



Proposed Revisions to Orange County Transportation Authority's Procurement Policies and Procedures

Background

- Procurement Policy adopted by the Board of Directors (Board)
- Board has made changes to various policies and procedures
- Most recent changes in 2015 and in 2009 before that
- Procurement Workshop conducted in March 2023
- Disadvantaged Business Enterprise (DBE) Program overview conducted in August 2023
- Per Board direction, review and provide recommendations to maintain fair process while streamlining procurements
- Conducted industry outreach to obtain feedback on the recommendations

Goals

- Encourage open and fair competition
- Maintain transparency
- Ensure accountability
- Streamline process to increase efficiencies
- Provide consistency for vendors

Board Approval Threshold – Peer Agencies

Board Approval Threshold

Current policy:

- Board approval is required for all request for proposals (RFP)/cooperative agreements over \$250,000.
- Board approval is required for all non-public works invitation for bids (IFB) over \$250,000.
- Board approval is required for any amendment over 15 percent of the original contract value or \$250,000, whichever is less

Recommendations:

- Increase the Board approval threshold for all RFPs/cooperative agreements to over \$500,000.
- Increase the Board approval threshold for all non-public works IFBs to over \$500,000.
- Increase the Board approval threshold for any amendment over 15 percent of the original contract value or \$500,000, whichever is less

Board Approval Threshold

Current policy:

- The Board approval threshold for all sole source procurements is over \$25,000.

Recommendation:

- Increase the Board approval threshold for sole source procurements to over \$100,000.
 - This does not eliminate the requirement for Internal Audit to perform price reviews for any sole source over \$50,000

Thresholds for Small Dollar Items



Increase Formal Procurement threshold from over \$50,000 to over \$100,000



Increase micro-purchase threshold from \$2,500 to \$5,000



Increase Purchasing Card threshold from \$5,000 to \$10,000 per month

Items for Future Consideration

- Implementing piggybacking policy and procedures
- Revising the Post-award Protest Policy for Board procurements
- Option-term approval requirements
- Revising Contract Term Policy
- Blackout period application
- Small business/local preference
- Threshold for staff presentation at Board committee

Next Steps

- Present current threshold related recommendations to Board of Directors on November 27, 2023
- If approved, staff will revise the OCTA Procurement Policies and Procedures Manual
- Return to Board with additional recommendations following further evaluation