federal stimulus funding;

THAT, the General Manager/CEO is authorized to award and execute to sole source contracts up to \$250,000 for procurements that are funded in whole or in part with funding obtained under ARRA to expedite the spending of the 2009 ARRA federal stimulus funding; and

THAT, the Board hereby determines that the award of some of the UTDC LRV Refurbishment contracts to the lowest responsible bidder, after competitive bidding, does not constitute a method of procurement adequate for RT's needs, and that it is in RT's best interest to use a competitive negotiated procurement for the major UTDC LRV Refurbishment contract.

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BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

**REGIONAL TRANSIT ISSUE PAPER**

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Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	03/14/11	Open	Action	03/01/11

Subject: To Delegate Increased Procurement Authority to the General Manager/CEO for the UTDC Project Funded in Whole or in Part by the American Recovery and Reinvestment Act of 2009

**ISSUE**

Whether or not to delegate increased Procurement authority to the General Manager/CEO for the UTDC Project Funded in Whole or in Part by the American Recovery and Reinvestment Act of 2009.

**RECOMMENDED ACTION**

Adopt Resolution No. 11-03-\_\_\_\_, To Delegate Increased Procurement Authority to the General Manager/CEO for the UTDC Project Funded in Whole or in Part by the American Recovery and Reinvestment Act of 2009.

**FISCAL IMPACT**

This action does not involve the expenditure of funds. The award of contracts, which will involve the expenditure of funds, will be presented to the Board in the future.

**DISCUSSION**

RT received federal stimulus funds through the American Recovery and Reinvestment Act (ARRA) of 2009 for the refurbishment of its 21 Urban Transportation Development Corporation (UTDC) light rail vehicles (LRVs) purchased from the Santa Clara Valley Transportation Authority (VTA) in 2003. The LRVs require an overhaul and modifications to some systems to meet RT's operational requirements. Until now, RT has not had adequate resources to complete the refurbishment project; however, with the receipt of ARRA funding, work has begun to complete this project.

Maintenance Operation's original plan was to perform all the work internally by developing the technical specifications and performing the modifications to the fleet. With RT's fiscal emergency and subsequent layoffs, it was determined that RT would have to contract out the resources required to complete this project. In April 2010, RT contracted with LTK Engineering through a Work Order to the General Engineering Support Services contract to perform a technical inspection of the UTDC fleet and in August, RT contracted again with LTK to create the detailed technical specifications for the refurbishment. Due to the complexity of the need to overhaul/replace obsolete equipment, the development of the technical specifications has taken until February to complete.

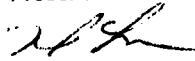
On February 23, 2009, the Board approved Resolution 09-02-0035 to delegate increased procurement authority to the General Manager/CEO, for projects funded in whole or in part by the

Approved:



General Manager/CEO

Presented:



Chief Operating Officer

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2011\UTDC.IP.Delegate.Procurements.ARRA revsd.110216.doc

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Subject: To Delegate Increased Procurement Authority to the General Manager/CEO for the UTDC Project Funded in Whole or in Part by the American Recovery and Reinvestment Act of 2009

ARRA of 2009, as necessary, to timely apply for and receive federal funding (a condition that has since been met). RT received approximately \$9.8M for the UTDC refurbishment project and has spent a portion of the funds. A condition of the ARRA funding is that the funds are to be spent timely, without delay, otherwise RT risks having to return the funding and pay back what has already been spent. The funding period for the 2009 American Recovery and Reinvestment Act of 2009 is from February 17, 2009 until September 30th, 2010. An ARRA audit in October 2010 reviewed the status of our project. RT, currently has staff dedicated to the project, has started to procure material, and developed a detailed project plan. RT has been able to show the Auditor that we are actively moving forward with the project. With this information, RT is currently meeting the requirements of the funding. However, Congress has been debating whether all un-obligated funds should be eliminated from the stimulus budget. In order to move forward into the contracting phase and to completely encumber the funding provided, we are asking the Board to streamline and accelerate the Procurement processes. Staff is requesting that the Board delegate certain authority to the General Manager/CEO, specific to the UTDC refurbishment project. The General Manager/CEO would be delegated the following authority:

1. To release all solicitations of bids and proposals;
2. To award and execute contracts up to \$250,000;
3. To award and execute sole source contracts up to \$250,000;
4. To award and execute all work orders up to \$250,000;
5. To approve and execute any single change order up to \$250,000; and
6. To approve and execute amendments up to \$250,000.

Under this limited authority, any contract in excess of \$250,000 will be presented to the Board for approval.

Upon authorization from the RT Board of Directors, and subject to the review and approval by the Chief Legal Counsel or his/her designee, the General Manager/CEO would be authorized to execute all work orders up to \$250,000 on the existing support services contracts: General Construction Management Support Services, and General Engineering Support Services.

Upon authorization from the RT Board of Directors, and subject to the review and approval by the Chief Legal Counsel or his/her designee, the General Manager/CEO would be authorized to approve all solicitations for bids and proposals for the UTDC project. A list of UTDC project procurements, known at this writing, is included as Exhibit A to the Resolution. The list of procurements in Exhibit A may change based on any number of changes in the requirements. During the initial teardown and assessment process, Staff discovered significant variables in the conditions of vehicle components. Each Invitation to Bid and Request for Proposal will be customized, as such, to accommodate the needed work.

Most of the UTDC vehicle components will be procured using the competitive low bid solicitation method; however, a negotiated procurement is the intended procurement strategy for the major

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Subject: To Delegate Increased Procurement Authority to the General Manager/CEO for the UTDC Project Funded in Whole or in Part by the American Recovery and Reinvestment Act of 2009

UTDC LRV refurbishment contract. Under this method, award of the contract will be to the firm that scores the highest on evaluation criteria that will include price as well as technical and manufacturing capability, rather than low bid. Public Contract Code Section 20323 allows for the use of a competitive negotiation process for the acquisition of specialized rail transit equipment. A competitive negotiation is allowed upon a finding by a 2/3rds vote of RT's Board of Directors, that it is in RT's best interest to consider and that in these circumstances it is in the public interest to consider the broadest possible range of competing products and materials available; fitness of purpose, manufacturer's warranty, performance reliability, standardization, life-cycle costs, delivery timetables, support logistics, and other similar factors in addition to price in the award of this contract.

Staff recommends that the Board delegate authority to the General Manager/CEO to release all Bids/Proposals; and to increase the General Manager/CEO's authority to \$250,000 for award of contracts, sole source authority; work orders, change orders, and amendments, for the UTDC project; and authorization to use a negotiated procurement for the major UTDC Refurbishment contract.

RESOLUTION NO. 11-03-0038

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

March 14, 2011

**TO DELEGATE INCREASED PROCUREMENT AUTHORITY TO THE GENERAL MANAGER/CEO FOR THE UTDC PROJECT FUNDED IN PART BY THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009.**

WHEREAS, Section 1.301 of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) requires approval by the RT Board of Directors of the release of any Request for Proposals or Invitation to Bid for any contract in excess of \$100,000; and

WHEREAS, Section 1.503 of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) requires approval by the RT Board of Directors of the award of any contract in excess of \$100,000; and

WHEREAS, Section 1.506.D of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) requires approval by the RT Board of Directors of the award of any single change order in excess of \$100,000; and

WHEREAS, Section 1.505 of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) requires approval by the RT Board of Directors of the award of any amendment for a supply contract in excess of \$40,000 and for a service contract the lesser of \$100,000 or fifteen percent (15%) of the initial contract price; and

WHEREAS, Section 1.406 of the Sacramento Regional Transit District (RT) Procurement Ordinance (No. 97-08-02, as amended) permits the purchase by competitive negotiation of specialized rail transit equipment upon a finding made by two-thirds vote of all members of the RT Board of Directors that a competitive bidding procedure will not meet RT's needs.

WHEREAS, due to the Board meeting schedule, not bringing solicitation documents or contracts to the Board of Directors for approval will help expedite the spending of the federal funds for the UTDC refurbishment project; and

WHEREAS, the Board desires to delegate authority to the General Manager/CEO to release solicitation documents for UTDC project Procurements that are funded in whole or in part with funding obtained under the ARRA; and



WHEREAS, the Board desires to delegate authority to the General Manager/CEO to award and execute contracts, sole source procurements, work orders, amendments, any single change order, and work orders up to \$250,000 for procurements that are funded in whole or in part with funding obtained under the ARRA as necessary to expedite the spending of the 2009 ARRA federal stimulus funding.

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

THAT, the General Manager/CEO is authorized to release any Request for Proposal or Invitation to Bid, as appropriate for any UTDC project Procurement that is funded in whole or in part with funding obtained under the ARRA, as referenced in Exhibit A to this resolution.

THAT, the General Manager/CEO is authorized to execute any UTDC project work order, up to \$250,000 issued under one of the following contracts that will be funded in whole or in part with funding obtained under the ARRA:

General Construction Management Support Services  
General Engineering Support Services

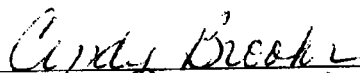
THAT, the Board hereby determines that the award of some of the UTDC LRV Refurbishment contracts to the lowest responsible bidder, after competitive bidding, does not constitute a method of procurement adequate for RT's needs, and that it is in RT's best interest to use a competitive negotiated procurement (RFP), for the major UTDC LRV Refurbishment contract.

THAT, upon release, each Request for Proposal or Invitation to Bid be advertised pursuant to the provisions of the RT Procurement Ordinance.

  
\_\_\_\_\_  
DON NOTTOLI, Chair

ATTEST:

MICHAEL R. WILEY, Secretary

By:   
\_\_\_\_\_  
Cindy Brooks, Assistant Secretary

## EXHIBIT A

Description	Type of Procurement
LRV major refurbishment (21 UTDC LRV's)	Request for Proposals
Primary Suspension	Sole Source*
Slewing ring	Sole Source*
Journal Bearings	Sole Source*
Wheels	Invitation to Bid
Traction Motor overhaul	Invitation to Bid
Gearbox overhaul	Invitation to Bid
Ground Brush Assembly overhaul	Invitation to Bid
Ground Brush Assembly & Brushes (new)	Invitation to Bid
Leveling Valves	Sole Source*
Air Bags, Secondary suspension	Sole Source*
Shock Absorbers	Sole Source*
Lateral stops, and other rubber parts	Sole Source*
BBC Contactors overhaul	Invitation to Bid
Batteries	Invitation to Bid
Coupler overhaul	Invitation to Bid
Pantograph overhaul	Invitation to Bid
Railroad Lamp Assembly	To be determined
Passenger Seats (upholstery)	To be determined
Passenger Windows	Sole Source*
Cab Side Windows	Purchase Order
Shunt Resistors	To be determined
<b>Brake Equipment</b>	
Brake Actuator(s) & Caliper(s) overhaul	Sole Source*
Brake Disk	Sole Source*
Air Compressor overhaul	Sole Source*
Pneumatic control (BCU) overhaul	Sole Source*
Brake ECU overhaul	Sole Source*
Brake Valve(s) overhaul	Sole Source*
<b>Tooling</b>	
Test Bench and Instrumentation	To be determined

RE: Issue Paper 03/14/11 To Delegate Increased Procurement Authority to the General Manager/CEO for the UTDC Project Funded in Part by the American Recovery and Reinvestment Act of 2009.  
 \*Sole Source determination was the technical determination of LTK.