

Proposed Revisions to JPB Procurement Policy

JPB Finance Committee
Agenda Item 8
May 22, 2023



Background

- Resolution No. 2016-18 authorized the Executive Director to execute certain agreements and associated amendments up to \$100,000
 - Funding agreements, grant agreements, memoranda of understanding, cooperative agreements, interagency agreements, and similar contracts
 - Expressly excluded contracts for goods and services and transfers of real property
 - Required the Executive Director to inform the Board of use of this authority on a quarterly basis as part of the Board reading file

Background (cont.)

- Resolution No. 2019-12 authorized the Executive Director to execute agreements:
 - (1) up to \$150,000 for equipment, supplies, materials or services; and
 - (2) up to \$10,000 for public works
- Authorized Executive Director to execute change orders or amendments within any Board approved contingency for all contracts
 - If no Board approved contingency, the Executive Director may issue change orders or amendments up to the greater of \$150,000 or 10% (cumulative) of the contract amount

Gaps in Current Policy

- Prices have risen since adoption of policies and the number of projects, including projects in partnership with other public agencies, has grown significantly
- The Executive Director's authority is significantly lower than peer agencies
- Currently, staff must present items for Board authorization, including
 - Routine and relatively low value agreements
 - Agreements already included in the budget

Comparison to Peer Agencies

Agency	Purchases of Goods + Services	Revenue Contracts	Acceptance of Grant Funding	Public Works Contracts
Caltrain	\$150,000	\$100,000	\$100,000	\$10,000
SFMTA	\$10,000,000	\$500,000	Unlimited	\$500,000
SamTrans	\$150,000	\$150,000		\$200,000
VTA	\$1,000,000		\$5,000,000	\$1,000,000

Reason for Proposed Changes

- Staff proposes to increase the Executive Director's authority for all categories of contracts to \$250,000 to allow the agency to conduct its business more efficiently and expeditiously while maintaining a high level of Board oversight
- Staff will report to the Board regarding the execution of these contracts on a regular basis

Recommended Changes to Procurement Policy

- Staff recommends that the Board increase the Executive Director's authority to \$250,000 for:
 - Funding agreements, grant agreements, memoranda of understanding, cooperative agreements, interagency agreements, and similar contracts
 - Contracts for equipment, supplies, materials, and services
 - Public works contracts
- Staff further recommends that the Board authorize the Executive Director to execute amendments and change orders of up to \$250,000 or 10% of the contract amount, whichever is greater

Recommended Changes (cont.)

The Board of Directors must:

- 1) approve contracts in excess of \$250,000 for: public works; equipment, supplies, materials, and services; funding agreements, interagency agreements, and similar contracts; and
- 2) authorize execution of amendments or change orders in excess of \$250,000 or greater than 10% of the contract amount

Proposed Motion

- Recommend that the Board increase the Executive Director's authority to \$250,000 for:
 - Funding agreements, grant agreements, memoranda of understanding, cooperative agreements, interagency agreements, and similar contracts
 - Contracts for equipment, supplies, materials, and services
 - Public works contracts
- Recommend that the Board authorize the Executive Director to execute amendments and change orders of up to \$250,000 or 10% of the contract amount, whichever is greater

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