

San Bernardino County Transportation Authority	<b>Policy</b>	<b>11000</b>
Adopted by the Board of Directors      January 3, 1997	Revised	<b>10/06/21</b>
<b>Procurement and Special Risk Assessment Policy</b>	Revision No.	<b>25</b>

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## I. PURPOSE

This policy establishes contracting and procurement standards to guide the selection of the most qualified firms to perform services to the best advantage of the Agency and to acquire goods at a fair and reasonable price. It provides guidance to SBCTA staff with respect to policy considerations adopted by the SBCTA Board of Directors. In addition, it provides additional authority to the Executive Director, Director of Special Projects and Strategic Initiatives, and the Risk Manager in regards to insurance provisions.

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## II. REFERENCES

Policy 10025, Guidelines for Agenda Materials.

California Government Code § 4525 et seq.; Public Contract Code; and Public Utilities Code §§ 130221–130239.

2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (see Procurement Standards 2 CFR sec. 200.317 through 200.326).

2 CFR Chapter XII—Department of Transportation, Part 1201--Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; (see 2 CFR sec. 1201.317).

40 USC Chapter 11 (Brooks Act), Selection of Architects and Engineers.

23 CFR part 172, Procurement, Management, and Administration of Engineering and Design related services.

California Department of Transportation Local Assistance Procedures.

Federal Transit Administration Circular 4220.1F, Third Party Contracting Guidance.

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## III. POLICY

All procurement activity on behalf of SBCTA/SANBAG is required to demonstrate that the expenditure of funds is conducted in an honest, competitive, fair, and transparent manner that achieves the best value for money and protects SBCTA's reputation.

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## IV. GENERAL

### A. Definitions

Awarding Authority means the Board, a Board Committee, or the Executive Director to whom the Board delegated authority to award a contract or purchase order under this Policy or by other action of the Board.

Construction (Public Works) as defined by Public Contract Code (PCC) § 22002, means construction, reconstruction, erection, alteration, renovation, demolition, painting, and repair work

involving any publicly owned, leased or operated facility, building, structure, real property, street or highway, or other public improvement of any kind.

Contract means an agreement with a third party for acquisition of Goods, Services or Construction work.

Executive Director means the Executive Director of SBCTA and shall be deemed to include any designee specified by the Executive Director to act in his or her behalf.

Goods means supplies, materials, equipment, and other movable/tangible things.

Independent Cost Estimates (ICE) means the best 'estimate' as to the cost of the Goods, services or construction work being procured. The method and degree of analysis is dependent on the complexity of the Goods, services or construction work being procured. An ICE should be prepared in advance of the receipt of any bids or proposals, amendments or change orders. The United States Department of Transportation, Federal Highways Administration and Federal Transit Administration require recipients of federal dollars to "perform a cost or price analysis in connection with every procurement action, including contract modifications..." The starting point for cost or price analysis is the development of an ICE which should be used in the evaluation of the consultant's or contractor's price proposal.

Invitation for Bids (IFB) means a competitive procurement process that requires the award be made to the lowest responsive responsible bidder whose bid conforms to all the material terms and conditions of the IFB.

Invitation for Quotes (IFQ) means a competitive procurement process which the award of a contract or purchase order will be to the lowest responsive responsible bidder whose bid conforms to SBCTA's requirements or is most advantageous to the agency based on price and other factors considered.

Non-Professional Services means janitorial, maintenance, security, advertising, printing, postal, landscape maintenance, including mowing, weeding, watering, trimming/pruning, planting, and servicing of irrigation and sprinkler systems, the maintaining or servicing of Goods, and other services that are not deemed a professional service.

Procurement Professional means procurement staff responsible for overseeing the Procurement Solicitation.

Procurement Solicitation means Invitation for Bids (IFB), Request for Proposals (RFP), Invitation for Quotes (IFQ), or other forms of written or verbal solicitations for the procurement of Goods, Non-Professional and Professional Services, and Construction work.

Professional Services (A & E) means architectural, engineering, environmental, land surveying, construction engineering, construction project management services, or other professional services of an architectural or engineering nature that are required to be performed or approved by a person licensed, registered, or certified to provide such services.

Professional Services (Non A & E) means advisory, information technology, legal, financial, accounting, auditing, legislative advocacy, marketing, freeway service patrol, program management, and any other services which involve the exercise of professional discretion and independent judgment based on advanced or specialized knowledge, expertise or training gained by formal studies or experience, but excludes Professional Services (A & E).

Purchase Order (PO) is a written authorization issued by a buyer committing to pay the seller for the sale of specific Goods or services to be delivered in the future.

Request for Proposal/Request for Qualifications (RFP/RFQ) means a competitive procurement process that requires evaluation of a consultant's proposal and qualifications.

## B. Standard Requirements

1. Concurrence. All Contracts shall be reviewed by the Procurement Manager prior to approval by the Board or the Executive Director. The Procurement Manager's concurrence ensures the procurement process was completed in accordance with SBCTA policies and procedures, and applicable State and/or Federal contracting laws.
2. Consultant Selection. When procuring a consulting firm for architectural and engineering services utilizing federal funds through Caltrans, SBCTA will advertise, award and administer the project in accordance with Caltrans current Local Assistance Procedures per 23 CFR part 172 unless otherwise stated in the executed Caltrans project-specific Program Supplement.
3. Contract Provisions. All Contracts shall specify a period of performance, description of the function to be performed, total contract amount, and appropriate performance standards.
4. Contract Term. Unless otherwise authorized by the Board, the maximum term for Contracts or Purchase Orders awarded in accordance with this Policy shall be five years, except for Contracts or Purchase Orders for software license agreements and related maintenance and support services, which can be up to 10 years.
5. Federal/State Requirements. When utilizing state and federal funds which require more rigorous or different procurement standards than required by this policy, such standards will apply. SBCTA is responsible for ensuring that such standards, including those set out in 2 CFR part 200 and 2 CFR part 1201, are met and are included in appropriate Contracts.
6. Independent Cost Estimates (ICE). Except for purchases under \$1,000, ICE are required for all procurement actions.
7. Insurance. SBCTA's Risk Manager is responsible for: 1) ensuring that all insurance requirements are reviewed and approved prior to the solicitation being released for all procurements, and 2) reviewing certificates of insurance and endorsements for compliance with Contract and Purchase Order requirements.
8. Legal Counsel Review. All Contracts shall be reviewed by legal counsel prior to approval by the Board or the Executive Director. All Contracts will be approved as to form by legal counsel prior to execution by SBCTA.
9. Non-Discrimination. All Contracts shall contain a standard non-discrimination clause.
10. Written Contracts. All Contracts shall be in writing and signed by authorized representatives of all parties.

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## V. TYPES OF PROCUREMENTS

### A. Goods – Competitive Procurement

1. Informal Procurement (PUC § 130232(b))

The following procedures will generally be used when each expected procurement for Goods is valued in excess of \$1,000, but not exceeding \$25,000:

- a. Whenever possible, informal procurements should be based on the solicitation of at least three (3) bids, either written or oral, that permit prices and terms to be compared.
- b. An IFQ or letters may be required if the Goods being requested require more detailed bids. IFQ or letters will be issued to a limited number of prospective bidders.
- c. Award of a Purchase Order or Contract will be to the lowest responsive responsible bidder whose bid conforms to SBCTA's requirements or is most advantageous to the agency based on price and other factors considered.

d. SBCTA will document the results of all such informal procurement actions.

2. Formal Procurement (PUC § 130232(a))

The following applies to procurements valued in excess of \$25,000:

- a. An Invitation for Bids (IFB) will be distributed and a notice inviting bids will be published at least once in a newspaper of general circulation or the equivalent. The publication shall be made at least 10 days before the date for the receipt of the bids. The competitive sealed bid method will be used.
- b. A control record will be maintained as the IFB is distributed, indicating the date, time, and/or place of distribution or notice. The record shall contain the names and addresses of offerors receiving the IFB and details regarding the publication of the notice of IFB. The control record shall be used as a mailing or distribution list for the issuance of notices relative to the IFB and as a verification record in the case of vendor protests.
- c. Award of a Contract or Purchase Order shall be made to the lowest responsive responsible bidder whose bid conforms to all the material terms and conditions of the IFB.
- d. The Board, at its discretion, may reject any and all bids and readvertise.

3. Amendments

- a. Contracts and Purchase Orders may be amended to increase the not to exceed amount, quantity and/or extend the term.
- b. Contracts and Purchase Orders may be amended to add additional scope of work and compensation for additional work that was not foreseen at the time the original Contract or Purchase Order was awarded pursuant to competitive procurement, if the Awarding Authority determines it is in the best interests of SBCTA to do so. The Awarding Authority shall consider cost-effectiveness, timeliness, prior quality of performance of services in determining if it is in the best interests of SBCTA.
- c. Re-competition for required services serves to assess the competitive market conditions relative to expertise and pricing for such services and may be prudent on a periodic basis. However, where services relate to specific on-going projects or levels of unique qualifications, skills, and experience, it may be appropriate to extend such Contracts or Purchase Order without re-competition. Staff shall analyze each Contract or Purchase Order based upon the specific project needs and include justification for such recommendation in the report to the Board or Executive Director.
- d. It may be prudent for staff to recommend against a renewed competitive process in the following instances:
  - i. When the amendments are the result of an increase in the scope of work for the same project, wherein the qualifications and experience required to perform the new work were clearly examined as part of the prior competitive process.
  - ii. When, on the basis of a specific finding or competitive process prior to approval of the original Contract or Purchase Order, the firm was determined to be the most qualified and responsive to undertake the work addressed by the Contract or Purchase Order amendment.
  - iii. Where the firm, based upon findings presented to the Board, is found to be preeminently positioned to perform the work due to its: (1) specific qualifications, (2) unique knowledge of the project, or (3) unique knowledge of the work required.

B. Construction – Competitive Procurement

1. Informal Procurement

The following generally applies to Construction procurements valued at \$25,000 or less:

- a. Whenever possible, informal procurements should be based on the solicitation of at least three (3) bids.
- b. An Invitation for Quotes (IFQ) will be issued to a limited number of prospective bidders.

- c. Award of a Contract will be to the lowest responsive responsible bidder whose bid conforms to the SBCTA's requirements.
- d. SBCTA will document results of all such informal procurement actions.

## 2. Formal Procurement

The following applies to Construction procurements in excess of \$25,000. (PUC § 130232)

- a. An Invitation for Bids (IFB) will be distributed and a notice inviting bids will be published at least once in a newspaper of general circulation or the equivalent. The publication shall be made at least 10 days before the date for the receipt of the bids. The competitive sealed bid method will be used.
- b. A control record will be maintained as the IFB is distributed indicating the date, time, and/or place of distribution or notice. The record shall contain the names and addresses of offerors receiving the IFB and details regarding the publication of the notice of IFB. The control record shall be used as a mailing or distribution list for the issuance of notices relative to the IFB and as a verification record in the case of vendor protests.
- c. Award of a Construction Contract shall be made to the lowest responsive responsible bidder whose bid conforms to all the material terms and conditions of the IFB.
- d. Award of a Construction Contract may proceed directly to the Board without prior review or recommendation by a Board Committee if the Contract award recommended is to the lowest responsive responsible bidder.
- e. The Board, at its discretion, may reject any and all bids and re-advertise.

## C. Professional Services (A & E) – Qualifications Based Procurement

### 1. Informal Procurement

The following generally applies to Professional Services (A & E) procurements valued at \$25,000 or less:

- a. An Invitation for Quotes (IFQ) will be issued to a limited number of prospective proposers.
- b. Whenever possible, informal procurements should be based on the solicitation of at least three (3) proposals.
- c. Award of a Contract will be made to the consultant whose proposal conforms to the requirements of the IFQ and is most advantageous to the agency based on price and other factors considered.
- d. SBCTA will document results of all such informal procurement actions.

### 2. Formal Procurement

The following applies to Professional Services (A & E) procurements valued at more than \$25,000:

- a. The Request for Proposal (RFP)/Request for Qualifications (RFQ) process will be used to solicit proposals.
- b. These Contracts shall be awarded based upon demonstrated competence and professional qualifications and capabilities necessary to perform the services at a fair and reasonable price. This procurement process does not require award to the lowest cost proposer.
- c. Staff will maintain a control record as RFP packets are distributed indicating the date and time of distribution. The record shall contain the names and addresses of consultants receiving the RFP and attendance at pre-proposal conferences, if any.
- d. Pre-proposal conferences will be held, when appropriate, to discuss the basic requirements such as instructions to the consultants, funding, Contract type, evaluation criteria, and specific points that should be addressed in each proposal.

- e. Special consideration is required in the instances of a formal competitive process resulting in only one response. In those instances, SBCTA staff shall evaluate factors relative to the competitive process, including adequacy of notification to qualified competitors, requirements of the RFQ/RFP, the amount of time provided to respond to the RFQ/RFP, adequacy of the one proposal received, and urgency. After such an analysis, the Executive Director shall make a recommendation to either accept or reject the proposal. Each circumstance will require consideration of facts relevant to the specific solicitation and work to be performed.

### 3. Amendments

- a. Amendments to increase the cost and/or period of performance of an established scope of work are approved as a matter of prudence and necessity. These result from increased difficulty or range of work effort to accomplish the defined scope. Examples requiring such amendments include actions in response to review comments, the imposition of new state or federal regulations, various design complications, and other factors generally beyond the consultant's control and not anticipated during the initial cost proposal.
- b. In those instances where it has been determined that professional services are required beyond the term of the existing Contract, the standard practice shall be for the Contract to be reviewed prior to the end of the contracted performance period and assessed relative to (1) the scope and continued need for the function performed, (2) the adequacy of performance under the Contract, and (3) other terms and conditions of the Contract.
- c. In certain instances, SBCTA consultants are required to work closely with other public agency partners and SBCTA member jurisdictions. When such a professional services Contract is being considered for a revised scope or extension, staff will solicit input from the representatives of those public agencies on the performance, demeanor, and timely implementation of work performed by the consultant.
- d. Based upon the demonstrated competence and on the professional qualifications of the consultant and upon the particular project needs, Professional Services Contracts may be recommended for extension or be recommended for re-competition.
- e. Re-competition for required professional services serves to assess the competitive market conditions relative to expertise and pricing for such services and may be prudent on a periodic basis. However, where professional services relate to specific on-going projects or levels of unique qualifications, skills, and experience, it may be appropriate to extend such Contracts without re-competition. Staff shall analyze each Contract based upon the specific project needs and include justification for such recommendation in the report to the Board or Executive Director.
- f. It may be prudent for staff to recommend against a renewed competitive process in the following instances:
  - i. When the amendments are the result of an increase in the scope of work for the same project, wherein the qualifications and experience required to perform the new tasks were clearly examined as part of the prior competitive process.
  - ii. When, on the basis of a specific finding or competitive process prior to approval of the original Contract, the consultant was determined to be the most qualified and responsive to undertake the work addressed by the Contract amendment.
  - iii. Where the consultant, based upon findings presented to the Board, is found to be preeminently positioned to perform the work due to its: (1) specific qualifications, (2) unique knowledge of the project, or (3) unique knowledge of the work required.
- g. The Board or the Executive Director may periodically approve amendments to professional and technical services consulting Contracts contingent upon consultant performance and negotiation. Amendments may address all Contract components, but typically relate to increased cost, the period of performance to accomplish the project, or adjustments to the scope of work.

D. Non A & E Services (Non A & E Professional Services and Non-Professional Services) – Qualifications Based Procurement

1. Informal Procurement

- a. The provisions of Section V.C.1 for the Informal Procurement for A & E Professional Services Contracts generally apply to Non A & E Professional Services procurements.
- b. The provisions of Section V.A.1 for the Informal Procurement for Goods generally apply to Non-Professional Services procurements.

2. Formal Consultant Selection Process

The provisions of Section V.C.2 for the Formal Procurement for A & E Professional Services Contracts generally apply to Non A & E Services procurements. Award of a Contract will be made to the consultant whose proposal conforms to the requirements of the RFP and is most advantageous to the agency based on qualifications, price and other factors considered.

3. Amendments

Amendments to Contracts for Non A & E Services shall be processed in accordance with the provisions contained in Section V.A.3 or V.C.3.

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## VI. EXCEPTIONS

A. Non-Competitive Procurements

1. Competitive processes are not required for purchases of Goods and services under \$1,000, but the prices shall be reasonable. No ICE is required. Selection should be based on quality and cost. To the extent practicable, purchases must be distributed equitably among qualified suppliers or vendors.

2. Services – Sole Source

- a. In those instances when it may be necessary or prudent to enter into sole source Contracts or Purchase Orders, specific approval shall be required.
- b. All sole source Contracts or Purchase Orders shall be governed by the following guidelines:
  - i. Sole source Contracts or Purchase Orders may be recommended for approval upon a finding of appropriateness and that it is in the best interest of the agency to do so.
    - a. Contracts or Purchase Orders may be recommended for approval on a sole source selection based upon a requirement for unique qualifications, the existence of significant time constraints, substantial duplication costs, and/or in certain instances of demonstrated experience.
    - b. After solicitation of a number of sources, the competition is determined inadequate.

3. Goods – Single Source

Pursuant to Public Utilities Code § 130237, the Board may direct the purchase of any Goods without engaging in a competitive procurement process upon a finding by two-thirds (2/3) of all Board members that there is only a single source of procurement and the purchase is for the sole purpose of duplicating or replacing the supply, equipment, or material already in use.

4. Uniformity Exemption

The competitive process shall not apply to purchases of software licenses and services that are required to maintain compatibility, functionality, or conformity with existing designs, products, equipment, facilities, systems, software, technologies, standardizations, proprietary product and the like, or to maintain current warranties, “only authorized distributor” circumstances, or

contractual obligations deemed to be in the Agency's best interests in the determination of the awarding authority.

Any recommendation for approval of a Contract or Purchase Order for which a competitive process has not been completed shall contain justification for the lack of competition.

Contracts or Purchase Orders exceeding the Executive Director's approval must be presented to the Board for approval specifically calling out the Non-Competitive finding and shall be placed on the discussion calendar.

B. Cooperative Procurements (piggybacking)

SBCTA may contract with the vendor or supplier of any federal, state or local governmental department or agency (Public Agency) that has selected the vendor or supplier after complying with the Public Agency's competitive procurement requirements, and if it is in the best interest of SBCTA to do so. SBCTA's Procurement Manager will determine whether the purchase of Goods and services directly from the vendor or supplier of a Public Agency is in the best interest of SBCTA based upon price, quality and whether the terms and conditions of the cooperative procurement Contract meet SBCTA's procurement policy.

C. Emergency Procurements (PUC § 130234)

In the event of great public calamity, as defined by Public Utilities Code § 130234, the Board may declare and determine, by resolution adopted by two-thirds (2/3) vote of all its members, that public interest and necessity demand the immediate expenditure of funds to safeguard life, health, or property, and enter into a Contract without observance of the provisions of this policy and/or Public Utilities Code § 130232.

D. Remedial Measures (PUC § 130235)

Upon determining that immediate remedial measures are necessary to avert or alleviate damage to property, or to replace, repair, or restore damaged/destroyed property in order to ensure that SBCTA's facilities are available to serve the transportation needs of the public, and upon determining that available remedial measures are inadequate, including the procurement of Goods and services or construction in accordance with Public Utilities Code §§ 130232-130234, the Executive Director may authorize the expenditure of funds for the procurement of Goods and services without observance of the provisions of this policy and/or Public Utilities Code §§ 130232-130234. The Executive Director shall submit a report to the Board explaining the necessity of any such expenditure.

E. Prototype Equipment (PUC § 130236)

Upon a finding by two-thirds (2/3) vote by all members of the Board that a proposed competitive bid or open market purchase, in accordance with Public Utilities Code §§ 130232 and 130233, does not constitute an adequate method of procurement for the operation of SBCTA facilities or equipment, the Board may direct the procurement of prototype equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of the provisions of this policy and/or Public Utilities Code § 130232.

F. Specialized Equipment (PUC § 130238)

The Board may, upon a finding by two-thirds (2/3) vote by all its members, direct that the procurement of (1) specialized rail transit equipment, including rail cars, and (2) computers, telecommunications equipment, fare collections equipment, microwave equipment, and other related electronic equipment and apparatus be conducted through competitive negotiation as set forth in Public Utilities Code § 130238.

G. Open Market (PUC § 130233)

If after rejecting bids received from a formal competitive procurement process, the Board determines by a majority vote that the Goods may be purchased at a lower price in the open market, the



procurement of such Goods or services may proceed without further observance of the provisions of this policy regarding Contracts, bids, advertisement, or notice.

#### H. Design Build

Procurements may be authorized by the Board, pursuant to the Public Contract Code § 6820 et seq. or other applicable law, for the design and construction of eligible projects through design build Contracts. Such procurements shall be performed in accordance with applicable state and federal laws.

#### I. Utilities Services

The provisions of this policy are not required for procuring utility services including but not limited to water, sewer, electricity, natural gas, waste disposal, and telecommunications (telephone and internet).

#### J. Venues

The provisions of this policy are not required for the selection of venues for SBCTA's events. Venues are selected based on location, size, and other specific needs as required depending on the event.

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### VII. PURCHASE ORDERS

Issuance of Purchase Orders shall follow the competitive and non-competitive processes set forth in this Policy, but do not require legal counsel approval as to form or written concurrence of the Procurement Manager. Purchase Orders are authorized for the following purposes only:

- A. Purchase of Goods
- B. Purchase of Services under \$10,000, when the risks to SBCTA are considered low, in the discretion of the Procurement Manager and the Risk Manager.
- C. Software license and related maintenance and support agreements, unless software customization is required.

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### VIII. DELEGATION OF AUTHORITY

#### A. Invitations for Quotes, Requests for Proposals, Requests for Qualifications, Invitations for Bids

1. The Executive Director is authorized to release and advertise Requests for Proposals (RFP), Requests for Qualifications (RFQ) and Invitations for Bids (IFB) for proposed Contracts/projects for which funding has been approved in SBCTA's current Annual Budget and which are estimated not to exceed \$1 Million.

Board approval must be obtained prior to circulation of any RFP/RFQ/IFB if funding has not been approved in SBCTA's current Annual Budget, or if the anticipated value of the RFP/RFQ/IFB exceeds \$1 Million.

2. General Counsel is authorized to issue RFQs for the purpose of creating and maintaining panels of qualified lawyers and law firms to provide legal services.
3. The Procurement Manager or Department Director, or their designee, are authorized to release and advertise Invitations for Quotes (IFQ) for proposed Contracts or Purchase Orders estimated not to exceed \$25,000.

#### B. Contracts, Purchase Orders, Amendments and Contingency Amendments

1. General Policy.
  - a. Except as provided in VIII.B.4.c.ii, all Contracts, Purchase Orders, and amendments in excess of \$100,000 require approval by the Board, unless otherwise authorized by the Board.

- b. In order to prevent delays that would result in negative impacts to projects and/or programs, staff will provide sufficient time for Policy Committees and/or the Board to review and consider staff recommendations for approval of Contracts and Contract amendments. Refer to Policy 10025.
2. Board President. The Board President is the officer designated to sign Contracts on behalf of the organization, unless otherwise authorized by the Board. In the absence of the Board President, the Board Vice President is authorized to sign Contracts on behalf of the organization.
3. General Policy Committee. The General Policy Committee is authorized to approve Contracts in excess of \$100,000, CTOs in excess of \$500,000, and amendments exceeding the Executive Director's authority in the event of significant time constraints, extenuating circumstances, or emergencies when approval is required, with notification to the Board. Notification shall be made at the next regularly scheduled meeting of the Board following such approval.
4. Executive Director. The Executive Director is authorized to approve and execute:
  - a. All Contracts and Purchase Orders up to \$100,000.
  - b. Contract amendments and Purchase Order amendments:
    - i. With zero dollar value.
    - ii. For Contracts or Purchase Orders originally less than \$100,000, up to 50% of the original Contract or Purchase Order value.
    - iii. For Contracts or Purchase Orders originally over \$100,000, amendments that cumulatively do not exceed 50% of the original Contract or Purchase Order value or \$100,000, whichever is less.
    - iv. Amendments to extend Contract term of performance, either by exercising the optional term(s) set out in Contracts or Purchase Orders approved by the Board, or, if the Contract or Purchase Order has no such options, to extend the term up to a total five year performance period.
    - v. For Contracts with Board-approved contingencies, releases of contingency up to, but that do not exceed, the authorized contingency amounts.
  - c. Contract Task Orders (CTO):
    - i. All CTOs up to \$500,000, not-to-exceed the available Contract balance.
    - ii. CTO amendments within available Contract balance:
      - With zero dollar value.
      - For CTOs originally less than \$500,000, increasing the CTO amount up to \$500,000.
      - For CTOs originally \$500,000 or more, increasing the CTO amount by up to \$250,000.
  - d. Sole source procurements for services up to \$100,000 per Section VI, and sole source procurement of Goods up to a maximum amount of \$50,000 (PUC § 130232(c)). Such sole source procurements shall be routinely reported to the Board.
  - e. Leases of real property by SBCTA:
    - i. With a term not to exceed five (5) years.
    - ii. Total rent not to exceed \$100,000 for entire lease term.
    - iii. Lease amendments within available term limit and total rent value, as set forth in i. and ii. above.
5. General Counsel. In order to address the agency's legal needs, General Counsel is authorized to directly award, execute, and amend legal services agreements up to \$100,000. All such agreements shall be routinely reported to the Board. The procurement requirements set forth in Section V.D are not applicable to legal services agreements awarded under this provision.
6. Department Director. The Department Director, or their designee, is authorized to approve and execute contingency amendments (SBCTA Form 305) for services Contracts and change orders

for construction Contracts that do not exceed contingency amounts authorized by Board, or the Executive Director. Contingency amendments and change orders approved by the Department Directors will be presented monthly for review to the appropriate Policy Committee and/or Board.

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## **IX. Delegation of Authority to Act Upon Special Risks or Circumstances related To Insurance Requirements In Awarded Contracts, Purchase Orders, and License/Lease Agreements**

### **A. Delegation of Authority**

1. Risk Manager and Director of Special Projects and Strategic Initiatives. The Risk Manager and the Director of Special Projects and Strategic Initiatives are authorized to:
  - a. Make changes to the general insurance requirements, including limits of coverage, after considering the nature of the risk exposures, prior experience, insurer(s), coverage terms and conditions, or other special circumstances, as provided in b. and c., below.
  - b. Reconsider and make changes to the insurance coverage limits that do not exceed a 50% difference above or below the originally accepted limits of insurance.
  - c. Approve deductibles and self-insured retention up to \$500,000.
2. Executive Director. The Executive Director is authorized to:
  - a. Make changes to the general insurance requirements, including limits of coverage, after considering the nature of the risk exposures, prior experience, insurer(s), coverage terms and conditions, or other special circumstances, as provided in b., c., and d., below.
  - b. Reconsider and make changes to the insurance coverage limits that may exceed a 50% difference above or below the originally accepted limits of insurance.
  - c. Eliminate any coverage conditions, limits, other requirements, including eliminating specific coverage(s) entirely.
  - d. Approve deductibles and self-insured retention up to \$5,000,000 for utility companies, up to stated insurance requirements for government agencies, and up to \$1,000,000 for all other companies.

### **B. Special Circumstances**

1. The following are special circumstances that may be grounds for changing insurance requirements:
  - a. Changes in scope of services, including, but not limited to, Contracts with multiple notice to proceed and on-call providers with multiple Contract Task Orders
  - b. Insurance market-related constraints, such as type of insurers or coverage available
  - c. Change in company size
  - d. Change in number of vehicles owned by company
  - e. Changes that may trigger or eliminate requirement of worker's compensation coverage
  - f. Insurance policy required is no longer applicable or insurance policy that was not previously applicable becomes applicable and must be added
  - g. Insurance levels required are too high for company size and consequently not available in the market
  - h. Company-secured insurance that requires a deductible or self-insured retention

### **C. Assessing Risks and Identifying Mitigating Controls**

1. Some of the circumstances listed above do not change SBCTA's exposure, others do. In order to ensure that SBCTA is protected, the Risk Manager will review each request and assess the associated risk, if any, and any potential mitigating controls.
  - a. The review will include the following steps:

- i. Review scope of work and reassess insurance types and limits
- ii. Review vendor's insurance broker recommendations and consult with SBCTA insurance broker if necessary.
- iii. When appropriate, assess vendor's financial strength by reviewing the vendor's:
  - 1. Financial statements
  - 2. Actuary reports for self-insured program
  - 3. Third Party Administrator reputation
  - 4. Number of claims in the past five years
- iv. Review the insurers' financial strength and, when applicable, require an increase to their financial rating to mitigate additional risks.

**D. Mechanism to Incorporate Approved Changes**

- 1. The following will require amendments that will be approved by the Executive Director or the Board of Directors, as is appropriate under this Policy's provisions:
  - a. Changes to insurance limits.
  - b. Elimination of any coverage, limits, or other requirements.
- 2. The following changes can be done by preparing a memo that is provided to the vendor and a copy is filed with the Contract or Purchase Order:
  - a. Financial rating of insurers (Financial rating lower than A-VII will require Board of Directors' approval).
  - b. Deductibles and self-insured retention.
  - c. Endorsements.

**X. STANDARD OF ETHICS**

- A. No SBCTA staff shall solicit, demand or accept from any person anything of a monetary value for or because of any action taken, or to be taken, in the performance of his or her duties. SBCTA staff failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by SBCTA, including possible dismissal.
- B. No SBCTA staff shall use confidential information for his or her actual or anticipated personal gain, or the actual or anticipated personal gain of any other person related to such SBCTA staff by blood, marriage, or by common commercial or financial interest. SBCTA staff failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by SBCTA, including possible dismissal.
- C. SBCTA procurements shall be conducted in accordance with SBCTA's Procurement Standards of Conduct and in compliance with the SBCTA Conflicts of Interest Policy and applicable federal and state law.

**XI. REVISION HISTORY**

Revision No.	Revisions	Adopted
0	New Policy. Adopted by the Board of Directors	01/03/97
1	Modified Para. 11000.10	01/07/98
2	Modified Para. 11000.7.2	01/07/98
3	Deleted & replaced Para. 11000.7.3	01/07/98
4	Added Para. 11000.10 B	03/04/98
5	Modified Para. 11000.10	06/03/99
6	-Added Para. 11000.7.2.f -Modified Para. 11000.7.3.5.B -Modified Para. 11000.9.3.2	09/01/99

Revision No.	Revisions	Adopted
7	-Added new Para. 11000.5.G -Re-identified Para. 11000.5.H (was Para. 11000.5.G) and revised to add "...or the Plans and Programs Committee . . ." -Re-identified Para. 11000.5.I (was Para. 11000.5.H) -Moved Para. 11000.7.5.3 to new paragraph 11000.7.5.1.d and added "...and shall be placed on the discussion calendar." -Added Para 11000.12 REVISION HISTORY	07/05/00
8	-Revised Par. 11000.2 DEFINITIONS to REFERENCES and added Policy 10025, Guidelines for Agenda Materials. -Revised Paragraphs 11000.5.H and 11000.5.I -Re-numbered original Par. 11000.5.I to 11000.5.J -Deleted Par. 11000.10 POLICY GOVERNING DISADVANTAGED BUSINESS ENTERPRISES; re-numbered original Paragraphs 11000.11 and 11000.12 to 11000.10. and 11000.11.	01/09/02
9	Par. IX.A.1: Added additional paragraph "In certain instances, SANBAG professional services contractors are required to work closely with other public agency partners...". Re-formatted paragraph numbering to match current policy format, e.g., 11000.1 PURPOSE changed to I. PURPOSE.	07/02/03
10	Eliminated the Local Preference Policy – Paragraph VII.C; subsequent paragraphs VII.D and E renumbered to VII.C and D.	11/07/07
11	Par. IV.E.2 and 3: Increased the Executive Director's authority for approving Purchase Orders from \$25,000 to \$50,000.	12/03/08
12	Revised the "Director of Freeway Construction" to "Director of Project Delivery". Par. VII.D.2: Increased the Executive Director's authority for approving sole source procurements from \$25,000 to \$50,000. All other changes in language were made for clarity.	10/06/10
13	Par. V.K: Added authorization for SANBAG General Counsel to award and execute legal services agreements up to \$50,000. Par. VII.B.1.b: Added authorization for SANBAG General Counsel to issue RFQs.	07/11/12
14	Par. IX.C: Changed 'Director of Project Delivery' to 'SANBAG Department Directors'. Par. V.F: Changed the maximum term for standard SANBAG contracts, unless otherwise authorized by the Board of Directors, to five years (was three years).	08/01/12
15	Par. V.L: Added Requirement for Independent Cost Estimates. Adopted by Board of Directors on 10/3/12, Agenda Item 6.	10/03/12
16	Par. VII.A.2: Added Insurance Requirements. Par. VII.C: Major Projects Negotiating Guidelines removed since Policy 34504, Major Projects Program, Contract Negotiation Guidelines, was repealed on 9/5/12 (Board Agenda Item 5). Par. VII.D, Sole Source Process renamed to Par. VII.C..	11/07/12
17	Par. VII.A.1.c: Deleted "Use of electronic quotation systems operating within San Bernardino County" and replaced with language on Cooperative Procurements.	12/05/12
18	Changes approved by the Board of Directors on February 6, 2013, Agenda Item 32. Approve modifications, granting the SANBAG Executive Director or designee, contracting and/or signature authority as follows: 1. To release and advertise Requests for Proposals, Request for Quotes and Invitation for Bids, for proposed contracts for which funding has been approved in SANBAG's Annual Budget, and which are estimated not to exceed \$1,000,000. 2. To approve and execute all purchase orders and contracts up to \$100,000; and 3. To approve and execute contract amendments that meet at least one of the following criteria: a. Amendments with zero dollar value; b. Amendments to exercise the option term(s) set out in contracts approved by the SANBAG Board of Directors; or c. Amendments that cumulatively do not exceed 50% of the original contract value or \$100,000 individually whichever is less. Paragraphs IV.E.3, V.B, V.H, VII.B.1.a, VII.C.2, IX, and IX.B revised to incorporate these changes. Par. V.H: Revised to incorporate Board-approved agenda items (9/5/12 Agenda Item 7 and 11/7/12 Agenda Item 28) on the renaming and deletion of policy committees.	02/06/13
19	Change approved by the Board of Directors on May 1, 2013, Agenda Item 6. VII.B.3. Removed "In this instance of SANBAG's Major Projects contracts, the selection team shall consist of 2 Caltrans representatives and 3 representatives from member counterpart agencies, or members of the Board of Directors or their designees."	05/01/13
20	Change approved by the Board of Directors on April 9, 2014, Agenda Item 7. Par. V.F: Further identified term duration and description of procurement contracts. Par. V.H.3 Approved modification, granting the SANBAG Executive Director authority to approve and execute purchase order amendments.	04/09/14
21	Change approved by the Board of Directors on January 4, 2017, Agenda Item 6. Change SANBAG to SBCTA. Revised to reorganize sections and incorporate statutory provisions of SB1305 applicable to SBCTA. Deleted requirement for Committee approval of contract awards to low bidders. Increased General Counsel contract authority to \$100,000.	01/04/17

<b>Revision No.</b>	<b>Revisions</b>	<b>Adopted</b>
22	Change approved by the Board of Directors on December 6, 2017, Agenda Item 4. Incorporated language regarding 2 CFR part 200 federal requirements.	12/06/17
23	Changes approved by the Board of Directors on January 8, 2020, Agenda Item 6. Added in Executive Director CTO signature limit.	01/08/20
24	Changes approved by the Board of Directors on June 3, 2020, Agenda Item 3. Added provisions re: contingency amendments.	06/03/20
25	Changes approved by the Board of Directors on 10/6/21, Agenda Item 3. Expanded the Risk Management review, revised Leasing of Real Property, added exceptions for uniformity and Utilities, clarify the use of Purchase Orders, added provisions for changes to insurance requirements after contract award.	10/06/21