

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

---

**MEETING DATE:** 7/10/2019

**Staff Report No.** 19-229

---

**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Amendments to Board Policy 465

### ACTION ITEM

#### **RECOMMENDED ACTION(S):**

Consider approving amendments to Board Policy 465 - Procurement Policy in order to maintain compliance with Federal Transit Administration (FTA) regulations, as well as capture efficiencies in procurement cycle times.

#### **BUDGETARY/FISCAL IMPACT:**

Outside of staff time, no additional costs are associated with the implementation of the recommended amendments to the procurement policy.

#### **BACKGROUND/RATIONALE:**

The current policy does not reflect all of the current FTA established thresholds. This has resulted in longer than necessary process times to approve projects.

Staff recommends the following changes:

- Increase General Manager signature authority from \$100,000 to \$250,000 for Request for Proposals (RFP) and Invitation for Bids (IFB); the FTA threshold is up to \$250,000 for Small Purchases.
- Increase General Manager signature authority from \$2,500 to \$10,000 for Micro Purchases; the FTA threshold is \$10,000.
- An Independent Cost Estimate shall be required for purchases above the simplified acquisition threshold of \$250,000, per 2 CFR 200.
- For pre-solicitation requests
  - Projects less than \$500,000 are approved by the General Manager.
  - Projects greater than \$500,000 are approved by the Board.
- Add Vendor Management and Debarment content to ensure vendor accountability.
- Add Notice of Intent to Award language.

#### **ADVANTAGES/DISADVANTAGES:**

These proposed revisions will allow the District to move more quickly through the solicitation process. Departments can advance their procurements, resulting in improvements in process time.

Adding a section on vendor performance and debarment provides alternatives to improving vendor deliverables, as well as debarring a vendor when it's appropriate.

There are no disadvantages to the proposed changes as they would allow the District's procurement process to operate more effectively and efficiently while operating within the current FTA established thresholds.

**ALTERNATIVES ANALYSIS:**

Staff considered leaving the policy as-is; however, this is not recommended as it does not serve the best interests of the vendor community or the District's ability to execute contracts in a timely manner.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Board Policy 465 was last amended in October, 2016

**ATTACHMENTS:**

1. Policy 465 Procurement Policy with Amendments

**Approved by:**

Claudia L. Allen, Chief Financial Officer

Alan Parello, Internal Audit Manager

Denise C. Standridge, General Counsel

**Reviewed by:**

Ahsan Baig, Chief Information Officer

Ramakrishna Pochiraju, Executive Director of Planning & Engineering

Salvador Llamas, Chief Operating Officer

Phillip Hailey, Contracts Compliance Administrator

**Prepared by:**

Gene Clark, Director of Procurement and Materials Management