



Connecting Our Community.

ADMINISTRATIVE & FINANCE COMMITTEE

THURSDAY, OCTOBER 9, 2014 – 8:00 A.M.

OMNITRANS METRO FACILITY

1700 WEST 5TH STREET

SAN BERNARDINO, CA 92411

The meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Recording Secretary at least three (3) business days prior to the Committee Meeting. The Recording Secretary's telephone number is 909-379-7110 (voice) or 909-384-9351 (TTY), located at 1700 West Fifth Street, San Bernardino, California. If you have comments about items on the agenda or other general concerns and are not able to attend the meeting, please mail them to Omnitrans at 1700 West Fifth Street, San Bernardino, California, Attention Board Secretary. Comments may also be submitted by email to BoardSecretary@omnitrans.org.

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call

B. ANNOUNCEMENTS/PRESENTATIONS

1. Next Committee Meeting: Thursday, November 13, 2014, 8:00 a.m.
Omnitrans Metro Facility Board Room

C. COMMUNICATIONS FROM THE PUBLIC

This is the time and place for the general public to address the Board for items that are not on the agenda. In accordance with rules applicable to meetings of the Administrative & Finance Committee, comments on items not on the agenda and on items on the agenda are to be limited to a total of three (3) minutes per individual.

D. POSSIBLE CONFLICT OF INTEREST ISSUES

Disclosure – Note agenda items contractors, subcontractors and agents, which may require member abstentions due to conflict of interest and financial interests. Board Member abstentions shall be stated under this item for recordation in the appropriate item.

N/A

E. DISCUSSION ITEMS

- | | |
|--|----|
| 1. Approve Administrative & Finance Committee Minutes – July 10, 2014 | 3 |
| 2. Recommend to Board of Directors, Receive and File Construction Progress Report No. 31 through July, August and September 22, 2014 - sbX E Street Corridor BRT Project | 8 |
| 3. Recommend to Board of Directors, Receive and File Omnitrans' Forward Fuel Purchases Update – August 2014 | 21 |
| 4. Recommend to Board of Directors, Receive and File Director of Finance Report on Forward Fuel Purchases for September 2014 | 23 |
| 5. Recommend to Board of Directors, Approve Disposal of Capital Assets to JPA (Joint Powers Agreement) Members, Other Governmental Entities and 501(c)(3) Organizations | 25 |
| 6. Recommend to Board of Directors, Adopt Revisions to Procurement Policies 1000 General Procurement Policy, 1010 Purpose, 1020 Responsibilities, and Procurement Procedure 4000-1 Formal Procurement Procedures | 27 |



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F. REMARKS AND ANNOUNCEMENTS

G. ADJOURNMENT

ITEM # E1

**ADMINISTRATIVE & FINANCE COMMITTEE
MINUTES OF JULY 10, 2014**

A. CALL TO ORDER

Committee Chair Ed Graham called the regular meeting of the Administrative and Finance Committee to order at 8:00 a.m., Thursday, July 10, 2014.

1. Pledge of Allegiance
2. Roll Call – Self-introductions were made.

Committee Members Present

Mayor Ed Graham, City of Chino Hills – Committee Chair
Mayor Paul Eaton, City of Montclair
Council Member Frank Gonzales, City of Colton
Mayor Ray Musser, City of Upland
Council Member Dick Riddell, City of Yucaipa
Mayor Pro Tem John Roberts, City of Fontana
Mayor Walt Stanckiewicz, City of Grand Terrace
Mayor Pro Tem Alan Wapner, City of Ontario

Committee Members Not Present

Mayor Carey Davis, City of San Bernardino

OmniTrans Administrative Staff Present

P. Scott Graham, CEO/General Manager
Diane Caldera, Director of Operations
Jack Dooley, Director of Maintenance
Marge Ewing, Director of Human Resources
Sam Gibbs, Director of Internal Audit Services
Jennifer Sims, Director of Procurement
Don Walker, Director of Finance
Wendy Williams, Director of Marketing/Planning
Maurice Mansion, Treasury Manager
Andres Ramirez, sbX Construction Manager
Dennice Raygoza, Senior Contract Administrator
Mark Crosby, Loss Prevention Supervisor

B. ANNOUNCEMENTS/PRESENTATIONS

The next Committee Meeting is scheduled Thursday, August 14, 2014, at 8:00 a.m.

C. COMMUNICATIONS FROM THE PUBLIC

There were no comments from the public.

D. POSSIBLE CONFLICT OF INTEREST ISSUES

There were no conflict of interest issues identified.

E. DISCUSSION ITEMS

1. Approve Administrative & Finance Committee Minutes – June 12, 2014

M/S (Roberts/Eaton) that approved the Committee Minutes of June 12, 2014. Member Riddell abstained. Motion was unanimous by remaining Members present.

Board Chair Wapner arrived at 8:02 a.m.

2. Recommend to Board of Directors, Receive and File Construction Progress Report No. 30 through June 30, 2014 – sbX E Street Corridor BRT Project

sbX Construction Manager Andres Ramirez presented the construction update for the sbX E Street Corridor and the Vehicle Maintenance Facility through June 2014. Estimated cost at completion is \$188.6 and lost time injuries of over 446,500 man hours remain steady at zero.

The sbX Corridor is in the closeout phase with commissioning and testing of systems completed and punch list and closeout documentation nearing completion. Synchronization of the signals along the corridor continues. Finalization of the solicitation for the 10th Street through Highland Re-Pavement is in progress, as is the request for qualifications to design the Public Address System at the sbX stations.

The Vehicle Maintenance Facility (VMF) is 50% complete and projected for completion in January 2015.

Stainless steel ductwork has been installed in Building A (Maintenance Building) and the tie-in of compressors is complete. Concrete slab placement for the maintenance pits has been finalized for Building B (Bus Wash) and concrete pads for the buffer tanks have been placed on site. Next steps for the VMF include continued work in the battery room and maintenance bays, wall concrete placement for maintenance pits at the Bus Wash and relocation of the buffer tanks.

In response to questions posed by Committee Members regarding accidents along the corridor, CEO/General Manager Scott Graham said that there have been seven accidents, none at the fault of Omnitrans. That being said, to minimize risk and increase safety along the corridor, Omnitrans will be installing lane delineators along the sbX designated portions of the corridor to prevent vehicles from crossing the double yellow lines. Omnitrans will begin with installation of the 100 delineators on hand at the section of the corridor (south end of Inland Center Mall and Orange Show) that has experienced the most accidents.

As this is a safety matter, the Board Chair approved the release and award of a contract to purchase and install the delineators along the full length of dedicated lanes along the corridor, which will be presented to the Board of Directors for ratification in August.

In conversation with Board Chair Wapner as to why the delineators were not included in the original design, CEO/General Manager Graham had stated that, while only a guess, at one time the project was over budget and prior administration must have made the decision to remove the delineators from the design. Board Chair Wapner said that while this should have been a decision of the Board, there is money available in the project to incorporate the delineators back into the project.

As an extra effort to ensure safety, the Committee suggested that Omnitrans request local police to increase traffic enforcement by citing vehicles entering the dedicated sbX lanes.

This item was received by the Committee and will be forwarded to the Board of Directors for receipt and file.

3. Recommend to Board of Directors, Receive and File Omnitrans' Fiscal Year Ended June 30, 2014, Engagement Letter

Director of Finance Donald Walker presented the audit engagement letter received by Omnitrans' independent auditors, Vavrinek, Trine, Day & Co. (VTD) for fiscal year ended June 30, 2014. VTD, contracted by SANBAG, is required to conduct an annual audit to ensure accuracy and consistency of Omnitrans' financial statements. Upon completion of the audit, VTD will issue an opinion as to whether Omnitrans' financial statements are fairly presented in all material respects and that they are in conformance with GAAP (Generally Accepted Accounting Principles).

The Preliminary Audit was completed in May. VTD is scheduled to return in September to complete the audit. If any members of the Committee or the Board of Directors have knowledge of material matters that may affect the financial statements, they are requested to contact VTD directly.

M/S (Musser/Roberts) to recommend to the Board of Directors, to receive and file Vavrinek, Trine, Day & Co., LLP (VTD) audit responsibility and engagement letters for fiscal year ended June 30, 2014. Motion was unanimous by Members present.

4. Recommend to Board of Directors, Authorize Change Order No. 6 to Contract IPMO11-1, Vehicle Maintenance Facility (VMF) and Construction Project Vehicle Maintenance Facility Modification Architectural and Engineering Services

As a result of the initial contract for design services being extended beyond the initial 11 month time frame, Director of Procurement Jennifer Sims presented the request to authorize Change Order No. 6 to the contract with STV, Incorporated, that would increase the contract for design services by an additional \$581,727, plus a 10% contingency and 3.27% CAP (Cost Allocation Plan). She explained that while the current administration is monitoring this contract very closely to minimize change orders, many of the change orders were already in process prior to this administration. To that end, to better contain costs, significant changes to staffing levels of the Construction Management Services contract (Jacobs), which provides oversight to the STV contract, have been implemented, such as replacing the Resident Engineer (RE) with a much more aggressive RE who will better enforce Omnitrans' position.

M/S (Eaton/Musser) to recommend to the Board of Directors, to authorize the CEO/General Manager to execute Change Order No. 6 to extend Contract IPMO11-1, Vehicle Maintenance Facility Modification Architectural and Engineering Services for the East Valley Maintenance Facility, with STV, Incorporated, Rancho Cucamonga, CA, to July 31, 2015, and increase the contract by an additional \$581,727, plus a 10% contingency of \$58,173, and 3.27% Cost Allocation Plan of \$20,925, for a new total project amount not to exceed amount of \$2,078,957.00, including contingency and CAP. Motion was unanimous by Members present.

5. Recommend to Board of Directors, Authorize Change Order No. 11, PLN09-21, Construction Management Services – sbX Vehicle Maintenance Facility (VMF) and Construction Project

Director of Procurement Sims presented this item, explaining the need for continued Construction Management Services through conclusion of the sbX Corridor and the Vehicle Maintenance Facility. Although this contract was originally awarded in 2009 for the oversight of the sbX Corridor, the oversight of the Vehicle Maintenance Facility was added later. As mentioned in the previous item, staffing for Jacobs has been changed to more aggressively manage both the construction contractor, and the design team, to contain costs.

M/S (Stanckiewicz/Eaton) to recommend to the Board of Directors, approval to execute Change Order No. 11 to extend Contract PLN09-21 for Construction Management Services with Jacobs Project Management Co. (Jacobs) of Ontario, California, to July 31, 2015, and increase the contract by an additional \$1,324,259.40, plus a 10% contingency of \$132,425.94, and 3.27% Cost Allocation Plan of \$433,032.82, for a new total project amount not to exceed amount of \$13,742,366.16, including contingency and CAP. Motion was unanimous by Members present.

6. Recommend to Board of Directors, Authorize Release, Invitation for Bids IFB-IPMO15-10 for “E” Street, 10th Street to Highland Pavement Rehabilitation Project

Director of Procurement Jennifer Sims explained that rehabilitation of the pavement on E Street from 10th Street to Highland will complete the sbX Corridor. Initially, the project scope had included a 1-1/2” grind and overlay of this section of E Street, with a projected cost of \$800,000. Core samples and existing subsurface conditions revealed that the grind and overlay would not be adequate and the Federal Transit Administration (FTA) would not approve the \$800,000 cost as it would only be a temporary fix and a waste of money. For FTA to approve moving forward with the repair of this section of E Street, Omnitrans must solicit bids to determine the cost of the repair as FTA needs assurance that there is enough money remaining in the project budget to cover the cost. The City has provided the design and engineering staff and will provide permits for project. Once the bids are received, FTA approval will be sought to move forward with construction. Once the FTA approves including this project into the sbX Corridor, the recommendation for construction award will be presented to the Board of Directors for approval.

Upon discussion of the Committee, background information contained in the Committee Memo regarding the City of San Bernardino will be corrected and an accurate history provided when the item is presented to the Board of Directors.

M/S (Roberts/Musser) to recommend to the Board of Directors, to authorize the CEO/General Manager to release Invitation for Bids IFB-IPMO15-10 for “E” Street, 10th Street to Highland Avenue Pavement Rehabilitation Project. Motion was unanimous by Members present.

F. REMARKS AND ANNOUNCEMENTS

There were no remarks or announcements.

Member F. Gonzales arrived at 8:26 a.m.

G. ADJOURNMENT

The Administrative & Finance Committee meeting adjourned at 8:26 a.m. The next Administrative & Finance Committee Meeting is scheduled Thursday, August 14, 2014, at 8:00 a.m., with location posted on the Omnitrans website and at Omnitrans’ San Bernardino Metro Facility.

Prepared by:

Vicki Dennett, Assistant to CEO/General Manager

ITEM # E2

DATE: October 9, 2014

TO: Committee Chair Ed Graham and
Members of the Administrative & Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Andres Ramirez, Program Manager

SUBJECT: **CONSTRUCTION PROGRESS REPORT NO. 31 THROUGH
JULY, AUGUST, AND SEPTEMBER 22, 2014 - sbX E STREET
CORRIDOR BRT PROJECT**

FORM MOTION

Receive and recommend to the Board of Directors for receipt and file Construction Progress Report No. 31 for the sbX E Street Corridor BRT Project through July, August, and September 22, 2014.

BACKGROUND

This is Construction Progress Report No. 31 for the sbX E Street Corridor Project.

CONCLUSION

Receive and recommend to the Board of Directors for receipt and file Construction Progress Report No.31 for the sbX E Street Corridor BRT Project through July, August, and September 22, 2014.

PSG:AR

Attachment



sbX E Street Corridor Bus Rapid Transit (BRT) Project

Construction Progress Report No. 31

As of July, August, September 22, 2014

Submitted By:

JACOBS

Contractor:	SBX Corridor - Griffith/Comet VMF – USS Cal Builders
Contractor Contract No.:	IPMO11-5
Project Manager:	Roger Hatton, P.E.
Omnitrans Program Manager:	Andres Ramirez



TABLE OF CONTENTS

- I. Project Status Summary
 - A. Project Description – sbX Corridor
 - B. Summary Status Update – sbX Corridor
 - C. Upcoming Work – sbX Corridor
 - D. Project Description - Vehicle Maintenance Facility (VMF)
 - E. Summary Status Update – Vehicle Maintenance Facility (VMF)
 - F. Upcoming Work – Vehicle Maintenance Facility (VMF)
 - G. Concerns - Vehicle Maintenance Facility (VMF)
- II. Project Schedule
- III. RFIs, Submittals, and Non-Conformance Reports
- IV. Safety
- V. Project Budget and Cost
- VI. Change Orders and Claims
 - A. VMF Change Orders
 - B. sbX Corridor Change Orders
- VII. Project Photographs
 - A. Vehicle Maintenance Facility (VMF) Photos

I. PROJECT STATUS SUMMARY

A. Project Description – sbX Corridor

The sbX E Street Corridor BRT Project is a 15.7-mile-long transit improvement project that will connect the northern portion of the City of San Bernardino with the City of Loma Linda. Over the past four years, the sbX E Street Corridor Bus Rapid Transit (BRT) Project has evolved as the highest priority corridor identified in the System-Wide Transit Corridor Plan for the San Bernardino Valley.

The Refined LPA includes:

- 15.7 mile corridor
- 5.4 miles of exclusive center-running BRT lanes
- 10.3 miles of mixed flow BRT operation
- 16 BRT station locations, 6 center stations and 10 curbside stations
- 23 station boarding structures
- 4 park-and-ride facilities with a total of 610 parking spaces
- Transit signal priority (TSP) applications at select key intersections

B. Summary Status Update – sbX Corridor

- Completed negotiation and processing of final change order.
- Received request for Final Acceptance from the contractor.
- Reviewing completion documents for acceptance.
- Conducting final inspections for assurance that all Punch List items have been corrected.
- Working with the City for acceptance and transfer.

C. Upcoming Work – sbX Corridor

- Final acceptance and closeout of corridor contract.
- Installation of channelizers/delineators at dedicated bus lane.
- Selection of firm for Design Services for the PA system on the corridor.
- Bid of re-pavement for 10th to Highland.
- Preparation of documents for construction associated with the settlement with World Oil

D. Project Description – Vehicle Maintenance Facility (VMF)

The Omnitrans' Vehicle Maintenance Facility is a 4.4-acre facility maintaining and servicing the Omnitrans' bus fleet, comprised of over 160 buses. Modifications to Omnitrans' facility include the demolition of a bus washing station, removal of abandoned underground fuel tanks and new construction of a bus washing system, a new Genset building, a three-lane CNG fueling station, and re-configuring the bus parking area. Modifications to the maintenance building are made in order to accommodate Omnitrans' 60-foot articulated bus fleet.

E. Summary Status Update – Vehicle Maintenance Facility (VMF)**Maintenance Building A:**

- The two (2) Quincy air compressors in the Building A are complete, except for minor Punch List, warranty, & O & M.
- Trash Compactor completed and waiting for first Service Agreement site visit.
- High pressure Air drops hose and reel installation complete.
- Concrete apron in front of Bus Bays poured for access.
- Maintenance equipment, including bus lifts, completed and testing started.
- Panels at Battery Room installed.
- Floor patching completed.

Bus Wash Building B:

- Concrete stem walls for CMU poured.
- Remove forms from the Sewer Ejector and Reclamation Pit and backfill the area.
- Running Electrical Conduit and utilities under the floor slab area.

Fuel Island Building C:

- Buffer Tank relocation complete as planned.
- Demolition of the housekeeping pad completed.
- Over excavation and compaction of the Building Foundation area.
- Auger and pour first section of foundation footings.
- Start erecting Structural steel building frame.

Sitework:

- Booster pump completed, except for minor Punch List, warranty, & O & M.
- Concrete settlement and trip hazard in Omnitrans Director's Row completed.

F. Upcoming Work - Vehicle Maintenance Facility (VMF)**Maintenance Building A:**

- Dyno Room – Install EF-18 fan.
- Paint Room – Install EF-40 fan.
- Relocate HVAC ductwork in Bay 8.
- Punch List repairs, testing, and training.
- Acceptance and occupancy of Maintenance Building A.

Bus Wash Building B:

- Complete under slab utility installation.
- Pour building slabs.
- Commence CMU wall installation.

Fuel Island Building C:

- Auger remaining foundation footings.
- Continue installation of structural steel.

G. Concerns – Vehicle Maintenance facility (VMF)

The main concern regarding the VMF continues to be the schedule. The status is discussed in further detail in the following section.

II. PROJECT SCHEDULE

The overall project schedule continues to slip due to the work at the Vehicle Maintenance Facility. The corridor work is complete and revenue service achieved as planned. All changes and time extensions for the corridor negotiated and closed out. Following is the schedule status update as it pertains to the VMF:

Summary of Project Schedule – Vehicle Maintenance Facility (VMF)

The Contractor's latest monthly schedule update for May/June/July/August 2014 (UP10), with a data date of August 16th, was submitted on September 17th, 2014. The schedule update shows the Project further behind schedule with Substantial and Final Completion dates of April 22th, 2015 and June 21st, 2015, respectively.

The CM team is currently reviewing the update. However, it has been made clear to the contractor that this time extension will not be acceptable and that revision will need to be made to bring the project in sooner. As a result, a scheduling pull planning session was held during the partnering session on September 18, 2014 to help identify targeted areas where the schedule needs to be compressed. Additional sessions are planned to collectively adjust the schedule.

Claims for Time Impact Evaluations (TIE) have been submitted and reviewed. Below is the status:

- Claim No. 1 – TIE No. 1 – Impacts to Completion of Temporary Fuel Island (Building D) – COR 37 - Submitted on October 28, 2013; Agency response issued January 29, 2014 granted an extension of 108-calendar days: 55-CD deemed concurrent, excusable & non-compensable; and 53-CD deemed excusable & compensable, resulting in revised Substantial and Final Completion dates of March 27, 2014 and May 26, 2014, respectively.
- Claim No. 2 – TIE No. 2 – Backfill of UST's – COR 117, the Agency granted an extension of 50 calendar days: 11-CD deemed concurrent, excusable, and non-compensable; and 39-CD excusable and compensable, resulting in revised Substantial and Final Completion dates of May 16th, 2014 and July 15th, 2014, respectively.
- Claim No. 3 – TIE No. 3 – Contaminated Soil At Bldg. B – COR 110, the Agency granted an extension of 43-CD deemed excusable and compensable, resulting in revised Substantial and Final Completion dates of June 28th, 2014 and August 27th, 2014, respectively.
- Claim No. 4 – TIE No. 4 – Additional clarification and claim from TIE 1 unilateral: COR 37A – the Agency granted an extension of 36-calendar days: 6-CD deemed concurrent, excusable, and non-compensable; and 30-CD excusable and compensable, resulting in revised Substantial and Final Completion dates of August 3rd, 2014 and October 2nd, 2014, respectively.

III. REQUESTS FOR INFORMATION (RFIs), SUBMITTALS, AND NON-CONFORMANCE REPORTS (NCRs)

Vehicle Maintenance Facility (VMF)

To date, the CM team has met the required timelines and no delay has come about as a result of submittal and RFI responses.

Total RFIs – 210
Total Open – 0

Total Submittals – 283
Total Open – 2

Total NCRs – 16
Total Open – 1

IV. SAFETY

The project team considers safety to be the utmost priority. As such, the entire project team works towards a “no-lost time” goal on a daily basis.

VMF - As of August 30th, 2014 there are 28,733 “no-lost time” hours.

V. PROJECT BUDGET AND COST

TOTAL PROGRAM BUDGET BUDGET AS OF AUGUST 31, 2014

Approved Budget	\$191,706,000
Cost to Date	\$163,564,507
Estimate to Complete	\$ 24,340,752
Estimate at Completion	\$187,905,259

SBX CORRIDOR PROJECT COSTS - AS OF AUGUST 31, 2014

	CURRENT AUTHORIZED	CURRENT INVOICES PAID	REMAINING CONTRACT BALANCE
JACOBS	\$11,852,647	\$11,243,854	\$608,793
PARSONS	\$18,097,876	\$16,920,294	\$1,177,582
GRIFFITH/COMET	\$87,760,263	\$79,169,606	\$8,590,657
TOTAL	\$117,710,786	\$107,333,754	\$10,377,032

VMF CORRIDOR PROJECT COSTS - AS OF AUGUST 31, 2014

	CURRENT AUTHORIZED	CURRENT INVOICES PAID	REMAINING CONTRACT BALANCE
STV Inc.	\$1,418,132	\$1,266,342	\$151,790
USS Cal Builders	\$14,498,152	\$6,532,399	\$7,965,753
Total	\$15,916,284	\$7,798,741	\$8,117,543

SBX CORRIDOR CONTRACT TIME

Activity	Days	Date
Notice to Proceed		11/21/11
Calendar Days per Original Contract	730	
Original Completion Date		12/21/13
Calendar Days Completed as of September 22, 2014	1004	
CCO Time Extension to Date	100	3/31/2014
Required Completion Days/Date as of September 22, 2014	-174	
Forecasted Final Completion Date as of Sept. 22, 2014		09/30/14
Percent Time Elapsed	121%	

VMF CONTRACT TIME

Activity	Days	Date
Notice to Proceed		12/10/12
Calendar Days per Original Contract	425	
Original Completion Date		02/08/14
Calendar Days Completed as of September 22, 2014	439	
CCO Time Extension to Date	237	10/2/2014
Required Completion Days/Date as of September 22, 2014	223	
*Forecasted Final Completion Date as of Sept. 22, 2014		6/21/15
Percent Time Elapsed	66%	

***FORECASTED COMPLETION DATE BASED ON SUBMITTED AUGUST 15, 2014 SCHEDULE UPDATE. DATE WILL BE ADJUSTED AT COMPLETION OF SCHEDULE COMPRESSION EFFORTS.**

VI. CHANGE ORDERS**SBX CORRIDOR CONTRACT CHANGE ORDERS - As of August 31, 2014**

Change Order Status	Amount Approved
Total	\$14,593,092

VMF CONTRACT CHANGE ORDERS - As of August 31, 2014

Change Order Status	Amount
Approved Change Orders	\$2,022,749
Pending Change Orders	\$671,978
Potential Change Orders	\$1,789,855
Total	\$4,484,582

Note: Currently, pricing for Potential Change Orders are estimated based on Rough Order of Magnitude pending designer plans or final submittal of pricing by the Contractor.

VI. Project Photographs

VMF PROGRESS PHOTOS



Maintenance Building A:
New Bus Lift Inspection in Bay
6B
Looking Northwest



Building B:
Building B Foundation – Bus
Wash and Vacuum Facility

Looking West



Building C:
Over excavation of New Building
C – Fueling Facility
Looking West



Condense Natural Gas:
CNG Equipment and storage vessel
relocation
Looking West



Building E:
Underground electrical conduits for
Building E – Backup Generator
Building
Looking North

IPMO/sbX Project Cost Report
Period Ended 8/31/14

Description	Approved Current Budget	Committed %		Expenditures \$ %		Remaining Budget	Estimate to Complete	Estimate at Completion	Budget Forecast Variance
BRT Construction	\$ 84,637,000	\$ 79,717,096	94.2%	\$ 79,286,007	93.7%	5,350,993	\$ 10,294,605	\$ 89,580,613	\$ 4,943,613
Vehicle Maintenance Facility (VMF) Construction	\$ 8,131,000	\$ 12,694,798	156.1%	\$ 6,532,399	80.3%	1,598,601	\$ 8,624,232	\$ 15,156,631	\$ 7,025,631
Vehicles - Design & Manufacturing	\$ 16,628,000	\$ 16,127,715	97.0%	\$ 14,949,266	89.9%	1,678,734	\$ 1,306,449	\$ 16,255,715	\$ (372,285)
ROW Acquisition Services	\$ 10,357,000	\$ 10,971,135	105.9%	\$ 11,176,691	107.9%	(819,691)	\$ 713,279	\$ 11,889,970	\$ 1,532,970
3rd Party Utilities Design & Relocation	\$ 1,003,000	\$ 1,106,117	110.3%	\$ 1,044,201	104.1%	(41,201)	\$ 61,916	\$ 1,106,117	\$ 103,117
BRT Design	\$ 17,849,400	\$ 18,097,876	101.4%	\$ 16,920,294	94.8%	929,106	\$ 488,203	\$ 17,408,497	\$ (440,903)
VMF Design	\$ 1,007,600	\$ 2,019,659	200.4%	\$ 1,280,742	127.1%	(273,142)	\$ 1,416,917	\$ 2,697,659	\$ 1,690,059
Other Professional, Technical & Management Services	\$ 34,020,000	\$ 39,004,058	114.7%	\$ 32,374,907	95.2%	1,645,093	\$ 6,579,151	\$ 38,954,058	\$ 4,934,058
Allocated Contingency (Construction Contract)	\$ -	\$ -	0.0%			-	\$ -		\$ -
SUB-TOTAL	\$ 173,633,000	\$ 179,738,453	103.5%	\$ 163,564,507		10,068,493	\$ 29,484,752	\$ 193,049,259	\$ 19,416,259
Unallocated Contingency	\$ 18,073,000	\$ -	0.0%	\$ -		18,073,000	\$ -	\$ -	\$ (18,073,000)
TOTAL	\$ 191,706,000	\$ 179,738,453	93.8%	\$ 163,564,507	85.3%	28,141,493	\$ 29,484,752	\$ 193,049,259	\$ 1,343,259

**IPMO/sbX Project
Through 8/31/14**

Standard Cost Category (SCC)	Description	Approved Current Budget	Expenditures \$	%	Remaining Budget	Estimate to Complete	Estimate at Completion	Budget Forecast Variance
10	GUIDEWAY & TRACK ELEMENTS	\$ 19,725,000	18,260,329	92.6%	\$ 1,464,671	\$ 1,604,436	\$ 19,864,765	\$ 139,765
	Guideway: At-grade semi-exclusive (allows cross-traffic)	\$ 18,353,000	16,340,769	89.0%	\$ 2,012,231	\$ 1,260,523	\$ 17,601,292	\$ (751,708)
10.02								
10.03	Guideway: At-grade in mixed traffic	\$ 1,372,000	1,919,560	139.9%	\$ (547,560)	\$ 343,913	\$ 2,263,473	\$ 891,473
20	STATIONS, STOPS, TERMINALS, INTERMODAL	\$ 14,917,000	14,141,273	94.8%	\$ 775,727	\$ 234,864	\$ 14,376,137	\$ (540,863)
	At-grade station, stop, shelter, mall, terminal, platform	\$ 14,917,000	14,141,273	94.8%	\$ 775,727	\$ 234,864	\$ 14,376,137	\$ (540,863)
20.01								
30	SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS	\$ 8,131,000	\$ 6,532,399	80.3%	\$ 1,598,601	\$ 9,077,453	\$ 15,609,852	\$ 7,478,852
	Light Maintenance Facility	\$ 4,265,000	4,860,489	114.0%	\$ (595,489)	\$ 7,159,097	\$ 12,019,586	\$ 7,754,586
30.02								
30.05	Yard and Yard Track	\$ 3,866,000	1,671,909	43.2%	\$ 2,194,091	\$ 1,918,357	\$ 3,590,266	\$ (275,734)
40	SITEWORK & SPECIAL CONDITIONS	\$ 34,271,000	27,323,821	79.7%	\$ 6,947,179	\$ 4,113,538	\$ 31,437,359	\$ (2,833,641)
	Demolition, Clearing, Earthwork	\$ 4,741,000	440,613	9.3%	\$ 4,300,387	\$ (350,604)	\$ 90,010	\$ (4,650,990)
40.01								
40.02	Site Utilities, Utility Relocation	\$ 4,993,000	9,846,094	197.2%	\$ (4,853,094)	\$ 1,737,060	\$ 11,583,154	\$ 6,590,154
	Site structures including retaining walls, sound walls	\$ 90,000	447,545	497.3%	\$ (357,545)	\$ 196,321	\$ 643,866	\$ 553,866
40.05								
40.06	Pedestrian / bike access and accommodation, landscaping	\$ 6,925,000	3,907,116	56.4%	\$ 3,017,884	\$ 1,391,297	\$ 5,298,413	\$ (1,626,587)
	Automobile, bus, van accessways including roads, parking lots	\$ 3,601,000	4,157,392	115.5%	\$ (556,392)	\$ 108,316	\$ 4,265,707	\$ 664,707
40.07								
40.08	Temporary Facilities and other indirect costs during construction	\$ 13,921,000	8,525,061	61.2%	\$ 5,395,939	\$ 1,031,148	\$ 9,556,209	\$ (4,364,791)
50	SYSTEMS	\$ 16,727,000	20,604,785	123.2%	\$ (3,877,785)	\$ (118,422)	\$ 20,486,364	\$ 3,759,364
	Train control and signals			0.0%	#N/A			
50.01								
50.02	Traffic signals and crossing protection	\$ 10,810,000	6,617,482	61.2%	\$ 4,192,518	\$ (159,386)	\$ 6,458,097	\$ (4,351,903)
50.05	Communications	\$ 4,210,000	8,401,803	199.6%	\$ (4,191,803)	\$ 26,464	\$ 8,428,267	\$ 4,218,267
50.06	Fare collection system and equipment	\$ 1,707,000	5,585,500	327.2%	\$ (3,878,500)	\$ 14,500	\$ 5,600,000	\$ 3,893,000
	Construction Subtotal (10-50)	\$ 93,771,000	86,862,607	92.6%	\$ 6,908,393	\$ 16,866,102	\$ 103,728,709	\$ 9,957,709
60	ROW, LAND, EXISTING IMPROVEMENTS	\$ 6,532,000	6,115,375	93.6%	\$ 416,625	\$ 835,460	\$ 6,950,835	\$ 418,835
	Purchase or lease of real estate	\$ 6,327,000	5,950,445	94.0%	\$ 376,555	\$ 795,390	\$ 6,745,835	\$ 418,835
60.01								
60.02	Relocation of existing households and businesses	\$ 205,000	164,930	80.5%	\$ 40,070	\$ 40,070	\$ 205,000	\$ -
70	VEHICLES	\$ 16,628,000	14,949,266	89.9%	\$ 1,678,734	\$ 1,216,449	\$ 16,165,715	\$ (462,285)
	Bus	\$ 15,448,000	14,902,339	96.5%	\$ 545,661	\$ 356,328	\$ 15,258,667	\$ (189,333)
70.04								
70.06	Non-revenue vehicles	\$ 250,000	-	0.0%	\$ 250,000	\$ -	\$ -	\$ (250,000)
70.07	Spare parts	\$ 930,000	46,927	5.0%	\$ 883,073	\$ 860,121	\$ 907,048	\$ (22,952)
80	PROFESSIONAL SERVICES	\$ 56,702,000	55,531,720	97.9%	\$ 1,170,280	\$ 6,804,619	\$ 62,336,339	\$ 5,634,339
	Preliminary Engineering	\$ 12,921,000	12,876,525	99.7%	\$ 44,475	\$ 17,502	\$ 12,894,027	\$ (26,973)
80.01								
80.02	Final Design	\$ 7,261,000	7,120,600	98.1%	\$ 140,400	\$ 1,141,522	\$ 8,262,122	\$ 1,001,122
	Project Management for Design and Construction	\$ 15,997,000	12,252,145	76.6%	\$ 3,744,855	\$ 2,199,160	\$ 14,451,305	\$ (1,545,695)
80.03								
80.04	Construction Administration & Management	\$ 6,632,000	11,243,854	169.5%	\$ (4,611,854)	\$ 2,208,793	\$ 13,452,647	\$ 6,820,647
	Professional Liability and other Non-Construction Insurance	\$ 1,112,000	-	0.0%	\$ 1,112,000	\$ -	\$ -	\$ (1,112,000)
80.05								
80.06	Legal; Permits; Review Fees by other agencies, cities, etc.	\$ 10,596,000	12,038,596	113.6%	\$ (1,442,596)	\$ 512,642	\$ 12,551,238	\$ 1,955,238
80.07	Surveys, Testing, Investigation, Inspection	\$ 1,463,000	-	0.0%	\$ 1,463,000	\$ 25,000	\$ 25,000	\$ (1,438,000)
80.08	Start up	\$ 720,000	-	0.0%	\$ 720,000	\$ 700,000	\$ 700,000	\$ (20,000)
	Subtotal (10-80)	\$ 173,633,000	163,458,968	94.1%	\$ 10,174,032	\$ 25,722,629	\$ 189,181,598	\$ 15,548,598
90	UNALLOCATED CONTINGENCY	\$ 18,073,000	-	0.0%	\$ 18,073,000	\$ 2,524,402	\$ 2,524,402	\$ (15,548,598)
	Subtotal (10-90)	\$ 191,706,000	163,458,968	85.3%	\$ 28,247,032	\$ 28,247,032	\$ 191,706,000	\$ -
100	FINANCE CHARGES	\$ -	-	0.0%	\$ -	\$ -	\$ -	\$ -
	TOTAL PROJECT COST (10-100)	\$ 191,706,000	163,458,968	85.3%	\$ 28,247,032	\$ 28,247,032	\$ 191,706,000	\$ -

ITEM # E3

DATE: October 9, 2014

TO: Committee Chair Ed Graham and
Members of the Administrative and Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Donald Walker, Director of Finance

SUBJECT: OMNITRANS' FORWARD FUEL PURCHASES UPDATE - AUGUST 2014

FORM MOTION

Recommend the Board of Directors receive and file the Forward Fuel Purchases update for August 2014.

BACKGROUND

Omnitrans implemented a Forward Fuel Purchase Program in May 2009 to increase the predictability of Compressed Natural Gas (CNG) costs and reduce operational uncertainty in the event of dramatic fuel price increases in the open market.

The previous program was established in February 2012, and fixed the price of approximately 150,000 gallons (45%) of Omnitrans' monthly CNG usage through the end of June 2014. The Board of Directors approved an increase in the hedge quantity from 150,000 gallons to 175,000 gallons per month, as recommended by the Administrative and Finance Committee on June 12, 2014.

On July 31, 2014, Omnitrans implemented a new program fixing the price of 181,500 gallons per month of CNG on the New York Mercantile exchange through Morgan Stanley. The new program is for twelve (12) months covering the period September 2014 through August 2015.

The cost per gallon of CNG during the new hedge program is \$0.91, which is below the \$0.92 recommended and approved by the Board of Directors on May 7, 2014. The new program consists of six (6) Henry Hub swap contracts per month. As reported by the CEO/General Manager at the July 2, 2014 Board Meeting, the contracts can only be purchased in increments of 30,250 gallons, thus the reason for the 181,500 gallons ($30,250 \times 6$). The monthly hedge is 6,500 gallons ($181,500 - 175,000$) over the Board approved amount, however the monthly hedge is still only 47% of the estimated monthly CNG usage. If Omnitrans had purchased five

(5) swap contracts, the monthly hedge would be 23,750 gallons (*175,000 – 151,250*) below the Board approved amount, and the monthly hedge would be 39% of the estimated monthly CNG usage.

Going forward, the Director of Finance will report monthly to the Administrative and Finance Committee and quarterly to the Board of Directors on the results of the new forward fuel purchase program.

RECOMMENDATION

Forward to the Board of Directors for receipt and file.

PSG:DW

ITEM # E4

DATE: October 9, 2014

TO: Committee Chair Ed Graham and
Members of the Administrative and Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Donald Walker, Director of Finance

**SUBJECT: OMNITRANS' DIRECTOR OF FINANCE REPORT ON FORWARD
FUEL PURCHASES FOR SEPTEMBER 2014**

FORM MOTION

Recommend the Board of Directors receive and file the Director of Finance's report on Omnitrans' current forward fuel purchase program for September 2014. This program was implemented on July 31, 2014, continuing our efforts to increase the predictability of costs and reduce operational uncertainty in the event of dramatic fuel price increases in the open market.

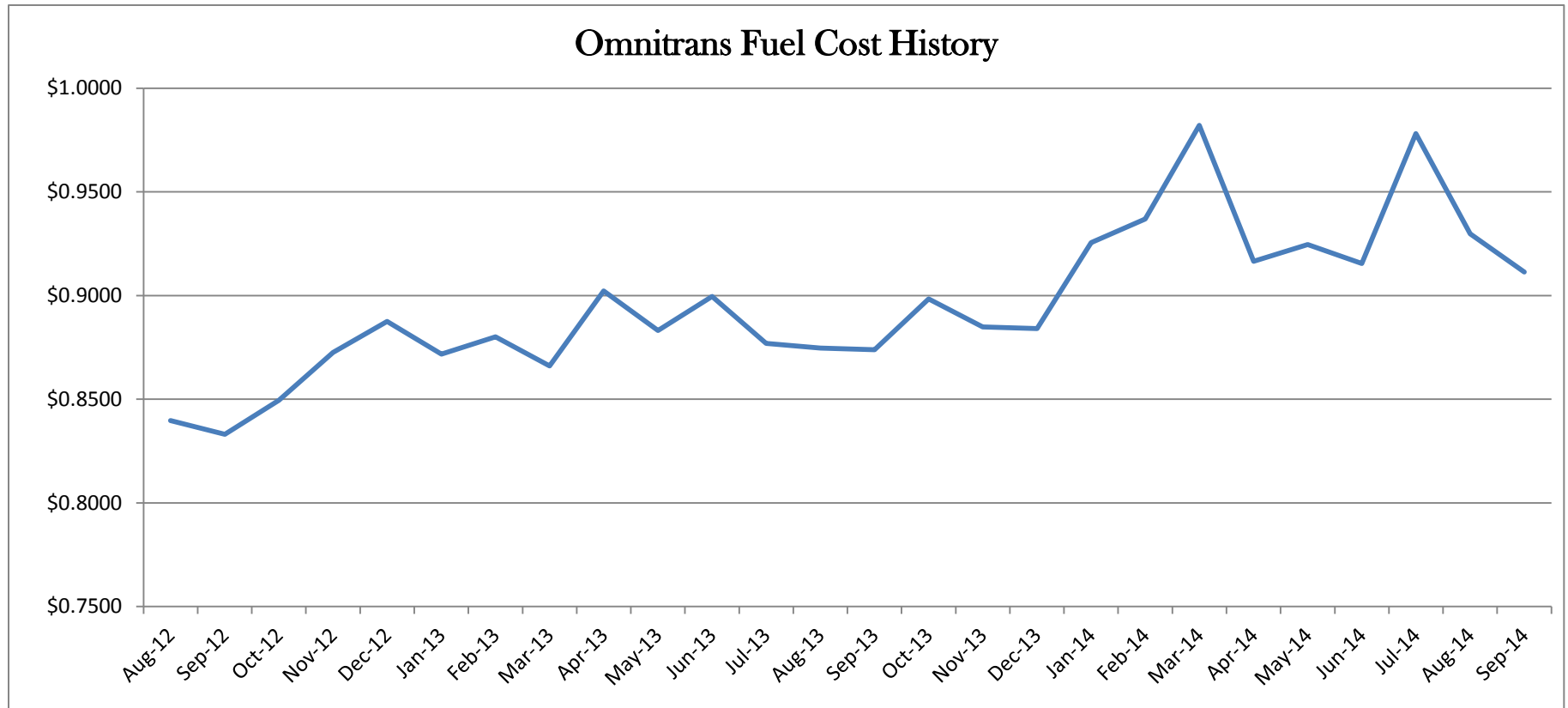
BACKGROUND

This report is submitted in order to comply with the requirements of the Omnitrans Forward Fuel Purchase Policy and Procedure. The Board of Directors authorized staff to continue with the hedge program when the price is at or below \$0.92 per gallon. The current hedge fixes the price of approximately 47% of the Agency's natural gas through August 2015.

The September 2014 contract closed \$0.003 above the hedge price. Omnitrans will record a profit on its futures position for the month of September and that gain will offset a portion of the fuel costs that will be reflected in the Agency's Expense Summary for August 2014.

The net price that will be used for Omnitrans' September 2014 fuel purchase is \$0.9113 per gallon. This includes CNG at the So Cal Index price, the gain on the hedge position, liquefaction, delivery, and sales tax. (Note: We do not hedge the index differential. The gain on the hedge is based on the Henry Hub index. Clean Energy prices our deliveries off the SoCal index. In September, the SoCal Index settled slightly below Henry Hub.) This price is after recognition of the monthly gain on the hedge position in the amount of \$555. Omnitrans will recognize a gain in the CNG account of approximately \$3,350 in the month of September 2014.

PSG:DW



ITEM # E5

DATE: October 9, 2014

TO: Committee Chair Ed Graham and
Members of the Administrative and Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Samuel Gibbs, Director of Internal Audit Services

SUBJECT: DISPOSAL OF OMNITRANS' CAPITAL ASSETS

FORM MOTION

Recommend the Board of Directors approve offering fully depreciated capital assets to JPA (Joint Powers Agreement) member entities or other governmental entities first, then to 501(c)(3) organizations in “*As Is Condition*” prior to sale at public auction.

BACKGROUND

As there is a growing interest in used capital assets by nonprofit organizations, particularly paratransit vehicles, Omnitrans would like to provide member cities, other governmental entities, or nonprofit organizations in the community with limited capital funds an opportunity to purchase a used vehicle at an affordable cost.

The most common type of tax-exempt nonprofit organization falls under category 501(c)(3), whereby a nonprofit organization is exempt from federal income tax if its activities have the following purposes: charitable, religious, educational, scientific, literary, testing for public safety, fostering amateur sports competition, or preventing cruelty to children or animals.

Federal Transit Administration (FTA) Circular 5010.1D provides the following guidance on disposition of capital asset with fair market value of less than \$5,000 value:

“After the service life of project property is reached, rolling stock and equipment with a unit market value of \$5,000 or less, or supplies with a total aggregate market value of \$5,000 or less, may be retained, sold, or otherwise disposed of with no obligation to reimburse FTA. Records of this action must be retained.”

Omnitrans’ current disposition of vehicles is in accordance with FTA’s service-life policy for transit buses and vans, which establishes the minimum number of years (or miles) that transit

vehicles purchased with federal funds must be in service before they can be retired without financial penalty.

The goal of FTA's policy is to ensure that vehicles procured using federal funds remain in service for a substantial portion of its service life, thus ensuring the federal taxpayers obtain an adequate return on their investment.

Omnitrans' capital asset disposal records show the following average proceeds from vehicles sold at auction:

Heavy-Duty Large Bus	\$4,119
Medium-Duty and Purpose- Built Bus	\$2,038
Light-Duty Small Bus, Cutaways, and Modified Vans	\$1,497

CONCLUSION

Providing an opportunity to JPA members, other governmental entities, and nonprofit organizations to purchase vehicles or other capital assets at an affordable cost will add value to the service the organizations can provide to its members of the community. The CEO/General Manager will determine final purchase cost.

PSG:SG

ITEM # E6

DATE: October 9, 2014

TO: Committee Chair Ed Graham and
Members of the Administrative and Finance Committee

THROUGH: P. Scott Graham, CEO/General Manager

FROM: Jennifer M. Sims, Director of Procurement

**SUBJECT: ADOPT REVISIONS TO OMNITRANS' PROCUREMENT POLICIES
1000 GENERAL PROCUREMENT POLICY, 1010 PURPOSE, 1020
RESPONSIBILITIES, AND PROCUREMENT PROCEDURE 4000-1
FORMAL PROCUREMENT PROCEDURES**

FORM MOTION

Recommend the Board of Directors adopt revisions to Omnitrans' Procurement Policy 1000, General Procurement Policy, 1010 (Purpose), 1020, and Omnitrans' Procurement Procedure 4000-1, Formal Procurement Procedures, to become effective November 5, 2014.

BACKGROUND

On October 2, 2013, the Board of Directors approved revisions to Procurement Policy 4000, Sealed Bids and 4000-1, Formal Procurement Procedures as recommended and detailed in the Federal Transit Administration's (FTA) Procurement System Review Final Report (PSR). The FTA accepted the revisions made to Policy 4000, but indicated that Procedure 4000-1 lacked real guidance with regards to Intergovernmental Agreements and Piggybacking. The proposed revisions to Procedure 4000-1, formally incorporates Omnitrans' Piggybacking Worksheet into the procedure and adds language from the FTA's Best Practices Procurement Manual.

This item also corrects inconsistencies in the Procurement Policies presented to and approved by the Board of Directors on October 2, 2009, with regard to the approval process for revisions made to Procurement Procedures. For consistency across the agency, staff recommends that revisions to Procurement Policies be presented to the Administrative and Finance Committee for approval and revisions to the Procurement Procedures be presented to the CEO/General Manager for approval.

PSG:JMS

Attachments



Policy 1000

Page 1 of 8

Procurement Policy Manual

GENERAL PROCUREMENT POLICY

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

~~Revised Board Approval: June 7, 2006~~

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1. PURPOSE AND SCOPE

The purpose of this section is to set forth general procurement policy and standards that will govern the conduct of Omnitrans acquisition activities and of personnel engaged in these activities.

2. PROCUREMENT BACKGROUND

Omnitrans' Statement of Guiding Principles (see #3) establishes the framework for Omnitrans' Procurement Policy Manual (Manual), and is approved by the Omnitrans Board of Directors. Procedures implementing the Procurement Policy Manual will be approved by ~~the Omnitrans' Administration and Finance Committee and issued by~~ CEO/General Manager.

3. STATEMENT OF GUIDING PRINCIPLES FOR OMNITRANS' ACQUISITION SYSTEM

The vision for the Omnitrans acquisition system is to deliver, on a timely basis, the best value product or service for the Agency in an open and competitive environment, while maintaining the public's trust and fulfilling public policy objectives. Participants in the acquisition (procurement) process must work together as a team and are empowered to make decisions within their areas of responsibility.

3.1. The Omnitrans acquisition system will:

3.1.1. Be guided by the Omnitrans Strategic Plan.

3.1.2. Satisfy the "client" in terms of cost, quality, and timeliness of the delivered product or service by:

3.1.2.1. Maximizing the use of commercial products and services,

3.1.2.2. Using contractors with a track record of successful past performance or who demonstrate a current superior ability to perform, and

3.1.2.3. Promoting competition

3.1.3. Minimize administrative operating costs through effective teamwork,

3.1.4. Conduct business with integrity, fairness, and openness, and

3.1.5. Fulfill public policy objectives.

4. ROLE OF THE ACQUISITION TEAM

4.1 The Acquisition Team consists of all participants in Omnitrans acquisition including representatives of the technical, supply, support services and procurement communities

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Policy 1000

Page 2 of 8

Procurement Policy Manual

GENERAL PROCUREMENT POLICY

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and their clients, as well as, contractors who provide products and services.

- 4.2 Each member of the Acquisition Team will exercise personal initiative and sound business judgment in providing the best value product or service to meet the client's needs. In exercising initiative, Omnitrans members of the Acquisition Team may assume that a strategy, practice, policy or procedure is a permissible exercise of authority if it is in the best interest of the Omnitrans and is not prohibited by law, applicable regulations, or Board adopted policy.

5. PROCUREMENT STANDARDS

- 5.1 Omnitrans will maintain a contract administration system that ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- 5.2 Members of the Omnitrans Board of Directors will adhere to the standards of conduct adopted by the Board. Omnitrans employees will adhere to the standards of conduct approved by the CEO under a delegation of authority from the Board.
- 5.3 Omnitrans procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
- 5.4 Open and Complete Competition:
- 5.4.1 FTA Circular 4220.1F recommends and 49 USC Section 5325(a) requires that all procurement transactions be conducted in a manner that provides full and open competition as determined by the FTA and consistent with the above stated procurement standards and the statement of guiding principles. Some of the situations considered to be restrictive of competition include, but are not limited to:
- 5.4.1.1 Placing unreasonable requirements on firms in order for them to qualify to do business;
- 5.4.1.2 Noncompetitive pricing practices between firms or between affiliated companies;
- 5.4.1.3 Noncompetitive awards to professionals and other consultants that are on Omnitrans retainer contracts;

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Policy 1000

Page 3 of 8

Procurement Policy Manual

GENERAL PROCUREMENT POLICY

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5.4.1.4 Organizational conflicts of interest (Policy1050);

5.4.1.5 Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other salient characteristics of the brand name product; and

5.4.1.6 Any arbitrary action in the procurement process; and

5.4.1.7 Development of specification requirements and evaluation criteria, which unnecessarily favor an incumbent contractor.

5.4.2 Procurement transactions will be conducted in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This does not preempt State licensing laws. When employing the qualifications based method for contracting for architectural and engineering services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

5.4.3 Omnitrans will have written selection procedures for competitive negotiated procurement transactions that ensure fair, unbiased evaluation of competing proposals by an independent evaluation panel appointed by the Director of Procurement or their designee. These procedures will also ensure that all solicitations clearly state the evaluation factors including cost or price, cost or price-related factors, and non-cost or non-price related factors, and any significant subfactors that will be considered in making the source selection and their relative importance.

5.4.4 Technical requirements shall incorporate a clear and accurate description for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features that unduly restrict competition.

5.4.5 Omnitrans will ensure that all lists of bidders, manufacturers, or products determined to be qualified in advance of the receipt of

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Policy 1000

Page 4 of 8

Procurement Policy Manual

GENERAL PROCUREMENT POLICY

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bids or proposals are current and sufficient to ensure full and open competition. When possible, sufficient time will be allowed to arrange for qualification before receipt of bids or proposals. However, when using grant funds, Omnitrans must allow vendors an opportunity to qualify their products during the solicitation period (FTA Circular 4220.1F, Section VI.1.c).

6 RESPONSIBILITIES

- 5.1 The Director of Procurement has primary responsibility for ensuring that the procurement process is in accordance with legal requirements, as interpreted by County Counsel, and Omnitrans policy. The Director of Procurement or designee will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluations, protests, disputes, and claims.
- 5.1. The Director of Procurement is responsible for establishing procurement policies and issuing instructions for the implementation of Omnitrans policies;
- 5.2. The Director of Procurement, is responsible for establishing material management policies and issuing instructions concerning the storage, distribution, and disposal of goods;
- 5.3. All departments are instructed to follow Procurement Policies/Instructions as well as Policies/Instruction issued by the Director of Procurement regarding the storage, distribution, and issuance of material; and
- 5.4. The CEO/General Manager or designee shall execute contracts, purchase orders, modifications, and supplemental agreements in accordance with established thresholds.

7. STATUTORY AND REGULATORY REQUIREMENTS

The following Federal and state laws and regulations and the Master Agreement are applicable to Omnitrans contracts.

Federal Statute, Regulations, Policies, and Agreements	Subject
49 U.S.C. Chapter 53	Mass Transportation
49 CFR Part 18	Administrative Requirements for Grants & Cooperative Agreements
49 CFR Part 26	Participation by Minority Business Enterprises; Disadvantage Business Enterprise Program
FTA Circular 4220.1F	Third Party Contracting Guidance

Formatted: Font: Times New Roman



Policy 1000

Page 5 of 8

Procurement Policy Manual

GENERAL PROCUREMENT POLICY

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~~Revised Board Approval: June 7, 2006~~

Revised Board Approval: ~~October 7, 2009~~ November 5, 2014

FTA Circular 5010.1D	Grant Management Guidelines
FTA Circular 9030.1C, Chapter 3	Eligible Grant Activities
FTA Master Agreement, 10/1/05	Terms & Conditions of Grantee Administration of Projects Supported & Funded by The FTA

State Codes	Section(s)	Subject
Civil Code	3248	Payment Bonds
Civil Code	3320	Payments to Prime Design Professionals
Code of Civil Procedure	995.311	Bond Issuer Requirements
Government Code	4525 et seq.	Architect & Engineering Services
Government Code	6250 - 6270	Public Records Disclosure
Government Code	5956 et seq.	Infrastructure Projects
Labor Code	1777.1	Debarment by California Labor Commissioner
Public Contract Code	1103	Responsibility on Public Works Contracts
Public Contract Code	1104	Plans and Specifications
Public Contract Code	3301 - 3400	Contractor's License; Brand Specification
Public Contract Code	4100 - 4114	Subcontracting
Public Contract Code	5100 - 5107	Relief of Bidders
Public Contract Code	6100 - 6610	Awarding of Contracts
Public Contract Code	7100 - 7200	Contract Clauses
Public Contract Code	9201 - 9203	Claims and Disputes
Public Contract Code	10335 et seq.	Service Contracts
Public Contract Code	20101	Prequalification
Public Contract Code	20103.8	Alternative Bids
Public Contract Code	20104	Resolution of Construction Claims
Public Contract Code	20104.50	Progress Payments on Public Works
Public Contract Code	20209 - 20209.5	Purchase & Sale Contracts; Design/Build Contracts
Public Contract Code	20216 - 20217	Bid & Proposal Disclosure; Negotiated Procurement of Certain Equipment; Design/Build et seq.
Public Contract Code	20360 et seq.	Contracts for Rail Transit System Design
Public Utilities Code	130054-130059	SANBAG Authority

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Policy 1000

Page 6 of 8

Procurement Policy Manual

GENERAL PROCUREMENT POLICY

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8. STATE, LOCAL AND FEDERAL CONTROLS

- a. This manual was developed in conformance with the standards and limitations established in State, Federal and local law. Applicable State laws, policies and other sources of guidance governing the procurement practices of Omnitrans, in addition to those listed above, are as follows:
 - 8.1.1 Omnitrans Policies and Instructions.
 - 8.1.2 Board of Directors' Awards, Actions, and Resolutions.
 - 8.1.3 Ordinances and regulations of regional and local agencies which have subject matter jurisdiction (on case by case basis)
- 8.2 Federal laws and regulations affecting the procurement practices of Omnitrans include, but are not limited to, the following:
 - 8.2.1 Intermodal Surface Transportation Efficiency Act of 1991, as amended
 - 8.2.2 Federal Acquisition Streamlining Act of 1994, 41 USC 403 (11) and 40 USC 481(b), respectfully
 - 8.2.3 Executive Order 12612 "Federalism" dated 10-26-87
 - 8.2.4 FTA Master Agreement, dated October 10, 2005
 - 8.2.5 Safe, Accountable, Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), dated August 10, 2005
 - 8.2.6 FAR PART 31 Contract Cost Principles and Procedures
 - 8.2.7 Relevant decisions of the Courts and the Comptroller General of the United States
- 8.3 To the extent that both federal and state laws and regulations apply to a procurement Omnitrans is required to act within the limits of the more restrictive requirements. When Federal funds are used in procurement, Federal procurement requirements must be met or exceeded.
- 8.4 The FTA's Best Practices Procurement Manual provides guidance on procurements and examples of best practices.
- 8.5 Omnitrans may contract with any department or agency of the United States of America, with any public agency (including, but not limited to, the Department of Transportation, the multicounty designated transportation planning agency, or any transit district, county or city), or with any person upon such terms and conditions as Omnitrans finds to be in its best interest. (PUC Section 130221)

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Policy 1000

Page 7 of 8

Procurement Policy Manual

GENERAL PROCUREMENT POLICY

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- 8.6 Joint Powers Authority, created by the member entities on July 1, 1976, and City of San Bernardino Municipal Code Section 3.04.070F and 3.04.080.
- 8.7 California Government Code Sections 1090, 1126, 87100, 87306, Resolution No. 140-96, and any other applicable provisions of the Government Code and any conflict of interest Code applicable to Omnitrans employment.

9. IMPLEMENTATION

The CEO/ General Manager shall implement the policies herein set forth. Procedural guidance shall be provided in the Procurement Procedures.

10. ABOUT THE MANUAL

- a. This manual provides instructions and reference materials for staff in all branches and departments of Omnitrans involved with the procurement process. It establishes responsibilities and documents Omnitrans' continuing efforts to comply with applicable federal, state, county, and local regulations.
- b. **Sections**
 - i. This manual is divided into sections of related policies. Those sections are described in "Using This Manual" below. Sections are separated by title pages, and policies within a section will begin with the same number. (For example, all policies in the General Policies section begin with "1.")
- c. **Policy Numbering**
 - i. Policies are individual documents. Each section is composed of several policies. Each policy has a unique number (located in the upper right corner of each page) and shows the date on which it was approved for use by the Omnitrans Board of Directors. When viewing copies of the same policy, the one with the more recent approval date is the correct one to use.

11. USING THIS MANUAL

- a. This manual contains policies governing the procurement of goods and services by Omnitrans. It is divided into the following sections:
 - i. General Policies – (1000 series) this section describes the responsibilities, ethics, and objectives behind the procurement process.
 - ii. Informal Procurement Policies – (2000 series) this section describes

Formatted: Font: Times New Roman



Policy 1000

Page 8 of 8

Procurement Policy Manual

GENERAL PROCUREMENT POLICY

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informal procurements, micro-procurements, mini-procurements, and small procurements.

- iii. Procurement Card Policies– (3000 series) this section describes the proper use of procurement cards.
- iv. Formal Procurement Policies – (4000 series) this section describes the formal procurement process, from bidding to contract award.
- v. Solicitation Protest Policies – (5000 series) this section describes how to handle a protest to a formal procurement contract award.
- vi. Contract Administration Policies – (6000 series) this section describes the administration of a contract, from opening to termination.
- vii. Fixed Asset Management Policies – (7000 series) this section describes the management of fixed assets, from auditing to liquidation of surplus assets.

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Procurement Policy Manual

Policy 1000

Page 1 of 8

GENERAL PROCUREMENT POLICY

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: November 5, 2014

1. PURPOSE AND SCOPE

The purpose of this section is to set forth general procurement policy and standards that will govern the conduct of Omnitrans acquisition activities and of personnel engaged in these activities.

2. PROCUREMENT BACKGROUND

Omnitrans' Statement of Guiding Principles (see #3) establishes the framework for Omnitrans' Procurement Policy Manual (Manual), and is approved by the Omnitrans Board of Directors. Procedures implementing the Procurement Policy Manual will be approved by Omnitrans' CEO/General Manager.

3. STATEMENT OF GUIDING PRINCIPLES FOR OMNITRANS' ACQUISITION SYSTEM

The vision for the Omnitrans acquisition system is to deliver, on a timely basis, the best value product or service for the Agency in an open and competitive environment, while maintaining the public's trust and fulfilling public policy objectives. Participants in the acquisition (procurement) process must work together as a team and are empowered to make decisions within their areas of responsibility.

3.1. The Omnitrans acquisition system will:

3.1.1. Be guided by the Omnitrans Strategic Plan.

3.1.2. Satisfy the "client" in terms of cost, quality, and timeliness of the delivered product or service by:

3.1.2.1. Maximizing the use of commercial products and services,

3.1.2.2. Using contractors with a track record of successful past performance or who demonstrate a current superior ability to perform, and

3.1.2.3. Promoting competition

3.1.3. Minimize administrative operating costs through effective teamwork,

3.1.4. Conduct business with integrity, fairness, and openness, and

3.1.5. Fulfill public policy objectives.

4. ROLE OF THE ACQUISITION TEAM

4.1 The Acquisition Team consists of all participants in Omnitrans acquisition including representatives of the technical, supply, support services and procurement communities and their clients, as well as, contractors who provide products and services.

4.2 Each member of the Acquisition Team will exercise personal initiative and sound business judgment in providing the best value product or service to meet the client's



Procurement Policy Manual

Policy 1000

Page 2 of 8

GENERAL PROCUREMENT POLICY

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needs. In exercising initiative, Omnitrans members of the Acquisition Team may assume that a strategy, practice, policy or procedure is a permissible exercise of authority if it is in the best interest of the Omnitrans and is not prohibited by law, applicable regulations, or Board adopted policy.

5. PROCUREMENT STANDARDS

5.1 Omnitrans will maintain a contract administration system that ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

5.2 Members of the Omnitrans Board of Directors will adhere to the standards of conduct adopted by the Board. Omnitrans employees will adhere to the standards of conduct approved by the CEO under a delegation of authority from the Board.

5.3 Omnitrans procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.

5.4 Open and Complete Competition:

5.4.1 FTA Circular 4220.1F recommends and 49 USC Section 5325(a) requires that all procurement transactions be conducted in a manner that provides full and open competition as determined by the FTA and consistent with the above stated procurement standards and the statement of guiding principles. Some of the situations considered to be restrictive of competition include, but are not limited to:

5.4.1.1 Placing unreasonable requirements on firms in order for them to qualify to do business;

5.4.1.2 Noncompetitive pricing practices between firms or between affiliated companies;

5.4.1.3 Noncompetitive awards to professionals and other consultants that are on Omnitrans retainer contracts;

5.4.1.4 Organizational conflicts of interest (Policy1050);

5.4.1.5 Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other salient characteristics of the brand name product; and



Procurement Policy Manual

Policy 1000

Page 3 of 8

GENERAL PROCUREMENT POLICY

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5.4.1.6 Any arbitrary action in the procurement process; and

5.4.1.7 Development of specification requirements and evaluation criteria, which unnecessarily favor an incumbent contractor.

5.4.2 Procurement transactions will be conducted in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This does not preempt State licensing laws. When employing the qualifications based method for contracting for architectural and engineering services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

5.4.3 Omnitrans will have written selection procedures for competitive negotiated procurement transactions that ensure fair, unbiased evaluation of competing proposals by an independent evaluation panel appointed by the Director of Procurement or their designee. These procedures will also ensure that all solicitations clearly state the evaluation factors including cost or price, cost or price-related factors, and non-cost or non-price related factors, and any significant subfactors that will be considered in making the source selection and their relative importance.

5.4.4 Technical requirements shall incorporate a clear and accurate description for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features that unduly restrict competition.

5.4.5 Omnitrans will ensure that all lists of bidders, manufacturers, or products determined to be qualified in advance of the receipt of bids or proposals are current and sufficient to ensure full and open competition. When possible, sufficient time will be allowed to arrange for qualification before receipt of bids or proposals. However, when using grant funds, Omnitrans must allow vendors an opportunity to qualify their products during the solicitation period (FTA Circular 4220.1F, Section VI.1.c).

6 RESPONSIBILITIES

5.1 The Director of Procurement has primary responsibility for ensuring that the procurement



Procurement Policy Manual

Policy 1000

Page 4 of 8

GENERAL PROCUREMENT POLICY

Approved by Omnitrans Board of Directors

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process is in accordance with legal requirements, as interpreted by County Counsel, and Omnitrans policy. The Director of Procurement or designee will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluations, protests, disputes, and claims.

- 5.1. The Director of Procurement is responsible for establishing procurement policies and issuing instructions for the implementation of Omnitrans policies;
- 5.2. The Director of Procurement, is responsible for establishing material management policies and issuing instructions concerning the storage, distribution, and disposal of goods;
- 5.3. All departments are instructed to follow Procurement Policies/Instructions as well as Policies/Instruction issued by the Director of Procurement regarding the storage, distribution, and issuance of material; and
- 5.4. The CEO/General Manager or designee shall execute contracts, purchase orders, modifications, and supplemental agreements in accordance with established thresholds.

7. STATUTORY AND REGULATORY REQUIREMENTS

The following Federal and state laws and regulations and the Master Agreement are applicable to Omnitrans contracts.

Federal Statute, Regulations, Policies, and Agreements	Subject
49 U.S.C. Chapter 53	Mass Transportation
49 CFR Part 18	Administrative Requirements for Grants & Cooperative Agreements
49 CFR Part 26	Participation by Minority Business Enterprises; Disadvantage Business Enterprise Program
FTA Circular 4220.1F	Third Party Contracting Guidance
FTA Circular 5010.1D	Grant Management Guidelines
FTA Circular 9030.1C, Chapter 3	Eligible Grant Activities
FTA Master Agreement, 10/1/05	Terms & Conditions of Grantee Administration of Projects Supported & Funded by The FTA

State Codes	Section(s)	Subject
Civil Code	3248	Payment Bonds
Civil Code	3320	Payments to Prime Design Professionals
Code of Civil Procedure	995.311	Bond Issuer Requirements
Government Code	4525 et seq.	Architect & Engineering Services



Procurement Policy Manual

Policy 1000

Page 5 of 8

GENERAL PROCUREMENT POLICY

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Government Code	6250 - 6270	Public Records Disclosure
Government Code	5956 et seq.	Infrastructure Projects
Labor Code	1777.1	Debarment by California Labor Commissioner
Public Contract Code	1103	Responsibility on Public Works Contracts
Public Contract Code	1104	Plans and Specifications
Public Contract Code	3301 - 3400	Contractor's License; Brand Specification
Public Contract Code	4100 - 4114	Subcontracting
Public Contract Code	5100 - 5107	Relief of Bidders
Public Contract Code	6100 - 6610	Awarding of Contracts
Public Contract Code	7100 - 7200	Contract Clauses
Public Contract Code	9201 - 9203	Claims and Disputes
Public Contract Code	10335 et seq.	Service Contracts
Public Contract Code	20101	Prequalification
Public Contract Code	20103.8	Alternative Bids
Public Contract Code	20104	Resolution of Construction Claims
Public Contract Code	20104.50	Progress Payments on Public Works
Public Contract Code	20209 - 20209.5	Purchase & Sale Contracts; Design/Build Contracts
Public Contract Code	20216 - 20217	Bid & Proposal Disclosure; Negotiated Procurement of Certain Equipment; Design/Build et seq.
Public Contract Code	20360 et seq.	Contracts for Rail Transit System Design
Public Utilities Code	130054-130059	SANBAG Authority

8. STATE, LOCAL AND FEDERAL CONTROLS

- a. This manual was developed in conformance with the standards and limitations established in State, Federal and local law. Applicable State laws, policies and other sources of guidance governing the procurement practices of Omnitrans, in addition to those listed above, are as follows:

8.1.1 Omnitrans Policies and Instructions.

8.1.2 Board of Directors' Awards, Actions, and Resolutions.

8.1.3 Ordinances and regulations of regional and local agencies which have subject matter jurisdiction (on case by case basis)

- 8.2 Federal laws and regulations affecting the procurement practices of Omnitrans include, but are not limited to, the following:



Procurement Policy Manual

Policy 1000

Page 6 of 8

GENERAL PROCUREMENT POLICY

Approved by Omnitrans Board of Directors

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- 8.2.1 Intermodal Surface Transportation Efficiency Act of 1991, as amended
- 8.2.2 Federal Acquisition Streamlining Act of 1994, 41 USC 403 (11) and 40 USC 481(b), respectfully
- 8.2.3 Executive Order 12612 "Federalism" dated 10-26-87
- 8.2.4 FTA Master Agreement, dated October 10, 2005
- 8.2.5 Safe, Accountable, Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), dated August 10, 2005
- 8.2.6 FAR PART 31 Contract Cost Principles and Procedures
- 8.2.7 Relevant decisions of the Courts and the Comptroller General of the United States
- 8.3 To the extent that both federal and state laws and regulations apply to a procurement Omnitrans is required to act within the limits of the more restrictive requirements. When Federal funds are used in procurement, Federal procurement requirements must be met or exceeded.
- 8.4 The FTA's Best Practices Procurement Manual provides guidance on procurements and examples of best practices.
- 8.5 Omnitrans may contract with any department or agency of the United States of America, with any public agency (including, but not limited to, the Department of Transportation, the multicounty designated transportation planning agency, or any transit district, county or city), or with any person upon such terms and conditions as Omnitrans finds to be in its best interest. (PUC Section 130221)
- 8.6 Joint Powers Authority, created by the member entities on July 1, 1976, and City of San Bernardino Municipal Code Section 3.04.070F and 3.04.080.
- 8.7 California Government Code Sections 1090, 1126, 87100, 87306, Resolution No. 140-96, and any other applicable provisions of the Government Code and any conflict of interest Code applicable to Omnitrans employment.

9. IMPLEMENTATION

The CEO/ General Manager shall implement the policies herein set forth. Procedural guidance shall be provided in the Procurement Procedures.

10. ABOUT THE MANUAL

- a. This manual provides instructions and reference materials for staff in all branches and departments of Omnitrans involved with the procurement process. It establishes responsibilities and documents Omnitrans' continuing efforts to comply with applicable federal, state, county, and local regulations.



Procurement Policy Manual

Policy 1000

Page 7 of 8

GENERAL PROCUREMENT POLICY

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b. Sections

- i. This manual is divided into sections of related policies. Those sections are described in “Using This Manual” below. Sections are separated by title pages, and policies within a section will begin with the same number. (For example, all policies in the General Policies section begin with “1.”)

c. Policy Numbering

- i. Policies are individual documents. Each section is composed of several policies. Each policy has a unique number (located in the upper right corner of each page) and shows the date on which it was approved for use by the Omnitrans Board of Directors. When viewing copies of the same policy, the one with the more recent approval date is the correct one to use.

11. USING THIS MANUAL

- a. This manual contains policies governing the procurement of goods and services by Omnitrans. It is divided into the following sections:
 - i. General Policies – (1000 series) this section describes the responsibilities, ethics, and objectives behind the procurement process.
 - ii. Informal Procurement Policies – (2000 series) this section describes informal procurements, micro-procurements, mini-procurements, and small procurements.
 - iii. Procurement Card Policies– (3000 series) this section describes the proper use of procurement cards.
 - iv. Formal Procurement Policies – (4000 series) this section describes the formal procurement process, from bidding to contract award.
 - v. Solicitation Protest Policies – (5000 series) this section describes how to handle a protest to a formal procurement contract award.
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Procurement Policy Manual

Policy 1000

Page 8 of 8

GENERAL PROCUREMENT POLICY

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Policy 1010

Page 1 of 3

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Procurement Policy Manual

GENERAL POLICIES

Purpose

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

~~Revised Board Approval: June 7, 2006~~

Revised Board Approval: ~~October 7, 2009~~ November 5, 2014

1. OVERVIEW

- 1.1. Omnitrans is entrusted with the management, expenditure and investment of public funds. As such, it has the responsibility to uphold public trust and exercise its fiduciary duties in a manner that is diligent, efficient and cost-effective beyond question.
- 1.2. This manual serves to complement applicable higher authority (e.g., federal, state, county, and local government) procurement regulations and serves to provide staff with a primary frame of reference for all matters pertaining to Omnitrans' procurement and contracting activities. To the extent possible, this Policy Manual establishes Omnitrans' procurement processes which cover the procurement of, accounting for, and disposal of materials, equipment, buses, and other vehicles. On items not covered herein or in the Omnitrans Procurement Procedures Manual, staff will consult with the Director of Procurement for guidance. It also provides policy guidance on the procurement and contract administration of professional and other services.
- 1.3. This policy manual further provides general guidelines in the conduct of procurements that require compliance with Federal and State contracting standards. Such procurements are those that are funded by federal or state funds. Federal standards are contained in the Master Agreement; Public Law 109-59, the Safe, Accountable Flexible, Efficient, Transportation Equity Act-A Legacy for Users (SAFETEA-LU); and the Federal Transit Administration's (FTA) Circular 4220.1F (or latest revision) entitled "Third Party Contracting Guidance". This circular provides contracting guidance for recipients of Federal assistance awarded by the FTA. In addition, where appropriate, many procedures and practices have been adopted from the FTA's Best Practices Procurement Manual. Omnitrans recognizes that the principles of contracting with Federal Funds received from the FTA require that certain specific Federal guidelines must be met not only by Omnitrans but also by contractors and subcontractors of Omnitrans. This manual will educate and enable staff to comply fully with those, as well as, other state and local requirements. In addition, this manual will aid procurement staff in making business judgments based upon the application of sound procurement policies and procedures.
- 1.4. These policies may be amended, from time to time as may be required, by changes in enabling laws or by amendments to regulations as issued by the U.S. Department of Transportation, the Federal Transit Administration or other regulatory bodies to reflect new industry standards or to supplement existing directives. Changes, revisions or applicable guidance necessary for proper procurement administration (other than reformatting and clarifications) will be prepared by Omnitrans' Director of



Policy 1010

Page 2 of 3

Formatted: Font: Times New Roman

Procurement Policy Manual

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Procurement and submitted to the CEO/General Manager in the form of an Administrative and Finance Committee Board Memo for approval ~~by the Board of Directors.~~

2. OBJECTIVES OF OMNITRANS' PROCUREMENT PROCESS

2.1 The objectives of the Omnitrans Procurement Process are to:

- 2.1.1 Maximize the value received for Omnitrans' expenditure of public funds.
- 2.1.2 Protect assets and/or services purchased with public funds and ensure their application is exclusively in Omnitrans' interests.
- 2.1.3 Provide all qualified vendors equal opportunities for business engagements with Omnitrans.
- 2.1.4 Provide a timely, efficient and cost-effective flow of resources necessary to support Omnitrans' provision of service.
- 2.1.5 Protect the integrity and reputations of Omnitrans, its officers, and its employees.

	Policy 1010 Page 3 of 3
Procurement Policy Manual	
GENERAL POLICIES Purpose	Approved by Omnitrans Board of Directors Date Approved: January 9, 2002 Revised Board Approval: June 7, 2006 Revised Board Approval: October 7, 2009 November 5, 2014

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Procurement Policy Manual

Policy 1010

Page 1 of 2

GENERAL POLICIES

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Procurement Policy Manual

Policy 1010

Page 2 of 2

GENERAL POLICIES

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Procurement Policy Manual

Policy 1020

Page 1 of 5

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GENERAL POLICIES

Responsibilities

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

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1. GENERAL

1.1. This policy provides details on the authority and responsibility of the Omnitrans' Board of Directors and agency staff in the procurement process. General responsibilities in the overall procurement process are as follows:

- 1.1.1. When departments need a product or service, the Department Director will make a decision to purchase the product or service. The Department Director or his/her designee will prepare and approve a Requisition for the item.
- 1.1.2. Under the direction of the Procurement Director, the Procurement Department will be responsible for ensuring full and open competition on all types of contracts between vendors and the equitable treatment of all vendors.
- 1.1.3. The Director of Procurement will also periodically review the basic procurement process to make certain that Omnitrans meets Federal and State regulatory requirements for procurements of goods and services.


2. INDIVIDUAL RESPONSIBILITIES

2.1. Board of Directors

- 2.1.1. Approves Omnitrans' operating and capital budgets based on recommendations from the CEO/General Manager.
- 2.1.2. Authorizes the release of formal procurements.
- 2.1.3. Approves or rejects all purchases or contracts over \$ 25,000.00, based on the CEO/General Manager's recommendation.
- 2.1.4. Authorizes disposal of surplus materials, supplies, equipment and property with remaining value in excess of \$25,000.00.
- 2.1.5. Approves agency purchasing policies ~~and procedures~~ and any revisions.

2.2. CEO/General Manager

- 2.2.1. Authorizes Requisitions up to \$ 25,000.00.
- 2.2.2. May sign any contract on behalf of Omnitrans upon Board approval and as authorized by the Board.
- 2.2.3. Approves disposal of surplus materials, supplies and equipment under \$25,000.00.
- 2.2.4. Assures agency compliance with purchasing policies.
- 2.2.5. Receives Disadvantaged Business Enterprise (DBE) goals from the Director of Procurement and submits them to the Board of Directors for approval.
- 2.2.6. Approves agency purchasing procedures and any revisions.

 <p>Procurement Policy Manual</p>	<p>Policy 1020</p> <p>Page 2 of 5</p>
<p>GENERAL POLICIES</p> <p>Responsibilities</p>	<p>Approved by Omnitrans Board of Directors</p> <p>Date Approved: January 9, 2002</p> <p>Revised Board Approval: June 7, 2006</p> <p>Revised Board Approval: October 7, 2009 November 5, 2014</p>
<p>2.2.5.</p> <p>2.3. Department Director</p> <p>2.3.1. Identifies need for goods and services supporting the department's mission.</p> <p>2.3.2. Authorizes Requisitions up to \$15,000.00, assuring that funding for any purchase is available.</p> <p>2.3.3. Provides technical specifications and Statement of Work analysis when applicable.</p> <p>2.3.4. Serves as, or assigns, the Project Manager for formal procurements.</p> <p>2.3.5. Reviews planned purchases, including inventory and non-inventory, contract expirations requiring rebid/exercise option, local and grant-funded capital and project total purchasing requirements during annual budget planning.</p> <p>2.3.6. Evaluates quality of goods or services and gives appropriate feedback.</p> <p>2.4. Director of Procurement</p> <p>2.4.1. Oversees the Agency's Contracts, Procurement and inventory management programs.</p> <p>2.4.2. Enforces and monitors compliance with procurement policies and procedures as mandated by federal, state, and Agency laws and regulations.</p> <p>2.4.3. Serves as the primary custodian of all contract documents on behalf of Omnitrans.</p> <p>2.4.4. Administers the formal procurement process and oversees procurement planning.</p> <p>2.4.5. Oversees Omnitrans' DBE program; including notifying DBE's of contracting opportunities, recommending DBE contract awards to the CEO/General Manager, keeping DBE participation records, and submitting goals to federal officials. Coordinates with department directors during annual budget cycle to determine DBE goals for the fiscal year. Recommends agency-wide DBE goals to the CEO/General Manager. Submits DBE goals to Board for approval and forwards documentation to FTA. In conjunction with DBE coordinator, provides input for project specific DBE goals. Monitors compliance with agency DBE program. Ensures a level playing field for all aspects of Omnitrans procurement and contracting.</p> <p>2.4.6. Coordinates with department directors during annual budget cycle to determine DBE goals for the fiscal year. Recommends agency-wide DBE goals to the CEO/General Manager.</p>	

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Procurement Policy Manual

Policy 1020

Page 3 of 5

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GENERAL POLICIES

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Date Approved: January 9, 2002

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2.5. Department Manager

- 2.5.1. Authorizes Requisitions up to \$5,000.00 as approved by the Department Director and the CEO/General Manager.

2.6. Other Departmental Personnel

- 2.6.1. Authorize Requisitions within limits established by the Department Director and approved by the CEO/General Manager.

2.7. Contracts Manager

- 2.7.1. Heads the Contracts function of the Department of Procurement.
- 2.7.2. Conducts construction, small, and formal procurements as defined in Policy 2000, "General Procurement – Overview."
- 2.7.3. Assures that Omnitrans adheres to Federal Transit Administration regulations, guidelines, and circulars, and other applicable state or local regulations.
- 2.7.4. Administers Omnitrans' DBE program, including notifying DBEs of contracting opportunities, recommending DBE contract awards to the CEO/General Manager, keeping DBE participation records, and prepare and submit reporting to federal officials. Ensure compliance with Omnitrans' DBE program on bid/proposal packages, vendor proposal submissions, and evaluation and award recommendations. Establish project specific goals in conjunction with the Director of Procurement.

2.8. Senior ~~Buyer~~ Contract Administrator

- 2.8.1. Leads the Agency's Small Procurement functions.
- 2.8.2. Processes requisitions and purchase orders for procurements not exceeding \$100,000.
- 2.8.3. Handles all procurements not handled by the Contracts Section.
- 2.8.4. Serves as point of contact for all matters involving timely and effective purchase of goods and services.

2.9. Materials ~~Supervisor~~ Manager

- 2.9.1 Supervises the safe and efficient operation and maintenance of the East and West Valley parts storerooms.
- 2.9.2 Oversees the stock inventory management functions of the Procurement Department on behalf of the Director of Procurement.
- 2.9.3 Provides stockroom statistical and management information reports to the Director



Procurement Policy Manual

Policy 1020

Page 4 of 5

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of Procurement.

2.10. Finance Department

2.10.1. Pays invoices after receiving appropriate documentation.


2.10.2. Maintains Petty Cash funds.

2.10.3. Maintains all vendor invoices.

2.11. Shipping/Receiving/Parts Clerk

2.11.1. Receives goods in accordance with Omnitrans procedures.

2.11.2. Keeps shipment receiving records.

 <p>Procurement Policy Manual</p>	<p>Policy 1020</p> <p>Page 5 of 5</p>
<p>GENERAL POLICIES</p> <p>Responsibilities</p>	<p>Approved by Omnitrans Board of Directors</p> <p>Date Approved: January 9, 2002</p> <p>Revised Board Approval: June 7, 2006</p> <p>Revised Board Approval: October 7, 2009<u>November 5, 2014</u></p>

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GENERAL POLICIES

Responsibilities

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: November 5, 2014

1. GENERAL

1.1. This policy provides details on the authority and responsibility of the Omnitrans' Board of Directors and agency staff in the procurement process. General responsibilities in the overall procurement process are as follows:

- 1.1.1. When departments need a product or service, the Department Director will make a decision to purchase the product or service. The Department Director or his/her designee will prepare and approve a Requisition for the item.
- 1.1.2. Under the direction of the Procurement Director, the Procurement Department will be responsible for ensuring full and open competition on all types of contracts between vendors and the equitable treatment of all vendors.
- 1.1.3. The Director of Procurement will also periodically review the basic procurement process to make certain that Omnitrans meets Federal and State regulatory requirements for procurements of goods and services.

2. INDIVIDUAL RESPONSIBILITIES

2.1. Board of Directors

- 2.1.1. Approves Omnitrans' operating and capital budgets based on recommendations from the CEO/General Manager.
- 2.1.2. Authorizes the release of formal procurements.
- 2.1.3. Approves or rejects all purchases or contracts over \$ 25,000.00, based on the CEO/General Manager's recommendation.
- 2.1.4. Authorizes disposal of surplus materials, supplies, equipment and property with remaining value in excess of \$25,000.00.
- 2.1.5. Approves agency purchasing policies and any revisions.

2.2. CEO/General Manager

- 2.2.1. Authorizes Requisitions up to \$ 25,000.00.
- 2.2.2. May sign any contract on behalf of Omnitrans upon Board approval and as authorized by the Board.
- 2.2.3. Approves disposal of surplus materials, supplies and equipment under \$25,000.00.
- 2.2.4. Assures agency compliance with purchasing policies.
- 2.2.5. Receives Disadvantaged Business Enterprise (DBE) goals from the Director of Procurement and submits them to the Board of Directors for approval.
- 2.2.6. Approves agency purchasing procedures and any revisions.

2.3. Department Director



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- 2.3.1. Identifies need for goods and services supporting the department's mission.
- 2.3.2. Authorizes Requisitions up to \$15,000.00, assuring that funding for any purchase is available.
- 2.3.3. Provides technical specifications and Statement of Work analysis when applicable.
- 2.3.4. Serves as, or assigns, the Project Manager for formal procurements.
- 2.3.5. Reviews planned purchases, including inventory and non-inventory, contract expirations requiring rebid/exercise option, local and grant-funded capital and project total purchasing requirements during annual budget planning.
- 2.3.6. Evaluates quality of goods or services and gives appropriate feedback.

2.4. Director of Procurement

- 2.4.1. Oversees the Agency's Contracts, Procurement and inventory management programs.
- 2.4.2. Enforces and monitors compliance with procurement policies and procedures as mandated by federal, state, and Agency laws and regulations.
- 2.4.3. Serves as the primary custodian of all contract documents on behalf of Omnitrans.
- 2.4.4. Administers the formal procurement process and oversees procurement planning.
- 2.4.5. Oversees Omnitrans' DBE program; including notifying DBE's of contracting opportunities, recommending DBE contract awards to the CEO/General Manager, keeping DBE participation records, and submitting goals to federal officials. Coordinates with department directors during annual budget cycle to determine DBE goals for the fiscal year. Recommends agency-wide DBE goals to the CEO/General Manager. Submits DBE goals to Board for approval and forwards documentation to FTA. In conjunction with DBE coordinator, provides input for project specific DBE goals. Monitors compliance with agency DBE program. Ensures a level playing field for all aspects of Omnitrans procurement and contracting.
- 2.4.6. Coordinates with department directors during annual budget cycle to determine DBE goals for the fiscal year. Recommends agency-wide DBE goals to the CEO/General Manager.

2.5. Department Manager

- 2.5.1. Authorizes Requisitions up to \$5,000.00 as approved by the Department Director and the CEO/General Manager.

2.6. Other Departmental Personnel

- 2.6.1. Authorize Requisitions within limits established by the Department Director and



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approved by the CEO/General Manager.

2.7. Contracts Manager

- 2.7.1. Heads the Contracts function of the Department of Procurement.
- 2.7.2. Conducts construction, small, and formal procurements as defined in Policy 2000, "General Procurement – Overview."
- 2.7.3. Assures that Omnitrans adheres to Federal Transit Administration regulations, guidelines, and circulars, and other applicable state or local regulations.
- 2.7.4. Administers Omnitrans' DBE program, including notifying DBEs of contracting opportunities, recommending DBE contract awards to the CEO/General Manager, keeping DBE participation records, and prepare and submit reporting to federal officials. Ensure compliance with Omnitrans' DBE program on bid/proposal packages, vendor proposal submissions, and evaluation and award recommendations. Establish project specific goals in conjunction with the Director of Procurement.

2.8. Senior Contract Administrator

- 2.8.1. Leads the Agency's Small Procurement functions.
- 2.8.2. Processes requisitions and purchase orders for procurements not exceeding \$100,000.
- 2.8.3. Handles all procurements not handled by the Contracts Section.
- 2.8.4. Serves as point of contact for all matters involving timely and effective purchase of goods and services.

2.9. Materials Manager

- 2.9.1 Supervises the safe and efficient operation and maintenance of the East and West Valley parts storerooms.
- 2.9.2 Oversees the stock inventory management functions of the Procurement Department on behalf of the Director of Procurement.
- 2.9.3 Provides stockroom statistical and management information reports to the Director of Procurement.

2.10. Finance Department

- 2.10.1. Pays invoices after receiving appropriate documentation.
- 2.10.2. Maintains Petty Cash funds.
- 2.10.3. Maintains all vendor invoices.

2.11. Shipping/Receiving/Parts Clerk

- 2.11.1. Receives goods in accordance with Omnitrans procedures.
- 2.11.2. Keeps shipment receiving records.



Omnitrans

Procurement Policy Manual

Policy 1020

Page 4 of 4

GENERAL POLICIES

Responsibilities

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Procurement Procedures Manual

Procedure 4000-1

Page 1 of 6

FORMAL PROCUREMENT PROCEDURES

Overview

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1. OVERVIEW

1.1. Procurements requiring a formal procurement process are defined as the following:

1.1.1. Requirements for goods or services to be purchased exceeding \$100,000.00 per acquisition, or per contract period including option years. These requirements include:

1.1.1.1. Rental/lease payments;

1.1.1.2. Maintenance service contracts including option years; and,

1.1.1.3. Construction projects.

1.1.2. **NOTE:** Purchases in excess of \$25,000.00, but not greater than \$100,000.00 per award shall not require formal authorization for release from Omnitrans' Board of Directors. All purchases in excess of \$100,000.00, however, shall require the use of formal procurement processes, including authorization for release of solicitation from Omnitrans' Board of Directors.

2. EXCEPTIONS

2.1. There are situations in which procurements that would otherwise meet the requirements for the formal procurement process are exempt. See Policy 2010, Emergency & Non-Competitive/Sole Source Procurement, for more information on exceptions to the formal procurement process.

3. DEFINITION OF COMMON TERMS

3.1. Competitive Procurements exceeding \$100,000.00

3.1.1. Competitive Procurements for purchases with an aggregate value exceeding \$100,000.00, including exercise of all option years, require a formal procurement process. All formal procurements require full and open competition. Formal procurement methods (sealed bid/competitive proposals) must be utilized and most procurements of this nature are subject to federal/state requirements. Board approval is required prior to the start of the procurement process and also to award a contract. Technical specifications/scope of work and/or any other specific requirements shall be prepared by the requesting department and submitted to the Procurement Department. The Procurement Department will prepare and publicly release an Invitation for Bid (IFB) or a Request for Proposal (RFP), as appropriate. (See Procedure 4060-1 and 4070-1 for further discussion). IFBs/RFPs are publicly advertised in newspapers of general circulation in addition to being emailed directly to the sources registered in Omnitrans' vendor database. Competitive procurements are also posted online via Omnitrans' online bidding system.

3.1.2. The threshold requirements, as outlined above, apply to the aggregate purchase amount of the required goods or services. It is not Omnitrans' policy



Procurement Procedures Manual

Procedure 4000-1

Page 2 of 6

FORMAL PROCUREMENT
PROCEDURES

Overview

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to separate related costs for the express purpose of avoiding the competitive bid process.

3.2. Non-Competitive (Sole Source) Procurement

3.2.1. Under certain conditions, non-competitive or “sole source” procurements may be authorized for the acquisition of goods and/or services. In all cases, all sole source procurements will be supported by a properly prepared Sole Source Justification (See Policy 2010 and 2060-1 and 4050-1).

3.3. Piggybacking (where the contract resulted from an open and competitive advertisement, evaluation, and award). Piggybacking is an assignment of existing contract rights to purchase supplies, equipment or services. Omnitrans, where possible, will seek to take advantage of existing contracts awarded by other governmental entities for goods and services. Joint procurements are considered superior to the practice of “piggybacking” since “piggybacking” does not combine buying power at the pricing stage and may limit a grantee’s choices to those products excess to another grantee’s needs.

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3.3.1. Procurement staff must determine that the contract price remains fair and reasonable, that the contract meets Federal requirements and is fully compliant with FTA Circular 4220.1F.

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3.2.1.3.3.2. The Piggybacking Worksheet in Appendix “T” is to be completed and evaluated prior to making a decision to piggyback. The Piggybacking Worksheet shall become part of the procurement file to substantiate compliance.

3.3.3.4. Intergovernmental Procurement Agreements

3.4.1. FTA recognizes joint purchases to be the only type of intergovernmental agreement suitable for use by its grantees and subgrantees.

3.3.1.3.4.2. FTA believes it is extremely important that grantees ensure they contract only for their reasonably anticipated needs and do not add quantities or options to contracts solely to allow them to assign these quantities or options at a later date.

3.3.2.3.4.3. All FTA and Federal Requirements apply. When obtaining property or services in this manner, Omnitrans must ensure all Federal requirements, required clauses, and certifications (including Buy America) are properly followed and included, whether in the master intergovernmental contract or in Omnitrans’ purchase document.

3.3.3.3.4.4. When buying from these schedules, Omnitrans should obtain Buy America certification before entering into the purchase order.

3.4.3.5. Options

3.4.1.3.5.1. Option items may be included in contracts entered into by



Procurement Procedures Manual

Procedure 4000-1

Page 3 of 6

FORMAL PROCUREMENT
PROCEDURES

Overview

Approved by Omnitrans Board of Directors

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[Revised: November 5, 2014](#)

Omnitrans. An option is a unilateral right in a contract by which, for a specified time, Omnitrans may elect to purchase additional equipment, supplies, or services called for in the contract, or may elect to extend the term of the contract. If Omnitrans chooses to use options, the requirements below apply:

~~3.4.1.1.~~3.5.1.1. Evaluation of options

~~3.4.1.1.1.~~3.5.1.1.1. To all extent possible, Project Managers or owning departments will test how the exercise of contract options contribute to the fulfillment of Omnitrans' strategic plan. Further instructions are found in Procedure 6021 (see Attachment B).

~~3.4.1.1.2.~~3.5.1.1.2. Option quantities or periods in a vendor's offer will be evaluated as part of the entire offer. When options are not reviewed as part of the original evaluation process, the exercise of such options will be considered a sole source procurement.

~~3.4.1.2.~~3.5.1.2. Exercise of Options

~~3.4.1.2.1.~~3.5.1.2.1. Options are to be included in the terms and conditions of the initial contract award document.

~~3.4.1.2.2.~~3.5.1.2.2. Omnitrans must ensure that the exercise of an option is in accordance with the terms and conditions of the option provisions stated in the initial contract awarded.

~~3.4.1.2.3.~~3.5.1.2.3. Options will not be exercised without the determination that the option price is better than current market offerings or without the determination that exercising the option is the most advantageous for the Agency at the time of its exercise.

~~3.4.1.2.4.~~3.5.1.2.4. As of May 2002, the FTA has rescinded its five-year contract term limitation for some FTA-funded contracts, including "revenue contracts". Good procurement practice requires that Omnitrans enter into contract terms no longer than is minimally necessary to accomplish the purpose of the contract. Therefore, it remains the general practice of Omnitrans to contract for terms not exceeding a five (5) year period, inclusive of options.

~~3.5.3.6.~~ Federal General Service Administration (GSA) Schedules



Procurement Procedures Manual

Procedure 4000-1

Page 4 of 6

FORMAL PROCUREMENT
PROCEDURES

Overview

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[Revised: November 5, 2014](#)

~~3.5.1.3.6.1.~~ Under certain circumstances, Omnitrans may be permitted to make purchases through Federal GSA supply schedules in accordance with GSA published procedures as outlined in the Best Practices Procurement Manual. The Procurement Department will determine if the proposed procurement can utilize existing GSA schedules.

~~3.5.2.3.6.2.~~ Procurement will obtain the required offers from at least three sources, analyze the prices for reasonableness, and seek a lower than published price when necessary.

~~3.6.3.7.~~ Procurement Department Files

~~3.6.1.3.7.1.~~ The Procurement Department maintains a procurement History file which provides an audit trail from the initiation of a purchasing requirement through contract closeout. Where appropriate, the files will include documentation such as, the requisitions, independent cost estimate, list of sources solicited, specifications/scope of work, original solicitation, amendments, proposals, bid evaluation results, determination that price is fair and reasonable, contract or purchase order, change orders, Board agendas, copies of public notices, insurance documents, evidence of performance/payment or other bond documents, notice of award, notice to proceed and all other related correspondence.

~~3.7.3.8.~~ Geographic Restrictions

~~3.7.1.3.8.1.~~ Omnitrans will not use geographic preferences in the award of contracts except in the case of procurement of architectural and engineering (A&E) services, where knowledge of local conditions and building codes is a relevant factor in the quality of the A&E services.

~~3.8.3.9.~~ Progress Payment

~~3.8.1.3.9.1.~~ In some circumstances, Omnitrans may enter into contracts that require the use of progress payments. Progress payments shall only be made to the contractor for costs incurred in the performance of the contract. In addition, the Agency must obtain title to the property (materials, work in progress, finished goods) for which the progress payments are made. The Agency does not participate in funding payments (advance payments) to a contractor prior to the incurrence of costs by the contractor.

~~3.9.3.10.~~ Solicitation Mailing List

~~3.9.1.3.10.1.~~ In addition to the general requirement for full and open competition (publicly advertised solicitations), the Agency maintains a bidders list of eligible and qualified vendors who have expressed an interest in receiving solicitations. The bidders list contains the names, addresses and point of contact for entities that will receive the solicitation. Firms responding to the publicly advertised notice for a specific solicitation are added to the



Procurement Procedures Manual

Procedure 4000-1

Page 5 of 6

FORMAL PROCUREMENT
PROCEDURES

Overview

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mailing list.

~~3.10.1.3.11.1.~~ 3.11.1.3.11.1. Pre-Bid and Pre-Proposal Conferences

~~3.10.1.3.11.1.~~ 3.11.1.3.11.1. Pre-bid and pre-proposal conferences are generally used in complex acquisitions as a means of briefing prospective bidders and explaining complicated specifications and requirements. The conference is chaired by the responsible Procurement Department staff member and is an open forum where potential respondents may address ambiguities in the solicitation documents. Notice of the conference is included in the solicitation at the time of issuance.

~~3.11.1.3.12.~~ 3.12.1.3.12. Cost and Price Analysis

~~3.11.1.3.12.1.~~ 3.12.1.3.12.1. Some form of cost or price analysis shall be made and documented for every procurement action, including contract modifications, except as indicated in the procedure. The method and degree of analysis is dependent on the facts surrounding the particular procurement. At a minimum, Omnitrans shall develop independent cost estimates for each procurement before receiving bids or proposals. The intent of performing a cost or price analysis is to ensure Omnitrans receives a fair and equitable price consistent with the required quality, delivery, and overall terms of the transaction.


~~3.12.1.3.13.~~ 3.13.1.3.13. Pre-Award and Post Delivery Requirements for Rolling Stock

~~3.12.1.3.13.1.~~ 3.13.1.3.13.1. When purchasing revenue service rolling stock with FTA funds, a pre-award audit must be completed prior to entering into a formal contract for the purchase of the rolling stock in compliance with 49 CFR § 663.21. The pre-award audit shall include:

- A Buy America certification
- A purchaser's requirements certification; and
- Where appropriate, a manufacturer's Federal Motor Vehicle Safety certification information.

~~3.12.2.3.13.2.~~ 3.13.2.3.13.2. A post delivery audit must be completed before title to the rolling stock is transferred and shall include:

- A post delivery Buy America certification;
- A post-delivery purchasers certification;
- Where appropriate a manufacturer's Federal Motor Vehicle Safety Standard self certification information.
- Review actual component to ensure that the vehicle meets 60 percent Buy America domestic content requirement;
- Check that the final assembly location is in the United States and the

 <p>Omnitrans Connecting Our Community</p> <p>Procurement Procedures Manual</p>	<p>Procedure 4000-1</p> <p>Page 6 of 6</p>
<p>FORMAL PROCUREMENT PROCEDURES</p> <p>Overview</p>	<p>Approved by Omnitrans Board of Directors</p> <p>Date Approved: January 9, 2002</p> <p><u>Revised: November 5, 2014</u></p>
<p>manufacturer's final assembly activities meet the requirements outlined in regulations; and</p> <ul style="list-style-type: none"> • Have an on-site inspector for rail car procurements and bus procurements of greater than 10 vehicles. <p>3.13 Bonding and Sureties</p> <p>3.13.1 Bonds are required for all construction contracts valued at over \$25,000.00 (see FTA Circular 4220.1F, Section IV.2.i(1) for FTA requirements, and the California Contracts Code Section for State requirements). Bond or surety requirements will not be waived without the permission of the Board of Directors. The following minimum criteria apply:</p> <ul style="list-style-type: none"> • A bid guarantee equivalent to 5% of a proposers' bid price, consisting of a firm commitment such as a bid bond, certified check or other negotiable instrument submitted with a bid to ensure the bidder will honor its bid upon acceptance by Omnitrans. • Payment bond equal to 100% of the contract price to ensure contractor completes its obligations under a contract. a) Performance bonds equal to 100% of the contract price to ensure a contractor will pay all who provide labor and materials for the completion of a contract. 	

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Appendix I

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PIGGYBACKING WORKSHEET

Definition: *Piggybacking is the post-award use of a contractual document/process that allows someone who was not contemplated in the original procurement to purchase the same supplies/equipment through that original document/process.* ("FTA Dear Colleague" letter, October 1, 1998).

In order to assist in the performance of your review, to determine if a situation exists where you may be able to participate in the piggybacking (assignment) of an existing agreement, the following considerations are provided. **Please ensure that the contract file includes documentation substantiating your determination.**

WORKSHEET	YES	NO
1. Have you obtained a copy of the contract and the solicitation document, including the specifications and any Buy America Pre-award or Post-Delivery audits?		
2. Does the solicitation and contract contain an express "assignability" clause that provides for the assignment of all or part of the specified deliverables?		
3. Did the Contractor submit the "certifications" required by Federal regulations? See BPPM Section 4.3.3.2.		
4. Does the contract contain the clauses required by Federal regulations? See BPPM Appendix A1.		
5. Were the piggybacking quantities included in the original solicitation; i.e. were they in the original bid and were they evaluated as part of the contract award decision?		
6. If this is an indefinite quantity contract, did the original solicitation and resultant contract contain both a minimum and maximum quantity, and did these represent the reasonably foreseeable needs of the parties to the contract?		
7. If this piggybacking action represents the exercise of an option		

in the contract, is the option provision still valid or has it expired?		
8. Does your State law allow for the procedures used by the original contracting agency; e.g., negotiations vs. sealed bids?		
9. Was a cost or price analysis performed by the original contracting agency documenting the reasonableness of the price? Obtain a copy for your files.		
10. <u>If the contract is for rolling stock or replacement parts, does the contract term comply with the five-year term limit established by FTA? See FTA Circular 4220.1F, Chapter IV, 2 (14)(i).</u>		
11. Was there a proper evaluation of the bids or proposals? Included a copy of the analysis in your files.		
12. If you will require changes to the vehicles (deliverables), are they “within the scope” of the contract or are they “cardinal changes”? See BPPM Section 9.2.1		

Note: This worksheet is based upon the policies and guidance expressed in (a) the FTA Administrator’s “Dear Colleague” letter of October 1, 1998, (b) the *Best Practices Procurement Manual*, Section 6.3.3 – *Joint Procurements of Rolling Stock and “Piggybacking,”* and (c) FTA Circular 4220.1EF.



Procurement Procedures Manual

Procedure 4000-1

Page 1 of 6

FORMAL PROCUREMENT PROCEDURES

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1.1.1.1. Rental/lease payments;

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1.1.2. **NOTE:** Purchases in excess of \$25,000.00, but not greater than \$100,000.00 per award shall not require formal authorization for release from Omnitrans' Board of Directors. All purchases in excess of \$100,000.00, however, shall require the use of formal procurement processes, including authorization for release of solicitation from Omnitrans' Board of Directors.

2. EXCEPTIONS

2.1. There are situations in which procurements that would otherwise meet the requirements for the formal procurement process are exempt. See Policy 2010, Emergency & Non-Competitive/Sole Source Procurement, for more information on exceptions to the formal procurement process.

3. DEFINITION OF COMMON TERMS

3.1. Competitive Procurements exceeding \$100,000.00

3.1.1. Competitive Procurements for purchases with an aggregate value exceeding \$100,000.00, including exercise of all option years, require a formal procurement process. All formal procurements require full and open competition. Formal procurement methods (sealed bid/competitive proposals) must be utilized and most procurements of this nature are subject to federal/state requirements. Board approval is required prior to the start of the procurement process and also to award a contract. Technical specifications/scope of work and/or any other specific requirements shall be prepared by the requesting department and submitted to the Procurement Department. The Procurement Department will prepare and publicly release an Invitation for Bid (IFB) or a Request for Proposal (RFP), as appropriate. (See Procedure 4060-1 and 4070-1 for further discussion). IFBs/RFPs are publicly advertised in newspapers of general circulation in addition to being emailed directly to the sources registered in Omnitrans' vendor database. Competitive procurements are also posted online via Omnitrans' online bidding system.

3.1.2. The threshold requirements, as outlined above, apply to the aggregate purchase amount of the required goods or services. It is not Omnitrans' policy

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Overview

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3.2.1. Under certain conditions, non-competitive or “sole source” procurements may be authorized for the acquisition of goods and/or services. In all cases, all sole source procurements will be supported by a properly prepared Sole Source Justification (See Policy 2010 and 2060-1 and 4050-1).

3.3. Piggybacking (where the contract resulted from an open and competitive advertisement, evaluation, and award). Piggybacking is an assignment of existing contract rights to purchase supplies, equipment or services. Omnitrans, where possible, will seek to take advantage of existing contracts awarded by other governmental entities for goods and services. Joint procurements are considered superior to the practice of “piggybacking” since “piggybacking” does not combine buying power at the pricing stage and may limit a grantee’s choices to those products excess to another grantee’s needs.

3.3.1. Procurement staff must determine that the contract price remains fair and reasonable, that the contract meets Federal requirements and is fully compliant with FTA Circular 4220.1F.

3.3.2. The Piggybacking Worksheet in Appendix “I” is to be completed and evaluated prior to making a decision to piggyback. The Piggybacking Worksheet shall become part of the procurement file to substantiate compliance.

3.4. Intergovernmental Procurement Agreements

3.4.1. FTA recognizes joint purchases to be the only type of intergovernmental agreement suitable for use by its grantees and subgrantees.

3.4.2. FTA believes it is extremely important that grantees ensure they contract only for their reasonably anticipated needs and do not add quantities or options to contracts solely to allow them to assign these quantities or options at a later date.

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3.4.4. When buying from these schedules, Omnitrans should obtain Buy America certification before entering into the purchase order.

3.5. Options

3.5.1. Option items may be included in contracts entered into by Omnitrans. An

**FORMAL PROCUREMENT
PROCEDURES**

Overview

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3.5.1.1. Evaluation of options

3.5.1.1.1. To all extent possible, Project Managers or owning departments will test how the exercise of contract options contribute to the fulfillment of Omnitrans' strategic plan. Further instructions are found in Procedure 6021 (see Attachment B).

3.5.1.1.2. Option quantities or periods in a vendor's offer will be evaluated as part of the entire offer. When options are not reviewed as part of the original evaluation process, the exercise of such options will be considered a sole source procurement.

3.5.1.2. Exercise of Options

3.5.1.2.1. Options are to be included in the terms and conditions of the initial contract award document.

3.5.1.2.2. Omnitrans must ensure that the exercise of an option is in accordance with the terms and conditions of the option provisions stated in the initial contract awarded.

3.5.1.2.3. Options will not be exercised without the determination that the option price is better than current market offerings or without the determination that exercising the option is the most advantageous for the Agency at the time of its exercise.

3.5.1.2.4. As of May 2002, the FTA has rescinded its five-year contract term limitation for some FTA-funded contracts, including "revenue contracts". Good procurement practice requires that Omnitrans enter into contract terms no longer than is minimally necessary to accomplish the purpose of the contract. Therefore, it remains the general practice of Omnitrans to contract for terms not exceeding a five (5) year period, inclusive of options.

3.6. Federal General Service Administration (GSA) Schedules

3.6.1. Under certain circumstances, Omnitrans may be permitted to make purchases through Federal GSA supply schedules in accordance with GSA published procedures as outlined in the Best Practices Procurement Manual. The



**FORMAL PROCUREMENT
PROCEDURES**

Overview

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Procurement Department will determine if the proposed procurement can utilize existing GSA schedules.

- 3.6.2. Procurement will obtain the required offers from at least three sources, analyze the prices for reasonableness, and seek a lower than published price when necessary.

3.7. Procurement Department Files

- 3.7.1. The Procurement Department maintains a procurement History file which provides an audit trail from the initiation of a purchasing requirement through contract closeout. Where appropriate, the files will include documentation such as, the requisitions, independent cost estimate, list of sources solicited, specifications/scope of work, original solicitation, amendments, proposals, bid evaluation results, determination that price is fair and reasonable, contract or purchase order, change orders, Board agendas, copies of public notices, insurance documents, evidence of performance/payment or other bond documents, notice of award, notice to proceed and all other related correspondence.

3.8. Geographic Restrictions

- 3.8.1. Omnitrans will not use geographic preferences in the award of contracts except in the case of procurement of architectural and engineering (A&E) services, where knowledge of local conditions and building codes is a relevant factor in the quality of the A&E services.

3.9. Progress Payment

- 3.9.1. In some circumstances, Omnitrans may enter into contracts that require the use of progress payments. Progress payments shall only be made to the contractor for costs incurred in the performance of the contract. In addition, the Agency must obtain title to the property (materials, work in progress, finished goods) for which the progress payments are made. The Agency does not participate in funding payments (advance payments) to a contractor prior to the incurrence of costs by the contractor.

3.10. Solicitation Mailing List

- 3.10.1. In addition to the general requirement for full and open competition (publicly advertised solicitations), the Agency maintains a bidders list of eligible and qualified vendors who have expressed an interest in receiving solicitations. The bidders list contains the names, addresses and point of contact for entities that will receive the solicitation. Firms responding to the publicly advertised notice for a specific solicitation are added to the mailing list.

3.11. Pre-Bid and Pre-Proposal Conferences

- 3.11.1. Pre-bid and pre-proposal conferences are generally used in complex

FORMAL PROCUREMENT PROCEDURES

Overview

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised: November 5, 2014

acquisitions as a means of briefing prospective bidders and explaining complicated specifications and requirements. The conference is chaired by the responsible Procurement Department staff member and is an open forum where potential respondents may address ambiguities in the solicitation documents. Notice of the conference is included in the solicitation at the time of issuance.

3.12. Cost and Price Analysis

3.12.1. Some form of cost or price analysis shall be made and documented for every procurement action, including contract modifications, except as indicated in the procedure. The method and degree of analysis is dependent on the facts surrounding the particular procurement. At a minimum, Omnitrans shall develop independent cost estimates for each procurement before receiving bids or proposals. The intent of performing a cost or price analysis is to ensure Omnitrans receives a fair and equitable price consistent with the required quality, delivery, and overall terms of the transaction.

3.13. Pre-Award and Post Delivery Requirements for Rolling Stock

3.13.1. When purchasing revenue service rolling stock with FTA funds, a pre-award audit must be completed prior to entering into a formal contract for the purchase of the rolling stock in compliance with 49 CFR § 663.21. The pre-award audit shall include:

- A Buy America certification
- A purchaser's requirements certification; and
- Where appropriate, a manufacturer's Federal Motor Vehicle Safety certification information.

3.13.2. A post delivery audit must be completed before title to the rolling stock is transferred and shall include:

- A post delivery Buy America certification;
- A post-delivery purchasers certification;
- Where appropriate a manufacturer's Federal Motor Vehicle Safety Standard self certification information.
- Review actual component to ensure that the vehicle meets 60 percent Buy America domestic content requirement;
- Check that the final assembly location is in the United States and the manufacturer's final assembly activities meet the requirements outlined in regulations; and
- Have an on-site inspector for rail car procurements and bus procurements



Procurement Procedures Manual

Procedure 4000-1

Page 6 of 6

FORMAL PROCUREMENT
PROCEDURES

Overview

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised: November 5, 2014

of greater than 10 vehicles.

3.13 Bonding and Sureties

3.13.1 Bonds are required for all construction contracts valued at over \$25,000.00 (see FTA Circular 4220.1F, Section IV.2.i(1) for FTA requirements, and the California Contracts Code Section for State requirements). Bond or surety requirements will not be waived without the permission of the Board of Directors. The following minimum criteria apply:

- A bid guarantee equivalent to 5% of a proposers' bid price, consisting of a firm commitment such as a bid bond, certified check or other negotiable instrument submitted with a bid to ensure the bidder will honor its bid upon acceptance by Omnitrans.
- Payment bond equal to 100% of the contract price to ensure contractor completes its obligations under a contract.
 - a) Performance bonds equal to 100% of the contract price to ensure a contractor will pay all who provide labor and materials for the completion of a contract.



PIGGYBACKING WORKSHEET

Definition: *Piggybacking is the post-award use of a contractual document/process that allows someone who was not contemplated in the original procurement to purchase the same supplies/equipment through that original document/process.* ("FTA Dear Colleague" letter, October 1, 1998).

In order to assist in the performance of your review, to determine if a situation exists where you may be able to participate in the piggybacking (assignment) of an existing agreement, the following considerations are provided. **Please ensure that the contract file includes documentation substantiating your determination.**

WORKSHEET	YES	NO
1. Have you obtained a copy of the contract and the solicitation document, including the specifications and any Buy America Pre-award or Post-Delivery audits?		
2. Does the solicitation and contract contain an express "assignability" clause that provides for the assignment of all or part of the specified deliverables?		
3. Did the Contractor submit the "certifications" required by Federal regulations? See BPPM Section 4.3.3.2.		
4. Does the contract contain the clauses required by Federal regulations? See BPPM Appendix A1.		
5. Were the piggybacking quantities included in the original solicitation; i.e. were they in the original bid and were they evaluated as part of the contract award decision?		
6. If this is an indefinite quantity contract, did the original solicitation and resultant contract contain both a minimum and maximum quantity, and did these represent the reasonably foreseeable needs of the parties to the contract?		
7. If this piggybacking action represents the exercise of an option in the contract, is the option provision still valid or has it expired?		
8. Does your State law allow for the procedures used by the original contracting agency; e.g., negotiations vs. sealed bids?		
9. Was a cost or price analysis performed by the original		

contracting agency documenting the reasonableness of the price? Obtain a copy for your files.		
10. If the contract is for rolling stock or replacement parts, does the contract term comply with the five-year term limit established by FTA? See FTA Circular 4220.1F, Chapter IV, 2 (14)(i).		
11. Was there a proper evaluation of the bids or proposals? Included a copy of the analysis in your files.		
12. If you will require changes to the vehicles (deliverables), are they “within the scope” of the contract or are they “cardinal changes”? See BPPM Section 9.2.1		

Note: This worksheet is based upon the policies and guidance expressed in (a) the FTA Administrator’s “Dear Colleague” letter of October 1, 1998, (b) the *Best Practices Procurement Manual*, Section 6.3.3 – *Joint Procurements of Rolling Stock and “Piggybacking,”* and (c) FTA Circular 4220.1F.