




February 5, 2024

To: Executive Committee

From: Darrell E. Johnson, Chief Executive Officer 

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

Overview

The Orange County Transportation Authority Board of Directors has adopted policies and procedures that guide all procurement activities. The Board of Directors periodically reviews these policies and procedures and may make changes as necessary in an effort to conform to changing business needs while continuing to ensure procurements are conducted in a fair, transparent, and equitable manner for all vendors and provide for the best value and use of taxpayer dollars.

Recommendation

Adopt the proposed revisions to the Orange County Transportation Authority's Procurement Policies and Procedures and authorize staff to implement the recommended changes related to piggybacking.

Discussion

Periodically, the Board of Directors (Board) reviews and adopts changes to the Procurement Policies and Procedures. In March 2023, staff conducted a Board workshop to provide information on the current procurement process. During the workshop, various aspects of the procurement process and procedures related to the Disadvantaged Business Enterprise (DBE) requirements were discussed. In August 2023, staff presented an overview of the federally mandated DBE program, outreach efforts, and available tools/resources for the business community.

In November 2023, staff proposed a recommendation to increase thresholds for procurements requiring Board approval and small-dollar non-Board procurement thresholds. The Board approved the recommendation as presented.

Simultaneously, staff informed the Board of ongoing efforts to streamline various procurement processes, aiming for enhanced project delivery efficiencies. Staff committed to evaluating and researching practices of peer agencies before returning to the Board to present additional recommended changes. Those recommended changes encompassed the adoption of a piggyback policy, the post-award protest policy, option term approvals, maximum contract terms, defining blackout periods, small or local business preferences and the threshold for staff presentations at Board committees. Staff has completed the research of peer agencies' practices on piggybacking and will continue to research the remaining policy items before bringing them to the Board for future consideration after further evaluation.

As part of the research and industry review, staff engaged with the business community, including the American Council of Engineering Companies, the Society for Marketing Professional Services in Orange County, Construction Management Association of America, and the Orange County Public Affairs Association to discuss potential changes and to provide their perspectives on the proposals.

In addition to conducting an industry review with the business organizations, staff also reached out to several peer agencies to determine whether they integrate a piggyback process within their respective procurement procedures. The results indicate that ten out of the 11 peer agencies have specific policies and procedures in place for piggybacking/cooperative procurement.

Based on the findings from the research, staff is recommending Board approval to enhance efficiency through the implementation of a piggyback policy and procedures.

Currently, the Board-approved procurement policies and procedures do not have a provision for piggybacking. Piggybacking is a recognized procurement tool utilized to optimize costs and streamline processes by leveraging existing contracts from other public entities to acquire the same goods or services at the same or a lower price. The Federal Transit Administration (FTA) encourages grantees to enter into state and local agreements for the procurement of common goods and services to foster greater economy and efficiency. There is specific FTA guidance regarding the circumstances when piggybacking is permissible.

For example, the solicitation and contract resulting from a competitive procurement by another public entity must include an assignability clause that allows for the assignment of all or part of the specified deliverable items. In addition, the quantities to be ordered were included in the original bid and evaluated as part of the contract award decision. Furthermore, the contract being

accessed by the piggybacking procedure must contain the clauses mandated by federal regulations.

Staff seeks Board approval for piggybacking on a regular basis, especially for vehicle and software purchases. Due to the common need and ongoing requirements for software procurement across public agencies, as well as routine industry specific software/support, it is strategically advantageous for OCTA to leverage the resources and experiences of other agencies. This approach is expected to yield significant benefits in terms of cost effectiveness, time savings, and access to proven software solutions, contributing positively to OCTA's overall operational efficiency. Because piggybacking is not part of the Board-approved policy, staff must bring the item before the Board for approval as an exception to the current policy regardless of dollar amount. By approving this, it would allow staff to use this process for smaller, routine items that fall under the Board threshold. With the new piggybacking policy in place, staff will ensure that procurements processed through this method are submitted to the Board for review and approval, following the Board's established approval thresholds.

This recommendation has garnered unanimous support from all four industry groups, emphasizing its potential to enhance efficiency and fiscal responsibility within procurement processes. The adoption of a piggyback policy is among several earlier recommendations outlined in this staff report. Staff will continue to examine the remaining policy recommendations and, after conducting a more comprehensive evaluation, will bring these additional proposed revisions to the Board for future consideration.

Summary

Based on the information provided, staff recommends the Board of Directors' approval for the incorporation of a piggyback policy and associated procedures into the Orange County Transportation Authority's Procurement Policies and Procedures. This addition is anticipated to introduce greater flexibility and efficiency into routine procurement processes while upholding the agency's commitment to fiscal responsibility.

Attachment

A. Recommended Piggyback Policy

Prepared by:

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Approved by:

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