

ORANGE COUNTY TRANSPORTATION AUTHORITY

# CAMM Policy Manual

---

August 2019

This document is a step-by-step description of the CAMM Policies to inform employees on the day to day policies for procurement.

---

# CAMM Policy Manual

<b>I.</b>	<b>Introduction.....</b>	<b>4</b>
<b>II.</b>	<b>General Policies.....</b>	<b>5</b>
<b>A.</b>	<b>Purchasing Policy.....</b>	<b>5</b>
<b>B.</b>	<b>Independent Cost Estimate Policy.....</b>	<b>6</b>
<b>C.</b>	<b>General Rules for Scopes of Work and Specifications Policy.....</b>	<b>6</b>
<b>D.</b>	<b>Bonding Requirements Policy.....</b>	<b>6</b>
<b>E.</b>	<b>Insurance Requirements Policy.....</b>	<b>8</b>
<b>F.</b>	<b>Term of Agreements Policy.....</b>	<b>8</b>
<b>G.</b>	<b>Bid or Proposal Rejections Policy.....</b>	<b>8</b>
<b>H.</b>	<b>Cost and Price Analysis Policy.....</b>	<b>9</b>
<b>I.</b>	<b>Final Contract Approval and Distribution Policy.....</b>	<b>9</b>
<b>J.</b>	<b>Contract Encumbrances Policy.....</b>	<b>9</b>
<b>K.</b>	<b>Procurement History Files Policy.....</b>	<b>9</b>
<b>L.</b>	<b>Contract Administration Policy.....</b>	<b>9</b>
<b>M.</b>	<b>Federal Procurement Policy.....</b>	<b>10</b>
<b>N.</b>	<b>Cooperative Intergovernmental Agreements Policy.....</b>	<b>10</b>
<b>O.</b>	<b>Emergency Procurement Policy.....</b>	<b>10</b>
<b>P.</b>	<b>Scrap and Surplus Items Policy.....</b>	<b>11</b>
<b>III.</b>	<b>Signature Authority Levels.....</b>	<b>15</b>
<b>A.</b>	<b>Procurement Delegation Policy.....</b>	<b>15</b>
<b>B.</b>	<b>Board Approval Policy.....</b>	<b>16</b>
<b>C.</b>	<b>Chief Executive Officer Approval Policy.....</b>	<b>16</b>
<b>D.</b>	<b>Approval Limits and Hierarchy Table.....</b>	<b>17</b>
<b>IV.</b>	<b>Standards of Conduct for Procurement.....</b>	<b>19</b>
<b>A.</b>	<b>Authority’s Conflict of Interest Code Policy.....</b>	<b>19</b>
<b>B.</b>	<b>Procurement Standards of Conduct Policy.....</b>	<b>19</b>
<b>C.</b>	<b>State and Federal Conflict of Interest Code Policy.....</b>	<b>20</b>
<b>D.</b>	<b>Vendor Relations Policy.....</b>	<b>20</b>
<b>E.</b>	<b>Vendor Protest Policy.....</b>	<b>21</b>
	<b>Types of Procurements.....</b>	<b>26</b>
<b>V.</b>	<b>Informal Competitive Procurements.....</b>	<b>26</b>
<b>A.</b>	<b>Purchasing Credit Card Policy.....</b>	<b>26</b>
<b>B.</b>	<b>Micro-Purchase Policy.....</b>	<b>27</b>
<b>C.</b>	<b>Informal Purchase Policy.....</b>	<b>28</b>
<b>D.</b>	<b>Blanket Purchase Orders Policy.....</b>	<b>28</b>
<b>E.</b>	<b>Sole Source Procurement Policy.....</b>	<b>28</b>
<b>F.</b>	<b>Unsolicited Proposal Policy.....</b>	<b>29</b>
<b>VI.</b>	<b>Formal Competitive Procurements.....</b>	<b>35</b>
<b>A.</b>	<b>Competitive Sealed Bids (Invitation for Bids – IFB) Policy.....</b>	<b>35</b>
<b>B.</b>	<b>Competitive Negotiated Procurements – Request for Proposal (RFP) Policy.....</b>	<b>38</b>
<b>C.</b>	<b>Contract Task Order Policy.....</b>	<b>44</b>
<b>D.</b>	<b>Cooperative Procurement Policy.....</b>	<b>45</b>
<b>E.</b>	<b>Status of Past and Present Contracts Policy.....</b>	<b>45</b>
<b>VII.</b>	<b>Other Procurement Types.....</b>	<b>46</b>
<b>A.</b>	<b>Fixed Asset Purchases Policy.....</b>	<b>46</b>
<b>B.</b>	<b>Bus Inventory Purchases Policy.....</b>	<b>46</b>
<b>C.</b>	<b>Public Works/Construction Services Policy.....</b>	<b>47</b>
<b>D.</b>	<b>Architectural and Engineering Services Policy.....</b>	<b>47</b>
<b>E.</b>	<b>Payment Policy.....</b>	<b>47</b>
<b>F.</b>	<b>Construction Change Orders Policy.....</b>	<b>48</b>

---

## CAMM Policy Manual

<b>G.</b>	<b>Design-Build Policy</b> .....	48
<b>H.</b>	<b>Revenue Contracts Policy</b> .....	49
<b>I.</b>	<b>Letter Amendments</b> .....	49
<b>J.</b>	<b>Services Marketed by Brokers</b> .....	49
<b>K.</b>	<b>Pre-Qualification Process</b> .....	49
<b>VIII.</b>	<b>Disadvantaged Business Enterprise (DBE) Program Policy</b> .....	<b>50</b>
<b>A.</b>	<b>Policy Statement</b> .....	50
<b>B.</b>	<b>Program Objectives</b> .....	50
<b>C.</b>	<b>Non-Discrimination</b> .....	51

## I. Introduction

The Policy Manual of the Orange County Transportation Authority (OCTA or the Authority) sets forth the general procurement policy and standards that will govern the conduct of OCTA procurement activities and of personnel engaged in these activities.

These policies are in place to ensure that goods and services are obtained timely, efficiently and economically, while adhering to principles of good public policy and practices and sound business judgment. The policies outlined in the Policy Manual have been established to foster free and open competition among vendors, consultants and contractors and incorporate the ethical standards set forth in the Authority's Code of Conduct. The Policy Manual is organized to provide for a common understanding of the methods for initiating, developing, executing and administering third-party contracts within the parameters of Federal, State, Local and OCTA requirements.

The Contracts Administration and Materials Management (CAMM) is responsible for the purchase and sale of all goods, equipment and services within OCTA. All activities of a contractual nature with vendors, suppliers and contractors are coordinated through and conducted by CAMM.

## **II. General Policies**

### **A. Purchasing Policy**

1. The Authority's responsibility for the purchase and sale of all goods and services rests with the Contracts Administration and Materials Management (CAMM).
  - a) CAMM has full authority and responsibility to question the quality, quantity and kind of material and services asked for, in order that the best interests of the Authority may be served.
  - b) CAMM Management can delegate purchasing authority to other departments within the Authority, but only for an emergency situation with a limited period and purpose, and always subject to CAMM review and consent.
2. **Purchase Requisition Processing**

The budget process shall be the first step in the procurement process. As departments develop their budget, they shall be required to specifically identify all scheduled procurements on a line item basis.
3. Requirements for the procurement of materials, supplies, equipment, services and construction (not covered by the petty cash procedure or the purchasing card procedure) are to be submitted to CAMM on a properly completed and approved requisition before CAMM may proceed with procuring the requirement.
  - a) Purchase requisitions shall be submitted as soon as possible.
  - b) The requisition shall contain a description of the requirement and all pertinent information known to the user, including accounting codes and funding sources.
  - c) Requisitions for purchases other than those of a routine nature, including noncompetitive procurements, shall be accompanied by additional information explaining the procurement in more detail or justifying the requested noncompetitive procurement.
  - d) Requisitions shall be assigned to the appropriate Contract Administrator (CA) as determined by the CAMM Management.
    - (1) CA shall contact requesting departments to discuss Invitation for Bid (IFB) and/or Request for Proposals (RFP) procurements.
4. All requirements will be processed in an expeditious manner and the CA shall make every effort to meet the completion dates requested by the requesting departments.
  - a) Should extenuating circumstances prevent compliance with the dates requested by the requesting department, the CA responsible for the requirement shall advise the requesting department of the situation and seek an alternate acceptable resolution to satisfy the requirement.
  - b) Critical or emergency requirements will be handled immediately and expedited in accordance with Emergency Procedures.

### **B. Independent Cost Estimate Policy**

1. The requesting department shall provide an Independent Cost Estimate (ICE) with the procurement requisition, to assure that the scope of work is sufficiently funded to accomplish the tasks being requested or level of effort.
2. Departments shall obtain such estimates from sources, including but not limited to, published competitive prices, results of competitive procurements or estimates by Project Managers.

### **C. General Rules for Scopes of Work and Specifications Policy**

1. The following general rules shall apply to scopes of work and specifications:
  - a) Provide a clear and concise Scope of Work and not impose unreasonable requirements.
  - b) Specifications and Scopes of Work shall identify all characteristics and specific tasks and functions of the items or services to be procured and meet the Authority's requirements.
  - c) Whenever possible, the expected quality of services to be provided or the performance characteristics of the item shall be specified.
  - d) The requestor shall identify the project location as well as all optional items, and the solicitation documents shall set forth the expected needs and the manner in which the related bid prices will be considered.
  - e) Brand name specifications must be accompanied by an explanation that clearly indicates that the specification is not intended to be restrictive.
  - f) The salient characteristics represented by the brand names shall be identified to allow for evaluation of possible "or equal" material.
  - g) Because standard specifications and requirements allow for more efficient operations and result in lower prices, they shall be used wherever suitable.
  - h) Industry, federal, state and local government specifications and requirements can be used.
2. Consultants are prohibited from writing the Scope of Work or assisting in the development or writing the Scope of Work in which they may bid.

### **D. Bonding Requirements Policy**

1. It shall be the responsibility of the CAMM Management to ensure that bonding requirements are followed and applied impartially, to comply with state and federal requirements, and to protect the interests of the Authority.
2. The following are required by the State of California for all Public Works projects in excess of \$25,000:
  - a) Bid guarantees or securities
  - b) Performance bonds
  - c) Payment bonds

---

## CAMM Policy Manual

3. The following are recommendations for Equipment and Technical Services on a discretionary basis:

<i>Category</i>	<i>Bond Type</i>		
	<i>Bid</i>	<i>Performance</i>	<i>Payment</i>
<i>Equipment (Discretionary)</i>	<i>Up to 10%</i>	<i>Up to 20%</i>	<i>Contracts between \$5M &amp; \$10M may require a 25% bond</i>
<i>Technical Services (Discretionary)</i>	<i>Up to 5%</i>	<i>Up to 100%</i>	<i>Contracts up to \$10M may require a 25% bond</i>

4. Bid Guarantee or Security
- a) A bid guarantee or security shall be in the form of:
    - (1) Cash
    - (2) Cashier's Check
    - (3) Certified Check
  - b) The Authority shall require a bid bond or other security with each public works bid and for equipment and services when necessary as determined by the CAMM Management or Board of Directors.
    - (1) All bidders shall be so notified and the amount thereof stated in the solicitation documents.
    - (2) Public works bids for construction requirements shall require bid security equal to at least ten (10) percent of the amount bid or the amount set forth by the State of California.
5. Performance Bonds
- a) The Authority shall require a performance bond for all applicable public works contracts in the amount of one hundred (100) percent of the contract value, in accordance with regulations set forth by the State of California.
    - (1) The Authority may require performance bonds from vendors of services, supplies or equipment when deemed necessary by the CAMM Management or Board of Directors.
6. Payment Bonds
- a) The Authority shall require a payment bond for public works contract from construction contractors, to assure contractor's full discharge of obligations to the material-men and employees and labor used on the project for public works contracts.
    - (1) The percentage required is stipulated in Section 3248 of the Civil Code of the State of California.
    - (2) A payment bond shall be written by a corporate surety registered in the County of Orange in the State of California.

---

## CAMM Policy Manual

7. Bid guarantees, performance bonds and payment bonds shall not be required unless the procurement involves equipment or services of a critical nature to the operations of the Authority and/or is specifically manufactured for the Authority thereby making procurement from another source difficult.

8. The Authority may use liquidated damages if it can reasonably expect to suffer damages from late completion or delivery, and the extent or amount of such damages would be difficult or impossible to determine. The assessment for damages shall be at a specific rate per day for each day of overrun in contract time. A memo detailing how the liquidating damages were determined must be included in the contract file. The rate must be specified in the procurement solicitation as well as in the contractor's agreement.

### **E. Insurance Requirements Policy**

CAMM is responsible for ensuring that all insurance requirements for procurements are reviewed and approved by Risk Management, based on the following criteria.

1. All procurements \$100,000 or greater, regardless of procurement type, must be approved by Risk Management.

2. All procurements for the following must be approved by Risk Management:

- a) Vehicle purchases
- b) Public works
- c) Environmental services
- d) Architectural and Engineering
- e) Paratransit services

### **F. Term of Agreements Policy**

1. Multi-year contracts shall be utilized when appropriate.

2. Contract terms can exceed a total of five (5) years when:

- a) Requesting departments document rationale for contracts longer than five (5) years; and
- b) Board of Directors' prior concurrence is required before a contract can extend beyond five (5) years. The Recommendation section of the staff reports must specifically state the total number of years that the contract will be in effect.

3. For FTA funded rolling stock, five (5) years is the maximum contract term.

### **G. Bid or Proposal Rejections Policy**

1. The Authority reserves the right to reject any and all bids or proposals, or to waive any informality or non-substantive defects in bids or proposals as the business interest of the Authority may require. The Authority shall document in the contract file the business reason for rejecting bids or proposals.

---

## **CAMM Policy Manual**

2. Only those bids or proposals shall be considered which are deemed responsive to the Invitation for Bids (IFB) or Request for Proposals (RFP).
3. Bids and proposals submitted after the date and time specified in the solicitation shall be rejected by the Authority as non-responsive and will be returned to the bidder unopened. Any exception to this policy must be approved by the CAMM Management.

### **H. Cost and Price Analysis Policy**

CAMM will perform a cost or price analysis in connection with every procurement action. This analysis shall be used in all instances to determine the reasonableness of contract prices. Refer to the Cost and Price Analysis Procedures.

### **I. Final Contract Approval and Distribution Policy**

If Board approval is required, requesting departments shall draft their staff report in such a manner as to authorize the Chief Executive Officer to negotiate and execute the final contract based on standard contract terms.

1. The process for final contract approval shall be as follows:
  - a) Board selection and authorization (if required) is received
  - b) Final contract is developed
  - c) Final contract is signed by:
    - (1) Authority General Counsel
    - (2) Consultant, and
    - (3) Authority personnel
  - d) CAMM shall have responsibility for issuance of Notice to Proceed after contract execution.
2. The Board shall be required to approve a final contract if:
  - a) Final contract amount changed from the amount approved by the Board
  - b) Authority cannot reach agreement with the Board selected firm and there is a need to begin negotiating with a new firm
  - c) Final contract is successfully negotiated with the second or third ranked firm for architectural or engineering services
  - d) Specifically requested by the Board of Directors

### **J. Contract Encumbrances Policy**

CAMM shall be responsible for making the determination for encumbrances for purchase orders and contracts.

### **K. Procurement History Files Policy**

CAMM will be responsible for creating and maintaining a file for all procurements and contracts.

### **L. Contract Administration Policy**

CAMM shall act as liaison between requesting departments, project managers and

---

## CAMM Policy Manual

vendors, and shall be responsible for pre-award activities and post contract administration as defined in the CAMM Policy Manual.

### **M. Federal Procurement Policy**

Federal procurement requirements apply to all federally funded procurements undertaken in support of the Authority's operations, as well as define good business practices which shall be followed by the Authority during procurement activities.

### **N. Cooperative Intergovernmental Agreements Policy**

Intergovernmental agreements are contracts between the Authority, a city, county, state or federal agency or other public agency. These agreements are sometimes referred to as Cooperative Agreements. There are contractual documents that record cost-sharing arrangements, receipts of revenue or establish the roles and responsibilities of the Authority and other public entity or entities.

These contracts are not competitively bid because they involve another government agency. They are not subject to audit by the Internal Audit Department, unless a specific audit is requested by CAMM. These agreements and any amendments are subject to the same approval limits, signature authority and process as all other contracts.

### **O. Emergency Procurement Policy**

1. Emergency requirements will be handled immediately by CAMM and expedited as required.
  - a) "Bus down" requirements will be completed within four (4) hours of receipt.
2. Emergency
  - a) Only in cases of emergency defined herein shall the department requesting the procurement have the authority to purchase the item directly with the approval of the CAMM Management.
  - b) An emergency shall be defined as:
    - (1) a purchase immediately necessary for the preservation of life or property, or, to prevent an immediate termination of a critical Authority function or activity.
  - c) In the absence of the Chief Executive Officer and/or the CAMM Management, anyone of the following (in descending order of preference) can act as an alternate for the necessary authorization:
    - (1) Deputy Chief Executive Officer
    - (2) Executive Director, Finance and Administration
  - d) The Authority employee making or placing the emergency procurement order personally assumes the responsibility of immediately following up the procurement order with a proper requisition for approval to CAMM.
  - e) An emergency is not a situation that develops due to poor planning on the part of the requesting department.

---

## CAMM Policy Manual

### P. Scrap and Surplus Items Policy

1. Items shall be deemed surplus or scrap by CAMM Management for noncapital items, and capital items.
  - a) Revenue vehicles, land, and improvements thereon, shall be excluded.
  - b) Items shall be deemed surplus or scrap by the Board of Directors for all other items.
2. The methods of disposal shall be:
  - a) Trade in on replacement equipment.
  - b) Solicit bids to sell to the highest bidder.
  - c) Dispose of items which have been declared surplus that are not traded in or for which no bids are received, in accordance with Authority and/or FTA guidelines as appropriate.
    - (1) The authority and responsibility for vehicles, equipment, and parts transactions rests with CAMM Management.
3. Responsibility
  - a) CAMM Inventory Analyst shall be responsible for developing and ensuring compliance with these procedures and the actual disposition of the item.
  - b) Maintenance department shall be responsible for identification of secured storage/ holding areas for maintenance items and vehicles and shall obtain approval to declare a maintenance item or vehicle surplus or obsolete.
  - c) General Services shall be responsible for determining further use, if any, Authority-wide, or any and all office equipment or furniture identified for disposal.
  - d) Accounting shall be responsible for receipt of all properly completed forms requesting disposition of an item and transfer of an item.
  - e) CAMM shall be responsible for identification and coordination of all items to be stored for disposal, and represent the Authority at the auction or conduct the sale or other disposal of items.
  - f) Maintenance Base Supervisor shall be responsible for supervising item relocation to/from the secured storage holding area.
  - g) Departmental Fixed Asset Custodian shall be responsible for initial preparation of all necessary documentation and forms required to surplus material in accordance with section of the Accounting Policy and Procedures Manual.
    - (1) The Custodian shall be responsible for the transfer of all fixed assets within their department
4. Presale Requirements
  - a) Fixed Asset Transfer Form (AFP-005) (see Forms) shall be completed and signed by the Departmental Fixed Asset Custodian for all items identified for storage, disposal or transfer. Each department has a Fixed Asset Custodian.

---

## CAMM Policy Manual

- b) Authorization for Disposition or Retirement Form and Attachment (Form VAFP-049 and AFP-058) must be completed by the Departmental Fixed Asset Custodian in order to obtain and receive the required approval to dispose of the item(s).
- c) Prior to the transport of an item to secured storage or the disposition of an item, all required forms must be completed and the appropriate level of approval of the request to surplus an item must be obtained.
- d) The sale or disposal of FTA funded-assets shall be in accordance with federal requirements.
  - (1) All necessary approvals to surplus items must be obtained prior to disposal by CAMM.
  - (2) In those instances where surplus material is to be replaced, CAMM shall not begin the procurement process for replacement assets, until all necessary authorizations to dispose of the surplus or obsolete assets are obtained.
- e) After surplus or disposal of federally-funded fixed assets with an initial purchase price of \$5,000 or more, CAMM shall send notification to the Grants Administrator for inclusion in the Quarterly Report of Grant Activity.

### 5. Identification and Control

- a) Annually, each Departmental Fixed-Asset Custodian shall develop a list of items both capital and non-capital, that are obsolete or surplus to the operation of that department or are scheduled for replacement.
- b) The Departmental Fixed-Asset Custodian shall provide all necessary forms and documentation to the Manager of Accounting, in order to request approval to dispose of the items.
- c) The Departmental Fixed-Asset Custodian shall also prepare a list summarizing all items that have been requested for surplus.
  - (1) This list shall be provided to the Managers of Accounting and General Services.
- d) General Services shall review the lists submitted and shall physically locate, verify, and identify the items.
  - (1) The list shall be circulated to all Directors and Department Managers.
- e) If Directors or Department Managers have a need for any of the office equipment or furniture, they shall contact General Services, who shall:
  - (1) Arrange for an inspection of the items and a financial decision shall be made regarding the reassignment.
  - (2) Transfer of the asset from one department to another.
    - (a) General Services shall complete a Fixed-Asset Transfer Form (AFP-005) and submit it to the Manager of Accounting.

---

## CAMM Policy Manual

- f) The Manager of Maintenance shall designate an appropriate secured storage area for all maintenance items and vehicles declared surplus and for which no further use has been identified.
  - g) Maintenance shall have the keys required for authorized access to the secured storage areas and shall be present at all times while items are being located therein and transported there from.
  - h) Maintenance shall have authorized access to this area in case of fires or other emergencies.
  - i) After determination of items to be reassigned or transferred, General Services shall arrange for the items (except vehicles) to be picked up at their designated locations and transported to the appropriate secured storage area.
    - (1) Prior to physical transportation of the items, General Services shall complete a Fixed-Asset Transfer Form (AFP-005) and submit it to Accounting.
  - j) Maintenance shall be present at the secured storage site, and shall complete a log of all material received into storage which shall include:
    - (a) Fixed-asset number
    - (b) Description
    - (c) Pan number
    - (d) Quantity
  - k) Maintenance shall arrange for the relocation and secured storage of all vehicles.
    - l) Upon the completion of vehicle relocation and storage, Maintenance shall notify Accounting and CAMM of the vehicle numbers assigned to secured storage.
6. Sale
- a) When CAMM receives the required Authorization to Retire Form, CAMM shall contact the Auctioneer to auction all items in public sale forum, or in a series of public sales, and CAMM shall use the most effective means of disposing of all material and equipment to be sold, as long as it is done on a competitive basis.
  - b) Sale of items shall not be permitted to:
    - (1) Authority Board of Directors
    - (2) Authority Employees involved in:
      - (a) Original procurement
      - (b) Determining the item as surplus
      - (c) Disposal of the item
    - (3) All CAMM employees
    - (4) Spouses or dependents of any of the above
  - c) Funds received shall be promptly submitted to the Accounting Department, with a copy of the Sales Agreement Only cash, a cashier's check, a certified check or payment in a form approved by Accounting may be accepted.
  - d) If no qualified bids are received, then CAMM shall negotiate a sale of such property.

---

## CAMM Policy Manual

- (1) If it is not possible to negotiate a sale, CAMM may hold the property for future use or sale of the property, or discard as scrap.
  - e) Accounting shall receive written notice via the Authorization to Retire Form:
    - (1) All items sold, including asset number and description.
    - (2) The sales price
    - (3) The names of individuals or firms purchasing the item
  - f) Accounting shall receive the cash proceeds from the sale, not later than fifteen (15) working days after the auction transaction.
  - g) Unsold items, if any, shall remain in secured storage until final disposition.
7. Sale of FTA Funded Personal Property
- a) For Non-Expendable Personal Property with a unit cost of less than \$5,000, the Authority may use the property for other activities without reimbursement to FTA, or sell the property and retain the proceeds.
  - b) For Non-Expendable Personal Property with a unit acquisition cost of \$5,000 or more and has a useful life of more than three (3) years, the Authority may retain the property for other uses provided that compensation is made to FTA or transfer the property to another agency to sell the property.
  - c) The amount of compensation shall be computed in accordance with FTA Circular 50101E.
  - d) Upon completion of disposition of assets purchased with federal funds, defined under Non-Expendable Personal Property, CAMM shall provide the Grants Administrator with a record of the disposition for inclusion in the quantity report of grant's activity.
  - e) For Expendable Personal Property the Authority may either retain the property for use of non-FTA sponsored activities or may sell the property if:
    - (1) There is a residual inventory of such property exceeding \$5,000 in total aggregate fair market value, upon termination or completion of the grant, and the property is not needed for any other FTA sponsored project or program.
    - (2) The Authority must compensate FTA for its share.
    - (3) The amount of compensation shall be computed in the same manner as non-expendable personal property.

### **III. Signature Authority Levels**

#### **A. Procurement Delegation Policy**

1. The Board shall delegate the following procurement authorities to the Chief Executive Officer and the Chief Executive Officer shall delegate procurement authorities to CAMM Management.
2. The Chief Executive Officer, through the CAMM department shall issue:
  - a) Request for Proposals or Invitation for Bids up to \$1,000,000
  - b) Procurements less than \$25,000 which have not been budgeted
  - c) Agreements and/or purchase orders for all budgeted services including:
    - (1) Architectural and engineering for an amount up to \$250,000
    - (2) Professional services for an amount up to \$250,000
    - (3) US Postal Service and services by utilities controlled and regulated by law regardless of type or amount, subject to budget limits
    - (4) Public Works Projects in accordance with existing legal limitations not to exceed \$50,000 for budgeted projects
    - (5) Sole Source up to \$25,000 for materials, equipment or supplies, and services
    - (6) Fixed Assets acquisitions up to \$250,000 if budgeted
    - (7) Inventory materials, equipment and supplies, if competed, may be awarded in any amount.
3. Amendments
  - a) Contract values may be amended as follows and may not exceed:
    - (1) Fifteen (15) percent of the original contract amount or \$250,000, whichever is less
    - (2) Five (5) percent or \$250,000, whichever is less, of the original agreement amount, for equipment
    - (3) Fifty (50) percent of the original contract amount, or \$8,333, whichever is less for procurements \$50,000 or less. Total amount of contract plus amendment cannot exceed \$50,000.
  - b) Inventory amendments, when the original purchase order or contract value is \$250,000 or less and is competitively bid or is a sole source, can be made to the purchase order or contract regardless of the dollar amount by approval of CAMM management.

Inventory amendments, when the original purchase order or contract value is greater than \$250,000 and is competitively bid or is a sole source, can be made if the increase is thirty (30) percent or less of the original value by approval of CAMM management. If the amendment exceeds thirty (30) percent of the original contract or purchase order value, the Chief Executive Officer will execute the amendment. If the contract or purchase order does not specify a maximum obligation, then CAMM management

---

## CAMM Policy Manual

can approve an increase that is thirty (30) percent or less of the annual budgeted amount. If the increase exceeds thirty (30) percent, the Chief Executive Officer will approve the increase.

4. The Chief Executive Officer shall have the authority to issue construction change orders up to \$210,000, as set forth in the State of California Public Contracting Code section 20142.

a) The Chief Executive Officer shall have the authority to approve change orders up to \$5,000 when the total amount of the original contract does not exceed \$50,000.

b) The Chief Executive Officer shall have the authority to approve change orders up to ten (10) percent of the original contract amount for contracts with a value between \$50,000 and \$250,000.

c) The Chief Executive Officer shall have the authority to approve change orders up to \$25,000 plus five (5) percent of the original contract amount in excess of \$250,000.

### **B. Board Approval Policy**

1. The Board of Directors shall approve the issuance of all RFP's and IFB's in excess of \$1,000,000 including the weighted criteria.

2. The Board shall approve all procurements for values that exceed the CEO's authorization.

3. All procurements that exceed, or will exceed, \$250,000 require approval by the Authority's Board of Directors. For all Architectural and Engineering procurements that exceed \$250,000 and all other procurement actions \$750,000 or greater, the procurement will be presented as a Regular Calendar item at the Committee meeting. If the approval by the Committee is unanimous, it will move on to the Board as a Consent Calendar item. If the Committee feels there is a need for further discussion, it will move to the Board as a Regular Calendar item. For all other procurement actions less than \$750,000, the procurement will be presented as a Consent Calendar item at the Committee and Board meetings. It is at management's discretion whether to present procurement actions less than \$750,000 as a Regular Calendar item at Committee and/or Board meetings.

### **C. Chief Executive Officer Approval Policy**

The Chief Executive Officer is responsible for updating the procurement policies as necessary. Board of Directors must approve major policy matters, such as determining what contract actions are significant enough for Board review or approving procurement methods for general categories or procurements.

## CAMM Policy Manual

### D. Approval Limits and Hierarchy Table

Procurement Process	Dollar Amount	Board Approvals Required
Micro Purchase	Budgeted and Non-budgeted ≤ \$2,500	None
Informal	Budgeted and Non-budgeted > \$2,500 and < \$50,000	None
Fixed Asset Purchases	IFB >\$1,000,000	Approval prior to release of IFB
	Budgeted and ≤ \$250,000	None
	Budgeted and > \$250,000	Award
	Non-budgeted and ≤ \$25,000	None
Public Works and Construction Projects	Non-budgeted and > \$25,000	Release of IFB, Award
	IFB >\$1,000,000	Approval prior to release of IFB
	Budgeted and ≤ \$50,000	None
	Budgeted and > \$50,000	Award
Architectural and Engineering Service	Non-budgeted and ≤ \$25,000	None
	Non-budgeted and > \$25,000	Release of IFB, Award
	RFP >\$1,000,000	Approval prior to release of RFP
	Budgeted and ≤ \$250,000	None
	Budgeted and > \$250,000	Selection of Top Ranking Firms
	Non-budgeted and ≤ \$25,000	None
	Non-budgeted and > \$25,000	Release of RFP & Selection of Top Ranked Firms
Procurement Process	Dollar Amount	Board Approvals Required
Professional and Technical Services	RFP >\$1,000,000	Approval prior to release of RFP
	Budgeted and ≤ \$250,000	None
	Budgeted and > \$250,000	Selection of Consultant
	Non-budgeted and ≤ \$25,000	None
	Non-budgeted and > \$25,000	Release of RFP
		Selection of Consultant
Amendments/ Formal Procurements	Lesser of 15% of Original Contract Amount or \$250,000	None
Change Orders	Pursuant to State of California Public Contract Code, Section 20142 and less than \$210,000 per change.	None

---

## CAMM Policy Manual

---

Amendments/ Informal Procurements	50% of the original, total contract amount, or \$8,333, whichever is less, provided that total contract amount does not exceed \$50,000.	None
Equipment Amendments	Lesser of 5% of Original Contract Amount or \$250,000	None
Sole Source	$\leq$ \$25,000 $>$ \$25,000	None Award
Cooperative Agreements and Revenue Agreements	$<$ \$250,000 $>$ \$250,000	None Award
Inventory Amendments for Purchase Orders and Contracts over \$250,000	$\leq$ 30% increase $>$ 30% increase	None None; requires CEO signature

---

## **IV. Standards of Conduct for Procurement**

### **A. Authority's Conflict of Interest Code Policy**

1. The Authority's Board of Directors has adopted a Code of Conduct which adheres to a strict code that governs accepting gifts, relationships with contractors, maintaining confidentiality and avoidance of conflicts of interest. (See Form Section for entire Code of Conduct.)

### **B. Procurement Standards of Conduct Policy**

1. There shall be uniform and equitable application of the Authority's Standards of Conduct involving all activities associated with the procurement of goods and services.

a) Authority personnel shall not be involved in any procurement decisions in which he or she or persons related to same have a financial interest.

(1) In cases where there may be a benefit, either direct or indirect, Authority personnel shall be responsible to report in writing to the Director of CAMM.

(a) If Authority personnel fail to report such benefit, he or she shall be subject to any disciplinary proceeding deemed appropriate by the Authority, including possible dismissal.

(2) No employee shall participate in the selection, award or administration of a contract or purchase order, if a conflict of interest real or implied would be involved.

(3) Such a conflict would arise when any one of the following has a financial or other interest in the firm selected for award:

(a) The employee

(b) Any member or his or her household or immediate family

(c) An organization that employs or is about to employ any of the above

b) No Authority employee shall solicit, demand or accept from contractors, subcontractors or parties to sub-agreements, anything of a financial value, favors or gratuities for or because of any action taken, or not to be taken, in the performance of their duties.

(1) Employees may accept unsolicited gifts of nominal intrinsic value.

(2) Employees are not to accept paid meals from vendors or consultants that are then billed back to the Authority.

(3) An employee failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the Authority, including possible dismissal.

---

## CAMM Policy Manual

- c) No Authority employee 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 Authority employee by blood, marriage, or by common commercial or financial interest.
  - (1) An employee failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the Authority, including possible dismissal.

### **C. State and Federal Conflict of Interest Code Policy**

- 1. Employees of the Authority shall also be subject to the conflict of interest laws of the State of California and the U.S. Department of Transportation; Federal Transportation Administration.
  - a) Employees who violate the laws shall be subject to the penalties, sanctions or other disciplinary actions provided for therein.

### **D. Vendor Relations Policy**

- 1. Requesting department personnel:
  - a) Shall solicit only general information from vendors, consultants, and contractors
  - b) Shall obtain price-range estimates for budgeting purposes only
  - c) Shall not act in a manner that implies a conflict of interest or preferential treatment of one vendor, consultant, or contractor over another
  - d) Shall not make contractual obligations to vendors
    - (1) Only the Board of Directors, Chief Executive Officer, or CAMM can contractually bind the Authority.
  - e) Shall not divulge confidential information to any vendor unless such information is a specific part of a project under discussion
  - f) Must stop all discussions with vendors, consultants, or suppliers once a requisition has been sent to CAMM, and all discussion by staff must go through CAMM.
  - g) If a member of the Proposal Evaluation Committee has a need to meet with individuals from one of the proposing firms on an unrelated matter, the evaluator must document the meeting notice on their Outlook calendar with a notice to the evaluators' supervisor and the Director of CAMM and must prepare a brief synopsis of what occurred after the meeting.
  - h) The proposal evaluation period shall be defined as the period beginning on the date that the solicitation is released through the date that the contract is fully executed. Proposing firms, subcontractors and advocates will be prohibited from making contact with members of the proposal evaluation committee during this period.
- 2. Visits or other communication by requesting departments with vendors concerning details of their products or services shall be coordinated through CAMM.

---

## CAMM Policy Manual

3. All contacts with vendor, suppliers, or consultants that relate to a particular procurement that is in the solicitation, evaluation, negotiations, or award phase must be conducted by CAMM staff.
  - a) Only CAMM personnel shall discuss prices and quantities with supplier's representatives.
  - b) All correspondence with suppliers of a contractual nature or that modify the scope of work shall be handled through CAMM.
4. Conflict of Interest
  - a) All Offerors responding to the Request for Proposals must avoid organizational conflicts of interest which would restrict full and open competition in this procurement. An organizational conflict of interest means that due to other activities, relationships or contracts, an Offeror is unable, or potentially unable to render impartial assistance or advice to the Authority; an Offeror's objectivity in performing the work identified in the Scope of Work is or might be otherwise impaired; or an Offeror has an unfair competitive advantage. Conflict of Interest issues must be fully disclosed in the Offeror's proposal.
  - b) Firms that are hired to perform services for the Authority are prohibited from concurrently acting as an advocate for another firm who is competing for a contract with Authority, either as a prime or subcontractor.

### **E. Vendor Protest Policy**

1. The Authority shall ensure to the greatest extent possible uniform, timely, and equitable consideration of all complaints received by the Authority concerning procurement activities.
2. For Board of Directors approved procurements, the initial responsibility for granting a fair review and disposition of any protest shall be that of the CAMM Management.
  - a) If the protest is not resolved at that level, the protester may pursue a resolution at the level of Chief Executive Officer and ultimately by the Board of Directors.
  - b) It shall be the responsibility of the CAMM Management to see that all information regarding any protest is made available to the Chief Executive Officer and/or Board of Directors upon their request.
3. For staff approval procurements, the responsibility of protest resolution shall rest solely with the Director of CAMM.
4. Protest Term Definitions
  - a) Protest shall mean a written objection by an interested party to a solicitation for offers for a proposed contract for the acquisition of supplies or services or a written objection by an interested party to a proposed selection or the award of such a contract.
  - b) "Days" shall mean calendar days.
  - c) "File" or "Submit" shall mean the date of receipt by the Authority.

---

## CAMM Policy Manual

- d) "Interested Party" shall mean all bidders/candidates on a procurement, whose direct economic interest would be affected by the award of a contract or by the failure to award a contract.
  - e) "Bid" shall mean and include the term "offer" or "proposal" as used in the context of small purchase procedures:
    - (1) Competitive sealed bids [Invitation for Bids (IFB)]
    - (2) Competitive negotiations [Request for Proposals (RFP)]
5. Basis for Protest
- a) It is in the policy of the Authority to ensure that free and open competition takes place in all procurement activities and that no restrictive specifications are issued.
  - b) If, in the course of a procurement action, an interested party has reason to believe that these conditions do not exist, the interested party may file a protest in accordance with the provisions of these Protest Procedures with the CAMM Management requesting a review of the claim and a timely resolution of the issue as defined in Protest Deadline section of document.
6. Submission of Protest
- a) The protest shall be submitted in writing to the attention of the CAMM Management, and shall include:
    - (1) The name and address of the protester
    - (2) The solicitation number and the project description
    - (3) A statement of the grounds for protest and all supporting documentation
    - (4) The resolution to the protest desired from the Authority
7. **Types of Protests**
- a) A "pre-bid" or "solicitation phase protest" is received prior to the bid opening or proposal due date.
  - b) A "pre-award protest" applies only when:
    - (1) A bidder/proposing firm protest the recommendation to a particular contractor
    - (2) It is received after receipt of bids/proposals, but before award of a contract
  - c) A "post-award protest" is a protest received after selection of a Consultant/Bidder by staff or Board of Directors.
8. **Protest Deadline**
- a) "Pre-bid or solicitation phase protests" shall be filed no less than fifteen (15) days prior to the bid opening or proposal due date.
  - b) "Pre-award protests" shall be filed within five (5) days after Bid/Proposal due date.
  - c) "Post-award protests" shall be filed within seven (7) days after the selection/award has been made.

---

## CAMM Policy Manual

9. Where to File
- a) All protests shall be directed to the CAMM Management.
  - b) Protests delivered using the US Postal Service shall be addressed as follows:  
  

Orange County Transportation Authority  
CAMM Management  
550 South Main Street, PO Box 14184  
Orange, California 92683-1584  
Attention: BID PROTEST
  - c) Protests delivered in person or by means other than the US Postal service shall be submitted to the following address:  
  

Orange County Transportation Authority  
CAMM Management  
600 South Main Street, 4<sup>th</sup> Floor  
Orange, California 92868  
Attention: BID PROTEST
10. Review Levels
- a) Upon receipt the CAMM Management shall promptly consider the protest and may give notice of the protest and its basis to other persons including bidders/candidates involved in or affected by the protest.
  - b) The CAMM Management shall notify the protester in writing within five days that the protest has been received and is undergoing review.
  - c) If the procurement is federally funded, the Authority shall notify FTA in writing of the receipt of the protest and keep FTA informed about the status of the protest.
    - (1) This written notification shall be sent within ten (10) days from receipt of the protest.
  - d) The CAMM Management shall review all material submitted with the initial protest.
  - e) No additional material shall be accepted for consideration during the protest review unless specifically requested by the CAMM Management.
  - f) If additional material is requested, it shall be submitted by the requested date.
  - g) The CAMM Management will render a decision in writing to the protester within thirty (30) days after receipt of the protest.
11. Chief Executive Officer Review
- a) In the event of an adverse decision by the CAMM Management for Board of Directors approved procurements, the protester may submit his/her protest in writing to the Chief Executive Officer no later than ten (10) days after the date the CAMM Management has rendered a decision.

---

## CAMM Policy Manual

- b) The protester shall submit only the information previously submitted to the CAMM Management as well as a copy of the CAMM Management's decision.
- c) The Chief Executive Officer shall not consider any additional material that was not submitted to the CAMM Management.
- d) The Chief Executive Officer shall notify the protester in writing within five (5) days that the protest has been received and is undergoing review.
- e) The Chief Executive Officer shall render in writing a final decision within thirty (30) days after receipt of the protest.
- f) The Chief Executive Officer may delegate his/her authority and responsibility to a designee.

### 12. Board of Directors Review

- a) In the event of an adverse decision by the Chief Executive Officer for Board approved procurements, the protester may request in writing a review by the Authority's Board of Directors.
  - (1) This shall be subject to the requirement that the protest is based on information not previously presented to the Board of Directors.
- b) To request a review, the protester shall submit only the documentation previously submitted to the CAMM Management and the Chief Executive Officer, as well as the decisions previously rendered, to the Clerk of the Board within five (5) days of the Chief Executive Officer's decision.
- c) The Board of Directors shall not consider any data not submitted to the CAMM Management and the Chief Executive Officer.
- d) Upon receipt of request for review by the Board of Directors of the protest, the Clerk of the Board shall agenda a review for a regularly scheduled Board meeting.
- e) The CAMM Management shall notify the protester in writing of the scheduled date of review of the Board of Directors.
- f) At the Board meeting, the protester may give an oral presentation of the information previously provided in writing.
  - (1) At the conclusion of the presentation, the Board of Directors shall make a determination.
  - (2) The decision of the Board of Directors shall be final and there shall be no further administrative recourse.
  - (3) The CAMM Management shall notify the protester in writing of the Board's action.
- g) If the procurement is federally funded, staff will notify the FTA of the protest by including the information as part of its annual or quarterly progress reports. OCTA is responsible for settling all contractual and administrative issues arising out a procurement, using good administrative practice and sound business decision-making. The FTA will not substitute its judgement for that of OCTA's unless the matter is primarily a federal concern.

---

## CAMM Policy Manual

h) Execution of any proposed agreement shall be delayed pending the resolution of the protest, unless one or more of the following conditions is present:

- (1) The items or services being procured are urgently required.
- (2) Delivery or performance will be unduly delayed by failure to make award promptly.
- (3) Failure to make prompt award will otherwise cause undue harm to the Authority.

13. Protest Remedies

a) There shall be no Limitation on Remedies selected by the Authority.

(1) Nothing contained herein shall be construed to neither act as a limitation on the Authority's choice of remedies nor confer any right upon any interested party to a remedy.

b) In determining the appropriate remedy, the Authority shall consider all the circumstances surrounding solicitation or contract selection and/or award, which shall include:

- (a) The seriousness of any deficiency found to exist in the contracting process.
- (b) The effect of the action of the competitive process
- (c) Any urgency surrounding the contract requirement
- (d) The effect that implementing the remedy will have on the Authority's overall ability to accomplish its mission

c) If the Authority determines that the award or proposed award was not made in accordance with the applicable Authority statutes, regulations, policies, and procedures, the Authority shall, in its sole discretion, grant any remedy it deems appropriate.

14. Vendors Involved in the Protest Process

Vendors involved in the protest process with the Authority are not prohibited from submitting proposals on new work. The vendor's proposal for new work will be evaluated as part of the proposal evaluation process. At the time of Board action for the new work, the Board of Directors will be made aware that a selected vendor is currently protesting the Authority under a different procurement. If the vendor in dispute is being recommended for consideration, the Board will make a decision to approve or not approve the vendor selection on a case by case basis.

## Types of Procurements

### V. Informal Competitive Procurements

#### A. Purchasing Credit Card Policy

1. The Purchasing Credit Card (PCC) may replace some purchase orders, invoices and small dollar payment requests as well as petty cash, to simplify the procurement process for low dollar purchases in order to meet procurement needs in a timely manner.
2. Purchasing Card Administrator
  - a) Authority's PCC Program Administrator shall be CAMM's Senior Financial Analyst.
3. Cardholder
  - a) Employee must pass employment probationary period
  - b) Before a PCC is given to any employee, their department manager(s)/director(s) must give their approval for the employee to have the ability to purchase small dollar items.
  - c) The Cardholder shall be responsible for:
    - (1) Security of the card
    - (2) Use of the card
    - (3) Compliance with Authority's PCC Policies and Procedures
    - (4) Reconciliation of the monthly bank statement
    - (5) Compliance with Authority's Business Policies and Procedures
4. Transaction Limits
  - a) The PCC has a single transaction limit of \$2,500 with a monthly limit of \$5,000
  - b) A transaction shall include the purchase price, sales tax, freight, handling fees and any other costs associated with buying the item.
  - c) Transaction will not exceed the approved amount.
5. Restricted Uses
  - a) Certain items shall be restricted from purchase.
  - b) The lending of purchasing card or giving the card number to other employees shall be considered a misuse.
  - c) Misuse of the card shall result in the revocation of the purchasing card and may result in disciplinary action, up to and including termination.
6. Ordering Process
  - a) The Cardholder is responsible for determining that the transaction total does not exceed the single purchase limits, which shall include tax, freight and handling.
  - b) When a purchase request is made, the supplier will validate the transaction against the pre-set limits established by the Authority.

---

## CAMM Policy Manual

- (1) All transactions shall be approved or denied based on whether the single purchase limit has been exceeded or the monthly spending limit.
  - c) The Cardholder shall be responsible for inspecting any shipment of goods ordered.
  - d) In case of returns, the Cardholder shall coordinate first with the supplier.
    - (1) If a dispute situation occurs, the Cardholder shall follow the procedures detailed in the CAMM PCC Manual.
7. Purchasing Card Transaction Log
  - a) It is required that a Purchasing Transaction Log be maintained by the Cardholder.
  - b) Cardholders must always obtain a detailed receipt for each purchase when using the Purchase Card.
  - c) All packing slips must be retained by the Cardholder as part of the Purchasing Card documentation.
  - d) The log and receipts shall be retained as backup to the monthly bank statement and a copy sent to Accounting for the correct recording of charges to the department's budget.
  - e) It is mandatory to retain all vendor receipts/documentation to simplify reconciliation for purchases made with the Purchasing Card.
  - f) Cardholders shall ask the vendors to send the invoices and/or receipts directly to the Cardholder and not Accounting.
    - (1) It is the Cardholder's responsibility to ensure that there is a receipt for each purchase.
8. Reconciliation
  - a) Payment to the bank shall be made by Accounting. Each cardholder will receive from the bank a monthly statement. This statement along with the transaction log and copies of all receipts must be sent to Accounting by the deadline set each month
    - (1) The Cardholder shall, to the greatest extent possible, reconcile the monthly bank statement the same day it is received from the bank, to verify its accuracy.

### **B. Micro-Purchase Policy**

1. A Micro-Purchase is an informal method of procuring goods and services with a value of \$2,500 or under. A micro-purchase may require obtaining competitive quotations. If quote is obtained, the CA shall award to lowest responsive and responsible bidder. The following procurement methods may be used for Micro-Purchases:
  - a) The purchasing credit card may be used.
  - b) For those vendors who do not accept purchasing credit cards, payment requests shall be submitted to Accounting.
  - c) Procurements shall not be divided or reduced in size merely to fall within the micro-purchase limit.

---

## CAMM Policy Manual

2. The CA shall document in the file that a determination was made that the price is fair and reasonable, and the method used to make that determination.

### **C. Informal Purchase Policy**

1. Informal purchases for services:
  - a) For those purchases of \$2,501 to \$50,000, the Request for Quote (RFQ) process may be used.
    - (1) An Evaluation Committee consisting of the CA and Project Manager shall use factors such as cost/price analysis and proposal content to determine award.
    - (2) The CA shall document results of all such informal procurement actions, including that the price was fair and reasonable, and the method used to make that determination.
2. Informal purchases for goods:
  - a) For those purchases of \$2,501 to \$50,000, the RFQ process may be used.
    - (1) Award is made to the lowest bidder.
    - (2) The CA shall document results of all such informal procurement actions, including that the price was fair and reasonable, and the method used to make that determination.

### **D. Blanket Purchase Orders Policy**

1. Blanket Purchase Orders (PO) shall be used to cover annual requirements of small, repetitive type procurements of goods.
2. Permission to use the Blanket PO may be delegated by the department manager to an individual within the requesting department.

### **E. Sole Source Procurement Policy**

1. Sole Source procurements may be used only when:
  - a) The item is available only from a single source.
  - b) The public exigency or emergency for the requirement exists which will not permit a delay resulting from competitive solicitation.
    - (1) Failure to submit requirements in a timely manner to meet project deadlines is not an emergency situation.
  - c) After solicitation of a number of sources, competition is determined inadequate.
  - d) The item is an associated capital maintenance item as defined in 49 USC and 5307(a)(1) that is procured directly from the original manufacturer or supplier of the item to be replaced.
    - (1) The staff must first certify in writing (i) that such manufacturer or supplier is the only source for such item; and (ii) that the price of such item is no higher than the price paid for such item by like customers.
  - e) When FTA awards a grant agreement or enters into a cooperative agreement with a team, consortium, joint venture or partnership, or provides FTA assistance for a research project in which FTA has approved

---

## CAMM Policy Manual

the participation of a particular firm or combination of firms in the project work, the grant agreement or cooperative agreement constitutes approval of those arrangements.

2. Sole Source procurements shall be avoided whenever possible.
3. A contract amendment or change order that is not within the scope of the original contract shall be considered a Sole Source procurement and must comply with the same requirements identified in this section.
4. Requests for Sole Source procurement must first be approved by the Director of CAMM.
  - a) A cost analysis, verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of cost and profit, shall be required.
  - b) An analysis of the level of effort that will be extended by the sole source firm
  - c) For PO or contracts above \$50,000 Internal Audit will be required to perform a price review to determine fair and reasonableness.
  - d) If the procurement is \$50,000 or less, a price review will be performed by CAMM.
5. Sole Source procurements up to \$25,000 shall be approved by the Chief Executive Officer or CAMM Management.
6. Sole Source contracts or purchase orders over \$25,000 shall be approved by the Board of Directors.
7. Sole Source purchase orders for annual hardware and software licensing, maintenance, and emergency support that are approved by the Board of Directors as part of their action on approving the annual budget are not subject to price review by Internal Audit unless the total purchase order value exceeds \$50,000 and is more than 15% higher than the previous year's total purchase order value.

### **F. Unsolicited Proposal Policy**

An unsolicited proposal is a written proposal that is submitted to the Orange County Transportation Authority (Authority) for the purpose of developing a partnership and/or obtaining a contract that is not in response to a current, recent or anticipated request for proposals or bids. An unsolicited proposal should be for an innovative and unique concept, service or product. The unsolicited proposal should be prepared and submitted without supervision or direction by Authority personnel.

The Authority may accept unsolicited proposals as written submissions, for the purpose of obtaining innovative and unique methods and procedures. Unsolicited proposals must contain the following information in order to be considered. Unsolicited proposals must be delivered to the following address:

---

## CAMM Policy Manual

Orange County Transportation Authority  
Contracts Administration and Materials Management Department (CAMM)  
550 South Main Street,  
P.O. Box 14184  
Orange, CA 92863-1584

Nothing in the policy or this procedure requires the Authority to act or enter into a contract based on an unsolicited proposal. The Authority, at its sole discretion, may return or reject the unsolicited proposal at any time during the review process.

1. Proposal Information
  - a) General Information

Proposers shall provide the following information for unsolicited proposals:

    - (1) Name, address, telephone number and/or email address of the firm, joint venture or organization
    - (2) Names of contact person(s), telephone numbers, and email addresses for the technical and financial aspects of the proposal
    - (3) Type of organization: profit, non-profit, educational institution, etc.
    - (4) Identification of any other parties/agencies to whom the proposal was also submitted
    - (5) Signature of binding authority
  - b) Technical Proposal

Proposers shall provide a technical proposal that includes the following:

    - (1) Introduction with background information about the proposer's relevant experience, capabilities and accomplishments
    - (2) A clear and concise overview of the proposed effort describing what makes the solution innovative or unique
    - (3) Problem statement identifying any related deficiencies or gaps the proposed effort is intended to support
    - (4) Proposed solutions or recommendation including supporting statistical data
    - (5) Identification of any impediments that may prevent your proposal from being implemented.
    - (6) Benefits and value to be derived from the proposed effort including how the proposal advances the Authority's mission and goals
    - (7) Proposal objective which should be measurable and result oriented
    - (8) Proposal methodology, including:
      - (a) How and why the project activities were selected
      - (b) Timeframe and sequence of events
      - (c) Staffing plan

---

## CAMM Policy Manual

- (d) Tasks to be accomplished over the period of performance
    - (e) Milestone chart
  - c) Financial Proposal
    - (1) Proposers shall provide a financial proposal that includes the following:
      - (a) A detailed cost proposal that includes itemized prices for each line item or cost categories using a narrative format
      - (b) Total cost to implement, operate, maintain, and finance the project
      - (c) Expected return on investment for the Authority
      - (d) Ability for project to generate revenue or increase cost efficiencies for the Authority, if applicable
      - (e) Proposers' ability to finance the project, including identifying funding commitments from other sources and financial capabilities of the proposers
  - d) Confidential Information
    - (1) All proposals submitted to the Authority whether they are unsolicited or submitted as part of a competitive procurement, are subject to the provisions of the California Public Records Act. (California Government Code section 6250 et. seq.). Proposers must clearly mark each page of the unsolicited proposal that contains confidential or proprietary information, and trade secrets. Financial records and documents must also be marked as confidential to be protected. Concepts and ideas are not considered proprietary to the proposer.
- 2. Proposal Review
  - a) Notification of Unsolicited Proposal
    - (1) CAMM will provide a prompt notification to the proposer in writing that the Authority has received the proposal and indicate an intent to review it for further consideration. This notice will be issued within ten (10) business days from receiving the unsolicited proposal.
  - b) Review Process – Initial Conceptual Review
    - (1) Within sixty (60) days from receipt of the unsolicited proposal, CAMM will review the proposal and determine whether that proposal meets the following requirements of an unsolicited proposal:
      - (a) Is innovative and unique in what it offers
      - (b) Is independently developed and originated by proposer
      - (c) Prepared without Authority supervision, involvement or direction

---

## CAMM Policy Manual

- (d) Includes the General Information, Technical Proposal and Financial Proposal described above
  - (e) Provides adequate detail to determine the value and benefit to the Authority
  - (f) Not an advanced proposal for a known or planned Authority requirement or solicitation
- (2) If CAMM determines that the unsolicited proposal meets the requirements above, CAMM will review the unsolicited proposal with the appropriate department(s), division(s) and executive office to ensure there is sufficient interest in proceeding with the detailed review of the unsolicited proposal.
- (3) If the Authority determines not to consider the unsolicited proposal beyond the initial review by CAMM, a written notification will be sent to the proposer.
- (4) If the proposal is considered a valid unsolicited proposal with value and benefit to the Authority, CAMM will work with the department and executive office and convene a multi-departmental review committee to assess the proposal in greater detail. Upon completion of the review, a recommendation will be made to the Chief Executive Officer. While CAMM may not be a member of the technical review committee, CAMM will serve as the meeting facilitator, attend all meetings to document the process and be the main contact for the proposer and for internal review committee members.
- (5) The Authority is not required to perform a comprehensive evaluation of an unsolicited proposal under the following conditions:
- (a) It is unrelated to the Authority's mission;
  - (b) It does not offer a measurable benefit to the Authority;
  - (c) It does not include sufficient information to support a comprehensive evaluation; or
  - (d) It is not in the best interest of the Authority.
3. Review Process – Detailed Review
- a) The review committee will examine the details of the proposal, by evaluating the technical and financial aspects of the proposal. The committee has the ability to request the following:
- (1) Additional supporting documentation
  - (2) Proof of proposer's ability to finance the project i.e. detailed financial records or audited financial statements
  - (3) More specific data or detailed analysis or clarification
  - (4) Meeting(s) with the proposer to discuss proposal details
  - (5) Demonstration of the project being proposed, if applicable
  - (6) Any additional information or details necessary to answer questions raised by the review committee.

---

## CAMM Policy Manual

b) At the conclusion of the evaluation of the proposal, the review committee will make a determination of the proposal's merits, and recommend its approval. The decision will be sent to the Chief Executive Officer for review and concurrence.

### 4. Recommendation

a) The acceptance and review of an unsolicited proposal does not bind the Authority into awarding a contract to the proposer.

b) If the proposal offers a product or service that contains proprietary information, data, or concepts and is truly a unique one-of-a-kind item, then the Authority, following its existing policies and procedures may proceed with a sole source agreement. If it is impossible to describe the product, property or service offered without revealing proprietary information or disclosing the originality of thought or innovativeness of the product, property or services offered, the Authority may make a sole source award.

c) If the unsolicited proposal does not meet the criteria for a sole source contract award, the Authority will seek to obtain full and open competition by following the actions below before entering into a contract resulting from an unsolicited proposal:

(1) Receipt of Unsolicited Proposals – the Authority will publicize receipt of the unsolicited proposal on the Authority's CAMM-NET website and also advertise for it in a publication of general circulation and, if appropriate, in any relevant trade publications.

(2) Adequate Description – the Authority will publicize an adequate description of the product, property or service offered without improperly disclosing proprietary information or disclosing that originality of thought or innovativeness of the product, property or service.

(3) Interest in the Product, Property or Service - the Authority will state in the publication, its interest in acquiring the product, property or service described in the unsolicited proposal

(4) Opportunity to Compete – the Authority will provide an adequate opportunity (a minimum twenty-one (21) days) for interested proposers to comment or submit competing proposals or to request an opportunity to respond within a given timeframe.

(5) Contract Award Based on Proposals Received - the Authority will publicize on its website, its intent to award a contract based on the unsolicited proposal or another proposal submitted in response to the publication.

---

## CAMM Policy Manual

5. Contract Resulting from an Unsolicited Proposal
  - a) Nothing in this policy or procedure requires the Authority to act or enter into a contract based on an unsolicited proposal or another proposal submitted in response to the publication using the same or similar methods provided above.
  - b) Contract negotiation may occur prior to final approval of the contract. Contract approval and award may require approval by the Authority's Board of Directors.

## VI. Formal Competitive Procurements

### A. Competitive Sealed Bids (Invitation for Bids – IFB) Policy

1. The following conditions must be present for an IFB to be used:
  - a) A complete, adequate and realistic specification or purchase description is available
  - b) Two or more responsive and responsible bidders are willing and able to compete effectively for the business
  - c) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price
  - d) No discussion is needed with bidders
2. Invitation for Bid (IFB) is used for:
  - a) Public works/construction projects \$50,000 or greater. Contractors may be hired on an On-Call basis for \$50,000 or under.
  - b) The Authority shall utilize the definition found in California Public Contracts Code Section 1101 to determine if procurement is a public works project.
  - c) These projects must be awarded to the lowest, responsive, responsible bidder.
  - d) If a single bid is received greater than \$50,000, an internal audit report shall be issued.
    - (1) The CA shall provide recommendation, data, copy of current Dunn & Bradstreet report, and request for audit report.
    - (2) Internal Auditor shall contact contractor, solicit financial data and review to ensure the following:
      - (a) Fair and competitive procurement process
      - (b) Financial stability of the contractor
  - e) Fixed Asset Purchases
    - (1) Fixed assets are those with unit costs greater than \$5,000 and a useful life of at least three (3) years.
    - (2) Award is made to the lowest responsive and responsible bidder.
    - (3) Board approval of contract award is required for budgeted procurements greater than \$250,000.
    - (4) Non-budgeted procurements for projects greater than \$25,000 require Board approval for both the release of the IFB and contract award.
  - f) Capital purchases greater than \$50,000.
  - g) Miscellaneous purchases whose cumulative value will exceed \$50,000.
3. The requesting department shall initiate the process by submitting a requisition, Specification or Statement of Work and an ICE.

---

## CAMM Policy Manual

4. The IFB packet shall include:
  - a) General instructions to the bidders concerning the bid format, pre-contractual expenses, contract conditions, pre-bid conferences, and other information
  - b) A blank bid form used by the bidder to summarize the bid and that bind the bidder to a legal offer
  - c) Required forms to be completed by the bidder and submitted with the IFB
  - d) Documents which display key facts, specifications, maps, report formats, and other important information to clearly define the goods or services needed in order for the bidder to properly respond to the IFB. Imposing unreasonable requirements on bidders shall be prohibited.
5. A CAMM Manager will review the IFB package prior to its release to the public.
6. If the procurement has a value greater than \$1,000,000, Board approval is required prior to releasing the IFB. The requesting department and the CA will prepare a staff report.
  - a) Draft IFBs shall be sent to the Clerk of the Board's office which will be available for review by Board members or the public.
7. After the Board approves the release of the IFB, a public notice must be published in a newspaper of general circulation for two (2) consecutive weeks prior to the bid closing date.
  - a) The public notice shall include:
    - (1) General description of the service or goods to be purchased
    - (2) Directions on how to obtain the IFB
    - (3) Bid submittal date and time
    - (4) Location in which bids will be publicly opened
    - (5) Applicable FTA clauses per FTA Circular 4220.1.F
    - (6) DBE goal percentage if federally funded
8. CAMM shall post the IFB on CAMMNET
  - a) The CA may issue a solicitation without posting it on CAMMNET, with prior approval by the CAMM Management.
9. Addenda to the IFB package may be issued only by CA.
  - a) Addenda must be issued in writing.
  - b) All addenda will be posted on CAMMNET.
    - (1) Those firms who are currently registered on CAMMNET and have identified the appropriate commodity codes shall be notified electronically of the Addenda release.
    - (2) If the solicitation was not posted on CAMMNET, the addenda shall be mailed to those firms who received the original solicitation.

---

## CAMM Policy Manual

10. Sealed bids shall remain unopened and stored in a secure location until the public opening.
  - a) The CA shall open the bids publicly at the time and place specified in the IFB package. The CA shall record the following information for each bid:
    - (1) Time and date the bid was submitted
    - (2) Time and date the bid was opened
    - (3) Signature of the person opening the bid
    - (4) Signature of the person witnessing the opening
  - b) The public may review bids at the time of opening, and during the evaluation period up to the award of the bid.
11. Each bid shall be recorded, reviewed and evaluated by the CA and the Project Manager.
  - a) Payment discounts may not be used to determine low bid.
  - b) Upon conclusion of evaluation, the contract award shall be made by written notice to the responsive and responsible bidder whose bid, conforming to all the material terms and conditions of the IFB, is lowest in price.
  - c) The CA shall prepare a report summarizing the bids and the report shall be made available to the requesting department.
  - d) The award shall be made by the Board of Directors, Chief Executive Officer, or the CAMM Management depending on value of the order and other factors.
  - e) All bids shall be open to public review after an award has been made.
  - f) If a single bid is received, an analysis must be made to determine if there were any elements in the procurement documents that may have restricted competition. The analysis must be documented and placed in the contract file.
12. CAMM will request an analysis to be conducted by the Internal Audit Department, for any construction, equipment or service procurements over \$50,000 if only a single bid is received.
13. If Board approval is required for the award of the contract, the requesting department and the CA shall prepare a staff report authorizing the Chief Executive Officer to execute the final purchase order or contract, and the report shall include:
  - a) Objectives of the project
  - b) Identification of all bidders responding to the IFB
  - c) Description of the procurement and evaluation process
14. In the event a tie situation exists for an IFB, award may be made to one of the bidders by drawing lots or all bids may be rejected.

### **B. Competitive Negotiated Procurements – Request for Proposal (RFP) Policy**

1. The RFP process is a competitive proposal method used when proposals can be solicited from an adequate number of qualified vendors. Proposals are evaluated on a number of factors including price, which are identified in the solicitation along with their relative importance. Award is made to the responsible firm whose proposal is most advantageous to the Authority with price and other factors considered. The Director of CAMM has the authority to cancel a solicitation. A cancellation notice will be provided.
2. The requesting department must always initiate a requisition for services, scope of work, and an independent cost estimate prior to the start of the RFP process. Imposing unreasonable requirements on proposers shall be prohibited.
3. The following conditions must exist in order to use a competitive negotiated procurement method:
  - a) There must be a complete and adequate scope of work which would allow for competition.
  - b) The competitive negotiated procurement process does not require award to the lowest bidder.
  - c) The contract award amount, whether a firm fixed price or cost reimbursement, is determined based on the original vendor proposal, which may be changed using a Best and Final Offer (BAFO) and/or through negotiation between the two parties.
    - (1) Discussions or negotiations may also be used to address technical requirements.
  - d) If time and material contract is to be used, a determination must be made in writing that no other type of contract is suitable. The determination must demonstrate that it is not possible at the time of contract execution to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence. Each Time and Expense Agreement shall include a clause that specifies a ceiling price that shall not be exceeded by the contractor, except at its own risk.
  - e) Cost plus a percentage of cost type contract shall be prohibited nor shall a cost plus percentage of construction cost type contract be used in pricing Architectural/Engineering contracts.
4. If the requirement is for an Architectural/Engineering and/or Professional service, the following shall apply:
  - a) Architectural and Engineering services must be competitively solicited and evaluated based solely on technical merit. Cost is not an evaluated factor.
  - b) Board authorization shall be required for release of RFPs on non-budgeted projects greater than \$25,000 but not on specifically budgeted projects.

---

## CAMM Policy Manual

- c) Board approval of selection of the top ranked firms shall be required for budgeted procurements greater than \$250,000 and non-budgeted projects greater than \$25,000.
5. An RFP generally includes the sections below. A CAMM manager will review the RFP package prior to its release to the public:
- a) Purpose of the procurement
  - b) Procurement schedule
  - c) Proposal submittal requirements
  - d) Scope of work
  - e) Project schedule
  - f) Selection criteria
    - (1) The evaluation process that will be used
  - g) Proposed Agreements
  - h) Cost and Price forms
  - i) Applicable federal requirements
  - j) Other forms as applicable (See Forms)
6. The Board of Directors must approve the release of the RFP and evaluation criteria and weights for all procurements where the budget for the initial term is over \$1,000,000. If Board of Directors' approval is required, the requesting department and the CA will prepare their respective sections of the staff report for review by CAMM Management.
7. Preparation of the Request for Proposal (RFP)
- a) When the procurement is budgeted and over \$250,000, RFP shall clearly state that the selection of a consultant and award of a contract is the decision of the Board of Directors.
  - b) Draft RFPs over \$1,000,000 shall be sent to the Clerk of the Board, which will be available for review by Board members and the public.
  - c) Upon completion of these tasks, CAMM shall post the RFP on CAMMNET and advertise in a newspaper of general circulation for two (2) consecutive weeks prior to the RFP closing date.
  - d) The CA may issue a solicitation without posting it on CAMMNET, with prior approval by CAMM Management.
  - e) Each criterion shall demonstrate a norm of twenty-five (25) percent weighting. (With the exception of A&E RFPs)
    - (1) Variations are allowed in the weighting with a written justification by the CA and shall be identified in the Board Report, if applicable.
    - (2) Equal weighting will be given to firms for past experience where working with the Authority and elsewhere.
      - (a) In evaluating the qualifications of the firm criteria, any information obtained from the Past and Present Contracts form, regarding any of the candidate's contracts have been terminated due to a dispute or legal proceeding, will be taken into consideration.

---

## CAMM Policy Manual

8. Pre-Proposal Conference
  - a) It may be necessary to hold a Pre-Proposal Conference, prior to proposal submission, to provide firms with a clarification of the RFP requirements.
    - (1) The CA, prior to the release of the RFP, shall, along with the Project Manager, make the determination as to whether or not a Pre-Proposal Conference will be required. This decision will be based on the complexity of the project, and need to inform prospective offerors of the requirements.
    - (2) Information regarding the Pre-Proposal Conference shall be clearly identified in the RFP, and if applicable, the public notice.
9. Addenda
  - a) The CA shall prepare and issue all Addenda to the solicitation, when necessary to make changes to the RFP or respond to questions submitted by firms.
  - b) All changes to the RFP shall be addressed by a written addendum to the RFP and signed by the CA.
10. Proposal Receipt and Disposition
  - a) CAMM shall be responsible to assure all proposals are received in accordance with the terms identified in the RFP.
  - b) Consultants may withdraw a proposal by written notice to the CA.
    - (1) A request for withdrawal must be in writing and received by the CA prior to the proposal due date.
  - c) Proposals shall be considered late if received after the date and time established in the RFP.
    - (1) When a proposal is late, CAMM staff shall return the unopened proposal promptly to the Consultant.
  - d) If a single proposal is received, an analysis must be made to determine if there were any elements in the procurement documents that may have restricted competition. The analysis must be documented and placed in the contract file.
11. Evaluation Committee
  - a) As part of preparing the procurement, the CA with input from the Project Manager shall select the proposal evaluation committee. The committee should represent diverse backgrounds who are subject matter experts in their particular field.
    - (1) An outside representative may be included on the evaluation committee if the project is one that has outside stakeholders or if the Project Manager and the CA decide it is in the best interest of the procurement.
    - (2) Negotiated procurements with a total dollar value greater than \$250,000 require a minimum of five (5) evaluation committee members.
    - (3) Negotiated procurements with a total dollar value greater than \$50,000 but less than \$250,000 may use a three (3) to five (5)

---

## CAMM Policy Manual

member evaluation committee.

(4) The CA and the Project Manager shall ensure that the Evaluation Committee is sufficiently large enough, so the Authority departments affected by the procurement have adequate representation on the evaluation committee.

(5) Evaluation Committee members shall be selected based on the expertise needed to thoroughly evaluate the proposals.

(6) In select instances members of the Board of Directors may participate as members of evaluation committee; such as procurements for state and federal advocacy services; legal services and external financial auditing services.

b) A pre-evaluation meeting shall take place on all procurements prior to proposal submittal. At the pre-evaluation meeting, the CA will review with the committee members the criteria weighting and scoring. The PM will also have an opportunity to discuss pertinent features or desires of the project. The members will receive copies of the proposals received and will be asked to sign the Declaration of Impartiality and Confidentiality Form.

c) The CA shall chair the evaluation committee and is a voting member.

d) Each Evaluation Committee member shall have one vote.

e) Evaluation Committee members and others who may on a need to know basis, will be required to complete a Declaration of Impartiality and Confidentiality Form to safe guard against unauthorized disclosure of information as well as identify any potential conflict of interest. If a conflict of interest has been identified, the Director of CAMM will authorize their removal.

f) The Committee shall read and score each proposal as well as provide narrative statements to explain the rationale for the scoring.

g) The Committee shall come together as a whole to reveal their scores and discuss the rationale for their decision.

h) A short list of firms, whose technical scores fall into a competitive range, shall be invited to participate in an interview.

i) Evaluation Policy

(1) If a member of the Proposal Evaluation Committee has a need to meet with individuals from one of the proposing firms on an unrelated matter, the evaluator must document the meeting notice on their Outlook calendar with a notice to the evaluators' supervisor and the Director of CAMM and must prepare a brief synopsis of what occurred after the meeting.

(2) If, during the evaluation process, Evaluation Committee member(s) requires clarification of a proposal, the CA may request such clarification in writing from the proposing firm.

(a) If the proposing firm provides information that changes its proposal beyond the clarification, the evaluation committee members shall not evaluate the information.

---

## CAMM Policy Manual

- (3) For Architectural and Engineering services only, the proposing firm's qualifications shall be evaluated, and the most qualified proposing firm shall be selected subject to negotiation of fair and reasonable compensation.
    - (a) Price shall not be considered as an evaluation factor in determining the most qualified firm.
  - (4) For Contract Task Order (CTO) based procurements, all firms must meet all the requirements identified in the Statement of Work.
  - (5) If in reviewing the evaluation documents, there is a score or scores that differ significantly from the other Evaluation Committee members, the CAMM Management may instruct the CA to reconvene the Proposal Evaluation Committee to discuss the scoring.
    - (a) If the Committee member(s) cannot provide an adequate justification for the score(s), then the CAMM Management shall have the authority to eliminate that member(s) score(s) from the overall evaluation process.
- j) Discussions / Negotiations Policy
- (1) The Evaluation Committee may conduct discussions and/or negotiations with all of the short-listed firms prior to final selection.
  - (2) The CA shall have the authority to negotiate and speak for the Authority's negotiating team.
    - (a) Negotiations shall be a team effort lead by the CA.
    - (b) The CA shall request and receive all data required from the Consultant to enter into negotiations.
    - (c) The CA shall confer with appropriate departments, such as Internal Audit or Legal, when data received requires their special expertise.
  - (3) Negotiations may be concluded prior to final selection of the consultant or conclude after a final selection has been made.
    - (a) Once the CA declares negotiations to be concluded, he or she shall write a memo of negotiations to be signed by both the CA and the Project Manager.
  - (4) Once the final recommendation has been made by the Evaluation Committee, the CA will notify all firms that submitted proposals in writing indicating who the recommended firm is and provide a statement indicating when the proposal evaluation data will be available (same date that the staff report for the procurement becomes a public document).
  - (5) Board members and their staff will not distribute any evaluation documents other than information provided in the staff report to other proposing firms or their advocates until after the Board takes final action on the procurement.

---

## CAMM Policy Manual

- (6) Once the final selection of a consultant has been made, the CA shall draft the contract and obtain signatures. The contract shall reflect the formal negotiation results.
- k) Award of Contract  
Contract awards will be made to the responsible firm whose proposal is most advantageous to the Authority with price and other factors considered. In determining which proposal is most advantageous, the Authority may award to the proposer whose proposal offers the greatest business value to the Authority based upon an analysis of a tradeoff of technical factors and price to arrive at the proposal that represents the “best value” to the Authority.
- (1) For procurements greater than \$250,000, the award of the contract shall occur when the Board of Directors approves the selection of Consultant and authorizes the Chief Executive Officer to execute a contract.
- (2) For procurements \$250,000 or less, the award of the contract shall occur when the evaluation process has been completed and CAMM Management concurs with the Evaluation Committee.
12. Debriefings  
The Consultant may request, in writing, a debriefing within three (3) business days of receipt of the on-line notification of contract award.
13. Contract Administration  
The CA and the Project Manager shall be responsible for monitoring and reviewing the contract to determine whether the terms and conditions are being met.
14. Formal Contract Amendments Policy
- a) Amendments for contracts or purchase orders which amount to fifteen (15) percent or less of the total original contract amount or \$250,000, whichever is less, do not require Board approval.
- b) For equipment contracts, amendments for five (5) percent or less of the total contract amount or \$250,000, whichever is less, do not require Board approval.
- c) The Board of Directors may authorize changes or additions in the work being performed under construction public works contracts.
- (1) Any increase to the contract’s maximum obligation for any change or addition to the work ordered shall:
- (a) Not exceed \$5,000 when the total amount of the original contract does not exceed \$50,000
- (b) Not exceed ten percent of the amount of the original contract that is greater than \$50,000, but does not exceed \$250,000
- (c) Not exceed \$25,000, plus five (5) percent of the original contract that exceeds \$250,000

---

## CAMM Policy Manual

(d) Change Orders in excess of \$210,000 must be approved by the Board.

d) The Board must approve all contracts with option terms that if the option term is exercised would result in a contract amount greater than \$250,000. When this occurs, the Board shall approve the initial term plus all individual options.

e) A significant change to the scope of work that deviates from the original purpose of the scope of work that is so extensive that, in effect, the contractor is performing different work from that described in the original contract is considered a cardinal change and will be viewed as a sole source.

f) Request for changes to contract terms and conditions that alter or eliminate the requirement must be submitted in writing detailing the justification for the change and signed by a supervisor.

### C. Contract Task Order Policy

1. Contract Task Order (CTO) is used to provide an opportunity under master agreements to contract on an on-call basis (sharing one pool of funds).

2. CTOs shall require review by the CAMM Staff and Project Manager and review and signature from CAMM Management and General Counsel.

3. Master CTO agreements shall be issued to the on-call firms, and as the need for the particular service arises during the term of the agreements, CTOs shall be issued.

4. Master CTO agreements for a particular service may only be issued for the services as defined in the master agreement. Example: If the Master CTO agreement is for financial services, the CTOs may only be issued for financial services. All firms awarded a CTO Agreement must be able to perform all the services identified in the Statement of Work.

5. There are two (2) awarding CTO procedure types available, Competitive Awards and Sequential Awards. CAMM and the requesting department shall decide which procedural type will be used. The decision to use competitive pricing or sequential awards must be documented in the file as to the rationale for the decision.

a) The awarding procedure type shall be clearly discussed in the RFP, and consistently applied during the term of the agreements.

b) The CTO amount must be supported by a written cost proposal from the consultant.

c) The CTO amount cannot exceed the cost proposal.

6. Competitive Awards

a) The CTO process shall start with the Requisition, ICE and a Scope of Work which shall be forwarded to CAMM for review and processing.

b) For non-architectural and engineering services, the CTO firms must receive the Scope of Work with a request to provide pricing quotes based on the Scope of Work, and the rates included in the master

---

## CAMM Policy Manual

agreements.

c) For architectural and engineering services the CTO firms must receive the Scope of Work with a request to provide a work plan, staffing and level of effort.

### 7. Sequential Awards

a) Sequential CTO awards shall be made to prequalified firms

b) The sequence must be consistent throughout the term of the CTO agreements and awarded by a predetermined (identified in the RFP), sequential process.

(1) CAMM, with input from the requesting department, shall decide the sequential process that will enable all firms to be awarded work.

(a) The selection may be based on an alphabetical order or a numeric process based on final ranking.

### 8. General Procedures

a) Other than utilizing the Competitive or Sequential Award method, CTO Amendments must follow the same procedures shown in this section.

(1) Amendments shall not be utilized for cardinal changes in the scope of work.

b) Only upon receipt of a fully executed CTO, shall the consultant commence work.

(1) The requesting department shall be responsible for project management and maintaining accurate accounting procedures to ensure meeting the appropriate contractual maximum payment obligations and encumbrance requirements.

## **D. Cooperative Procurement Policy**

1. CAMM will make the determination to purchase goods and services from other public agencies when it is in the best interest of the Authority to do so. Cooperative Agreements may be initiated with the State of California, using the California Multiple Awards Schedule (CMAS), the County of Orange, or with other appropriate public agencies.

2. The CA will evaluate all cooperative procurement terms and conditions for the purchase of goods and services and advise the Project Manager of notable issues, and with legal assistance if necessary. The CA will review and ensure there is sufficient justification for the cooperative purchase (price and/or schedule) and document such in the contract file.

## **E. Status of Past and Present Contracts Policy**

The Authority requires Offerors to submit with their proposal, the Status of Past and Present Contracts form where the Offeror's firm has either provided services as a prime contractor or a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action.

## **VII. Other Procurement Types**

### **A. Fixed Asset Purchases Policy**

1. Fixed Assets are those with unit costs greater than \$5,000 and a useful life of at least three years.
2. If the procurement is less than \$50,000 the Informal Procurement Process shall be used.
3. If the procurement is \$50,000 or greater, a formal Invitation for Bid (IFB) shall be used.
4. In either case, the award is made to the lowest responsive and responsible bidder.
5. Board approval of vendor selection is required for budgeted procurements greater than \$250,000.
6. In order for the Authority to determine the best value when purchasing fixed assets, a lease vs. purchase analysis must be performed prior to making the final procurement decision.

### **B. Bus Inventory Purchases Policy**

1. CAMM's highest priority is to ensure that buses are available to be placed in revenue service. Because of this, routine bus parts, fluids and inventory items, if purchased using a competitive process, do not require Board approval but can be approved by CAMM Management in any dollar amount.
2. Bus parts with a unit price at \$2,500 or less shall be purchased using the micro-purchase procedures. Bus parts with a unit price greater than \$2,500 shall be purchased using the Informal Procurement procedures.
3. Bus Downs are situations when a bus is unable to be assigned into revenue service because of a mechanical problem. The buyer has four (4) hours to find the required part(s) and place the order. The selection is made based on who can deliver the part the quickest.
  - a) Inventory amendments, when the original purchase order or contract value is \$250,000 or less and is competitively bid or is a sole source, can be made to the purchase order or contract regardless of the dollar amount by approval of CAMM management.
4. Inventory amendments, when the original purchase order or contract value is \$250,000 or less and is competitively bid or is a sole source, can be made to the purchase order or contract regardless of the dollar amount by approval of CAMM management.

Inventory amendments, when the original purchase order or contract value is greater than \$250,000 and is competitively bid or is a sole source, can be made if the increase is thirty (30) percent or less of the original value by approval of CAMM management. If the amendment exceeds thirty (30) percent of the original contract or purchase order value, the Chief Executive Officer will execute

---

## **CAMM Policy Manual**

the amendment. If the contract or purchase order does not specify a maximum obligation, then CAMM management can approve an increase that is thirty (30) percent or less of the annual budgeted amount. If the increase exceeds thirty (30) percent, the Chief Executive Officer will approve the increase.

### **C. Public Works/Construction Services Policy**

1. The Authority is required to follow California Public Contract code as related to public works contracting.
2. A Public Works contract is an agreement for erection, construction, alteration, repair or improvement of any public structure, building, road, or other public improvement of any kind.
3. Public works and construction projects shall be awarded through a competitive IFB process and must be awarded to the lowest responsive and responsible bidder.

### **D. Architectural and Engineering Services Policy**

1. Architectural and Engineering (A&E) applies to procurements of professional consultants for engineering, architectural, land surveying or other support services.
2. A&E services must be competitively solicited and evaluated based solely on technical merit, pursuant to the state and/or federal Brooks Act.
3. A&E services are procured through the Request for Proposal (RFP) procedure.
4. Only the highest ranked firms' cost proposal will be reviewed for fair and reasonableness and included in the final negotiated and approved contract.

### **E. Payment Policy**

1. Contract funds should not be expended prior to completion of contract.
  - a) Payment for additional work is not allowed by check or payment request.
  - b) A contract amendment must be created prior to all additional work that requires any type of fee or payment.
2. Any payment over \$2,500 will require a Payment Request Form as a cover sheet for payments that do not require or have a formal contract, purchase order, cooperative agreement or travel expense report.
3. The Authority shall not make advanced payments on any contract, except for contracts for the payment of rents, public utility connections, insurance premiums, software licenses and maintenance agreements and subscriptions and construction mobilization costs.

The Authority may pay advanced costs if there is a sound business reason justifying the advanced payment and adequate security of the payment. If the contract is funded by the FTA, prior written concurrence from the FTA must be received before an advanced payment can be made.

---

## CAMM Policy Manual

4. Progress Payments – Progress payments are payments for contract work that has not yet been completed. For a fixed price contract, tasks or deliverables will be included in the contract. Progress payments may be made based on the percentage of work completed for each deliverable or task that has not been previously included in a previous invoice.

In order to make progress payments, the contract must include adequate security sufficient enough to protect the Authority's financial interest in the progress payment. Such security may be in the form of withholding a certain percentage from each invoice (i.e. retention amount), performance bonds, use of escrow accounts or letter of credit.

The contractor must submit documentation that justifies the amount of the progress payment and the PM must verify that the documentation submitted is sufficient to approve the payment. The PM may not make progress payments or increase the contract price beyond the funds obligated under the contract.

### **F. Construction Change Orders Policy**

1. The Authority shall comply with the California Public Contract Code, Section 20142. Amendments to construction contracts may be authorized by the Chief Executive Officer as follows:

- a) \$5,000 per change when the total amount of the original contract does not exceed \$50,000, or
- b) Ten (10) percent of the amount of any original contract that exceeds \$50,000 but does not exceed \$250,000, or
- c) For contracts greater than \$250,000, the change shall not exceed \$25,000, plus five (5) percent of the amount of the original contract in excess of \$250,000.

2. Changes in excess of \$210,000 require Board approval.

### **G. Design-Build Policy**

1. Design-Build procurement method consists of contracting for the design and construction simultaneously with a contract award to a single contractor, joint venture, team or partnership that will be responsible for both the design and construction.

2. To determine what procurement method will be used for the design-build procurement, various activities must be separated and classified as design or construction activities, then the total value of each must be estimated. If the construction costs of a design-build project are the predominant costs, then a sealed bid method must be used for the entire procurement. If the design costs for the design-build procurement are the predominant costs, then a qualification based procurement method must be used (see Architectural and Engineering Services policy). For whichever method of procurement is determined, the Authority must follow the state and federal laws for that particular procurement method and document in the contract file how the determination was made.

### **H. Revenue Contracts Policy**

1. A revenue contract is any third party contract whose primary purpose is to either generate revenues in connection with a transit related activity or to create business opportunities utilizing locally funded or FTA funded assets.
2. The requirements for competitive negotiated procurements apply to all revenue generating contracts. If the revenue contract uses FTA funds, all FTA requirements as specified in Circular 4220.IF apply.

### **I. Letter Amendments**

1. A letter amendment is a method used to make changes to an existing contract. A letter is written, sent to the contracting firm notifying them of the change to their Agreement with the Authority. The letter amendment is signed by an authorized person in CAMM, but the contracting firm is not required to sign the letter and return it to the Authority.
2. Letter amendments may only be used to make on-going staff changes (other than key personnel); time extensions, and to exercise an option term if no Board approval is required or there is no increase to the contract's maximum payment obligation.

### **J. Services Marketed by Brokers**

The Authority may contract for services that are marketed by brokers, including but not limited to, property insurance policies and health insurance related policies. For these services, the broker firm is responsible to market, procure, evaluate, negotiate, and contract for the services on behalf of the Authority. The broker firm will obtain a minimum of two quotes for the services they broker, and provide copies to the Authority for review. The services procured by brokers will adhere to the same signature authority levels defined in this policy.

### **K. Pre-Qualification Process**

The Authority may prequalify bidders/consultants when the Authority is procuring critical equipment and/or services with specified performance requirements. The purpose of pre-qualification is to impartially evaluate a bidder by its business practices, work experience, manpower and financial capacity. The pre-qualification procedures developed and implemented by the Authority must ensure that the pre-qualification process does not restrict full and open competition and that restrictions are not placed in the solicitation that prevent potential bidders from qualifying. The use of the pre-qualification procurement method must be approved in advance by the Authority's Board of Directors.

## VIII. Disadvantaged Business Enterprise (DBE) Program Policy

### A. Policy Statement

The Orange County Transportation Authority has established a Disadvantaged Business Enterprise (DBE) Program in accordance with Title 49 Code of Federal Regulations (CFR), Part 26: *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs* and subsequently issued U.S. Department of Transportation (U.S. DOT) Guidance (Race-Neutral Policy Implementation Directives). The Authority receives federal financial assistance from the U.S. DOT and, as a condition of receiving this assistance, the Authority has signed an assurance that it will fully comply with Title 49 CFR, Part 26. These regulatory provisions and the Authority's DBE Program apply to all of the Authority's U.S. DOT-assisted contracts.

### B. Program Objectives

It is the policy of the Authority to ensure that DBEs, as defined in Title 49 CFR, Part 26, have an equitable opportunity to compete for and participate in the Authority's U.S. DOT-assisted contracts and subcontracts. The Authority is firmly committed to its DBE Program and the following objectives, which are designed to:

1. Ensure non-discrimination in the award and administration of the Authority's U.S. DOT-assisted contracts.
2. Create a level playing field by which DBEs can fairly compete for the Authority's U.S. DOT-assisted contracts.
3. Ensure that the Authority's DBE Program and overall annual goals are narrowly tailored in accordance with applicable law.
4. Ensure that only firms that fully meet Title 49 CFR, Part 26 eligibility standards are permitted to participate as DBEs in the Authority's DBE Program.
5. Help remove barriers which impede the participation of DBEs in the Authority's U.S. DOT-assisted contracts.
6. Assist in the development of DBE firms that can compete successfully in the marketplace outside of the DBE Program.
7. Provide appropriate flexibility to recipients of federal financial assistance in establishing and providing opportunities for DBEs.

The Authority further ensures that implementation of its DBE Program is afforded the same priority as compliance with all other legal obligations incurred by the Authority in its financial assistance agreements with the U.S. DOT. It is the expectation of the Chief Executive Officer that all Authority personnel shall adhere to the full spirit and intent of the DBE program and carry out all DBE requirements and procedures accordingly.

### C. Non-Discrimination

The Authority will not exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract governed by Title 49 CFR, Part 26 on the basis of race, color, sex or national origin.

In administering its DBE Program, the Authority will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishments of the objectives of the DBE Program with respect to individuals of a particular race, color, sex or national origin, and will further require such contract assurance in every U.S. DOT-assisted contract and subcontract.

Through such efforts, the Authority will ensure that its contracting and procurement-related processes promote equity in access, consideration and opportunity for DBEs in response to the requirements set forth under Title 49 CFR, Part 26: *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*.