

STAFF REPORT

DATE: July 25, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Jamie Adelman, Acting VP, Finance/CFO
SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE FURNITURE AND FIXTURES CONTRACTS AND AMENDMENTS OVER \$150,000 FOR THE Q STREET ADMINISTRATIVE BUILDING PROJECT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The proposed Resolution will allow the General Manager/CEO to enter into contracts over \$150,000, with one or more vendors, to purchase furniture, fixtures, and installation services to the extent necessary and as needed for the Q Street Administrative Building Project.

FISCAL IMPACT

The fiscal impact is dependent on the products and services purchased, although some level of savings is expected due to government discounts for furniture and fixtures that will be purchased through competitively-bid procurements. The independent cost estimate for the furniture, fixtures, assembly, and installation at the new building is approximately \$475,000. The Q Street Administrative Building Project Capital Improvement Project (CIP) budgeted an amount of \$550,000 for all new furniture and fixtures under WBS V102.07.01. Project V102 is fully funded.

DISCUSSION

SacRT executed a lease for approximately 19,000 square feet of office space at 1102 Q Street, in February 2022. The leased space is comprised of four office suites, one of which was materially furnished by the previous tenant and is currently available to SacRT for set up and use (Suite 4100). The three other suites being leased require tenant improvements and will need to be furnished. The goal is to have equity amongst all the suites, provide a more refreshed workspace than the current administrative offices, and be on par with our industry peers and other local government offices. Most of these spaces will be shared among staff using an office hoteling system, thereby saving cost while allowing SacRT to remain competitive as an employer by adapting to new work standards as a result of the pandemic.

Due to the short time frame of needing the furniture and supply chain delays affecting multiple industries, waiting to seek Board approval to execute furniture and service-related procurement contracts could delay the transition to the new office space. Therefore, staff is requesting a standing delegation of authority to the General Manager/CEO to approve procurement actions in excess of the General Manager/CEO's current authority under the Procurement Ordinance.

Currently, the General Manager/CEO's procurement contract authority is as follows:

- (1) New contracts up to \$150,000;
- (2) Amendments to Board-approved contracts up to \$150,000;
- (3) Amendments to General Manager-approved contracts up to an aggregate total (between the initial contract and amendments) of \$150,000.
- (4) Contract Change Orders for public works – authority varies based on the original value of the Contract, but the aggregate limit for smaller public works projects is generally 10% of the original contract price and the individual limit is \$150,000 for a single Contract Change Order regardless of the original contract value.

When these limits are exceeded, the Board must approve the contract before it can be executed and the Board may, in addition, be required to make findings related to non-competitive procurements or a decision to amend a contract above the informal solicitation threshold.

Staff has identified multiple competitively-bid contracts that can be used consistent with Section 1.407 of the SacRT Procurement Ordinance, which permits the use of cooperative purchasing agreements and government schedules if the bidding procedures followed by a public entity for any such contract satisfy the bidding requirements set out in this Procurement Ordinance and if the contract does not violate any federal or state requirements applicable to SacRT. Use of these contracts will allow SacRT to more quickly obtain the necessary furnishing and fixtures while still obtaining competitive pricing.

The Procurement department will ensure that all purchasing is compliant with the Board-approved Procurement Ordinance. Procurement will identify the most-efficient path forward while ensuring that competitive pricing is obtained.

RESOLUTION NO. 2022-07-076

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

July 25, 2022

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE FURNITURE AND FIXTURES CONTRACTS AND AMENDMENTS OVER \$150,000 FOR THE Q STREET ADMINISTRATIVE BUILDING PROJECT

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

THAT, authority is hereby delegated to the General Manager/CEO to approve Procurement contracts and amendments, to one or more vendors, that would otherwise be in excess of his authority, as set forth in the Procurement Ordinance (21-10-01), up to a maximum aggregate amount of \$475,000, as reasonable and necessary for the Q Street Administrative Building Project.

THAT, any Procurement undertaken pursuant to this delegation of authority must be undertaken in compliance with the otherwise-applicable provisions of the Procurement Ordinance.

THAT, this delegation of authority will expire, without further action of the Board, on March 31, 2023.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary