



STAFF REPORT

DATE: September 14, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Carmen Alba, Acting, VP, Operations

SUBJ: RATIFYING AN UNAUTHORIZED PROCUREMENT AND APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR RADIO MAINTENANCE AND REPAIR SERVICES WITH DELTA WIRELESS, INC. TO ADD FUNDS AND EXERCISE OPTION YEARS SIX AND SEVEN

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval will authorize the past payment of funds in excess of the specified total consideration under the Contract, add further additional funds to provide services for the remainder of Year 5, and allow the continuation of the current contract with Delta Wireless, Inc. for Option Years Six and Seven.

FISCAL IMPACT

<u>Department</u>	<u>Year 5</u>	<u>Option Year 6</u>	<u>Option Year 7</u>
Total	\$50,000.00	\$190,428.60	\$196,978.96

Grand Total for added funds to Year 5 and both Option Years \$437,407.56

Contract amounts to be expended in FY 2020-2021 have been included in FY 2020-2021 Operating Budget. The total contract will be \$1,202,204.04 plus applicable sales taxes.

DISCUSSION

On June 2, 2015, SacRT received one bid from Delta Wireless, Inc. for Radio System Maintenance and Repair. At that time, Staff determined the bid pricing was fair and reasonable based on the Independent Cost Estimate (ICE), which was established using current and past contract rates.

On August 24, 2015, the Board awarded a Contract for Radio System Maintenance and Repair Services to Delta Wireless, Inc., for an amount not to exceed \$764,794.32, plus applicable sales tax for a five-year-term with two one-year options. The current contract

was executed on October 25, 2015, and expires five years later on October 24, 2020, unless SacRT exercises its option to extend the contract.

Due to costs associated with the P25 radio upgrade and the need to install new radios in SacRT GO vehicles, the Total Consideration for the Contract was fully expended in June 2020. Staff continued to request services under the Contract and, to date, \$29,537.83 in invoices have been paid for services in excess of the Contract Total Consideration.

Section 1.105, "Ratification of Unauthorized Procurement" of the Procurement Ordinance permits the Board to ratify an unauthorized procurement if: (1) the supplies or services have been provided to and accepted by SacRT or SacRT will otherwise benefit from the unauthorized procurement; (2) the ratifying official (in this case the Board), has the authority to enter into the contract; (3) the contract would have been proper if made by an appropriate contracting officer; (4) the price is fair and reasonable; and (5) sufficient funds are available.

Because these services were necessary to maintain SacRT's critical radio equipment and systems and were provided at the specified Contract rates, Staff recommends that the Board ratify the unauthorized expenditure of funds and approve the addition of those funds to the Contract Total Consideration, along with additional funds in the amount of \$20,462.17 to fund services through the end of the current term. Staff will be implementing further internal control measures and monitoring to ensure that, in the future, funds are not appropriated or expended for a Contract in an amount in excess of the Total Consideration.

In addition, because Staff has been satisfied with the performance by Delta Wireless under the Contract, Staff is recommending exercise of the two option years. Because of additions and changes to equipment, including maintenance of additional radios for the SacRT GO paratransit service, the option year totals are higher than originally proposed, but the Contract provided for the addition of equipment at the same rates as bid. Staff has reviewed the proposed rates for Option Years 6 and 7 and determined they remain fair and reasonable based on the current market.

Staff recommends the Board approve the First Amendment to the Contract for Radio System Maintenance and Repair Services with Delta Wireless, Inc., ratify the unauthorized payments, add funds for the remainder of the original contract term, extend the term, modify the equipment list covered under the Contract, and increase the Total Consideration by \$437,407.56, from \$764,794.32 to \$1,202,204.04, plus applicable sales taxes.

RESOLUTION NO. 20-09-0098

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

September 14, 2020

RATIFYING AN UNAUTHORIZED PROCUREMENT AND APPROVING THE FIRST AMENDMENT TO THE CONTRACT FOR RADIO MAINTENANCE AND REPAIR SERVICES WITH DELTA WIRELESS, INC. TO ADD FUNDS AND EXERCISE OPTION YEARS SIX AND SEVEN

WHEREAS, Section 1.105, "Ratification of Unauthorized Procurement" of the Procurement Ordinance permits the Board to ratify an unauthorized procurement if: (1) the supplies or services have been provided to and accepted by SacRT; (2) the ratifying official has the authority to enter into the contract; (3) the contract would have been proper if made by an appropriate contracting officer; (4) the price is fair and reasonable; and (5) sufficient funds are available.

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

THAT, in accordance with Section 1.105 of the Procurement Ordinance, the Board of Directors hereby ratifies the excess payment in the amount of \$29,537.83 to Delta Wireless, Inc. for services rendered; and

THAT, the First Amendment to the Contract for Radio System Maintenance and Repair Services between Sacramento Regional Transit District, therein referred to as "RT," and Delta Wireless, Inc. therein referred to as "Contractor," whereby RT exercises its options to extend the Contract for two additional years commencing on October 25, 2020 and terminating on October 24, 2022, the equipment list is updated, and the total consideration is increased by \$437,407.56, from \$764,794.32 to \$1,202,204.04 plus applicable sales tax, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said First Amendment.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary