



## MEETING NOTICE & AGENDA

**DATE:** Thursday, March 17, 2016

**TIME:** 4:00 P.M.

**PLACE:** Yuba County Board of Supervisors Chambers  
Yuba County Government Center  
915 8<sup>th</sup> Street  
Marysville, California

### I. Call to Order & Roll Call

Cleveland, Didball (Vice-Chair), Fletcher, Griego, Samayoa (Chair), Sullenger, Whiteaker and Whitmore

### II. Public Business from the Floor

Members of the public may address the Authority on items of interest that are within the Authority's jurisdiction and are not on the agenda for this meeting. Public comment regarding agenda items will be permitted as each agenda item is considered by the Board.

### III. Consent Calendar

All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff or public request specific items to be discussed or removed from the Consent Calendar for specific action.

- A. Minutes from the Meeting of February 18, 2016. (Attachment)
- B. Disbursement List for February 2016. (Attachment)
- C. Monthly Performance Report for February 2016 (Attachment)

### IV. Reports

- A. **Preliminary Draft Yuba-Sutter Transit Operating and Capital Budget for FY 2017.** Review and direction regarding budget parameters for future consideration. (Attachment)

RECOMMENDATION: Direct staff as desired.

- B. **Metropolitan Transportation Improvement Plan (MTIP) Update.** Review and consideration of proposed revisions to the Yuba-Sutter Transit Improvement Plan for inclusion in the 2017 – 2020 MTIP. (Attachment)

RECOMMENDATION: Amend the Yuba-Sutter Transit Capital Improvement Plan as proposed.

- C. **Procurement Policies and Procedures Manual Revisions.** (Attachment)

RECOMMENDATION: Adopt the Yuba-Sutter Transit Procurement Policies and Procedures Manual revisions as proposed or amended.

**D. Project & Program Updates.**

1. Connect Card Electronic Fare Card System
2. Bogue Park & Ride Video Surveillance Project
3. North Beale Transit Center Enhancement Project

**V. Correspondence/Information**

**VI. Closed Session**

- A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957.  
Position Title: Transit Manager**

**VII. Other Business**

**VIII. Adjournment**

**THE NEXT MEETING IS SCHEDULED FOR THURSDAY, APRIL 21, 2016  
AT 4:00 P.M. IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS**

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If you need assistance to attend the Yuba-Sutter Transit Board Meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the Board, please contact the Yuba-Sutter Transit office at (530) 634-6880 or (TTY) 634-6889 at least 72 hours in advance so such aids or services can be arranged.

**AGENDA ITEM III – A**

**YUBA-SUTTER TRANSIT AUTHORITY  
MEETING MINUTES  
FEBRUARY 18, 2016**

**I. Call to Order & Roll Call**

Director Samayoa called the meeting to order at 4:00 p.m.

Present: Cleveland, Didbal, Fletcher, Griego, Samayoa, Sullenger, Whiteaker, and Whitmore

Absent:

**II. Public Business from the Floor**

None

**III. Consent Calendar**

Director Whiteaker made a motion to approve the consent calendar. Director Cleveland seconded the motion and it carried unanimously.

**IV. Reports**

**A. FY 2017 Budget Preview.**

Martin gave an overview of current year expenditures and revenues stating that expenses are below budget due to the lower fuel costs which are running about 40 percent less than budgeted. Martin continued that due to accounting and billing procedure changes, staff expenses will be higher than budgeted though that should be off-set by the recognition of outside revenues that were not anticipated in the original FY 2016 budget. He noted that revenues are down from what was budgeted due to lower than expected fare receipts and a drop in State Transit Assistance (STA) funds. STA funds come from a sales tax on diesel fuel and the lower price of diesel fuel has resulted in reduced tax receipts. Federal funding looks good going forward as the Fixing America's Surface Transportation (FAST) Act has established transit funding levels through FY 2020.

Regarding FY 2017, Martin noted that the statewide STA fund estimate for next year came out yesterday and it is down 18 percent from the original estimate for FY 2016. He then noted that FY 2017 will be the last year for the ten year Proposition 1B bond program. Martin explained that Local Transportation Funds (LTF) come from a one-quarter percent sales tax that is returned to the county of origin and distributed to the jurisdictions by population first for transit funding purposes with the remainder, if any, available for the maintenance of local streets and roads. Stating that SACOG adopted the FY 2017 LTF apportionments today, he reported that the Sutter County apportionment is up 8.8 percent over FY 2016 while Yuba County's is own 34.2 percent.

Director Cleveland, noting that STA funds are directly related to the sales tax, asked if there has been any discussion at the State level regarding to tie this to actual gallons used verses the price of fuel. Martin noted that it would be helpful if it was tied to consumption verses value, but that staff is not aware of anything specific being discussed on this issue. Director Griego stated that CalCOG has been working with different State organizations including Caltrans regarding a significant shift in transportation funding sources, but there has been no agreement on how to place the issue before the voters.

Martin continued to discuss the budget in regards to the upcoming implementation of the Connect Card stating that the transition process is expected to take at least six months and that this will be a major and unavoidable budget risk for FY 2017. He noted that staff is not planning for any major service changes or fare increases for FY 2017.

The Board had no questions or input on the budget preview.

**B. Feather River Air Quality Management District (FRAQMD) Grant Agreement Amendment.**

Martin stated this is an Amendment to the Discount Pass Program to increase the grant amount to that which was originally requested using carry-over funds from last year.

Director Cleveland made a motion to authorize the execution of Amendment #1 to Agreement #VF15-02 to add \$1,902 to the 2016 Discount Monthly Pass Program. Director Griego seconded the motion and it carried unanimously.

**C. Bogue Road Park & Ride Video Surveillance Pole Installation.**

Martin gave an overview of the project and asked the Board to consider awarding the installation of three poles at the Bogue Park & Ride Lot to the Richall Electric Company as proposed.

Director Whiteaker made a motion to authorize staff to negotiate a contract with Richall Electric Company as proposed. Director Cleveland seconded the motion and it carried unanimously.

**D. Authorizing Resolution for Federal Transit Administration (FTA) Grant Documents.**

Martin stated that this is a routine annual resolution to authorize staff to submit Federal grant documents.

Director Whiteaker made a motion to adopt Resolution No. 3-16 authorizing the Transit Manager to execute all federal grant and contract documents. Director Griego seconded the motion and it carried unanimously.

**E. Annual Authorization for the Transit Manager to Certify as Counsel for Federal Transit Administration (FTA) Grants.**

Martin stated this is another routine annual resolution to allow staff to certify as counsel for Federal grant documents.

Director Whiteaker made a motion to adopt Resolution No. 4-16 as proposed. Director Sullenger seconded the motion and it carried unanimously.

**F. Updated Transdev Services, Inc. Yuba-Sutter Division Drug and Alcohol Policy.**

Martin stated that Federal requirements dictate that Yuba-Sutter Transit must have a current drug and alcohol policy in place. Since Yuba-Sutter Transit contracts with Transdev Services Inc. and they employ all of the safety sensitive employees subject to this policy, Yuba-Sutter Transit periodically adopts the contractor's policy to remain compliant. The Board last adopted the updated policy in December of 2014.

Director Griego made a motion to adopt Resolution No. 5-16 adopting the Transdev Services, Inc. Drug and Alcohol Policy for the Yuba-Sutter Division effective January 2016. Director Cleveland seconded the motion and it carried unanimously.

**G. FY 2014-2015 California Transit Security Grant Program Governing Body Resolution and Authorized Agent Designation.**

Martin noted that the Board in December authorized submission of an application for these funds from the Proposition 1B Safety and Security grant program. He added that we have received eligibility notification from CalOES and that staff has six weeks to produce the resolution and authorization form that is now before the Board.

Director Griego made a motion to adopt Resolution No. 6-16 and authorize the execution of the CalOES Authorized Agent Signature Authority Form to complete the FY 2014-2015 CTS GP application process. Director Whiteaker seconded the motion and it carried unanimously.

**H. 2015 Discount Monthly Pass Program Final Report.**

Martin stated this report is required as a condition of the FRAQMD grant. He referenced the comparison sheet that was included in staff report. Martin noted that discount monthly pass ridership is up 1 percent from 2014 to 2015 even as systemwide ridership is down 2 percent during this same period.

**I. FY 2015-2016 Mid-Year Performance Report.**

Martin noted that Yuba-Sutter Transit experienced a 4.9 percent ridership reduction in the first quarter of FY 2016 and 5.9 percent reduction in the second quarter for a combined 5.4 percent reduction after six months compared to the same period last year. He suggested that some of the reasons for the decline include the September change in the transfer policy the continuing decline in fuel prices. Martin added that similar ridership declines are being seen throughout the State with other transit operators.

Director Samayoa made suggested that higher employment may have reduced the need for people to ride the bus. In response, Martin noted that surveys from the recent Short Range Transit Plan indicate that 85 to 90 percent of local fixed route passengers had little or no choice regarding riding the bus as no vehicle was available to them.

**V. Correspondence/Information**

None

**VI. Other Business**

None

**VII. Adjournment**

The meeting was adjourned at 4:27 p.m.

**The next meeting of the Yuba-Sutter Transit Authority is scheduled for 4:00 p.m. on Thursday, March 17, 2016 in the Yuba County Board of Supervisors Chambers**

**AGENDA ITEM III-B  
YUBA-SUTTER TRANSIT  
DISBURSEMENT LIST  
MONTH OF FEBRUARY 2016**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 7,045.26	PERS HEALTH	HEALTH INSURANCE
EFT	\$ 1,432.63	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE
EFT	\$ 220.34	CALIFORNIA WATER SERVICE	WATER
EFT	\$ 37.94	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION
EFT	\$ 422.12	PG&E	GAS
EFT	\$ 520.70	PG&E	ELECTRIC
EFT	\$ 2,539.67	PG&E	ELECTRIC BILL #2
EFT	\$ 143.17	ATT - SECURITY LINE	SECURITY LINE
EFT	\$ 65.00	AT&T - UVERSE	INTERNET FEBRUARY
EFT	\$ 725.20	TELEPACIFIC COMMUNICATIONS	TELEPHONE
EFT	\$ 122.43	UTILITY MANAGEMENT SERVICES	SEWER
EFT	\$ 250.00	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 117.83	ELAVON	MERCHANT SERVICE FEE - JAN
EFT	\$ 400.00	FRANCOTYP-POSTALIA, INC	POSTAGE RESET
EFT	\$ 27.94	REGIONAL WASTE MANAGEMENT	2016 POSTER
EFT	\$ 219.26	PRIMEPAY	PAYROLL FEE
EFT*	\$ 29,285.11	PAYROLL	PAYROLL
15010	\$ 316.78	ADVANCED DOCUMENT CONCEPTS	COPY MACHINE - DECEMBER
15011	\$ 800.00	CALIFORNIA HIGHWAY PATROL	2015 GPPV INSPECTIONS
15012	\$ 50.00	DALE WHITMORE	BOARD MEETING 1/21
15013	\$ 9,799.24	HUNT & SONS INC.	BUS FUEL
15014	\$ 50.00	JIM WHITEAKER	BOARD MEETING 1/21
15015	\$ 50.00	MARY JANE GRIEGO	BOARD MEETING 1/21
15016	\$ 50.00	PREET DIDBAL	BOARD MEETING 1/21
15017	\$ 1,417.28	PREMIER PRINT & MAIL	PRINTING - TRANSFERS
15018	\$ 946.14	QU. EST	MAINTENANCE OF BUS STOPS/SHELTERS
15019	\$ 143.45	QUILL	JANITORIAL SUPPLIES
15019	\$ 7.49	QUILL	OFFICE SUPPLIES
15020	\$ 1,100.00	R.C. JANITORIAL SERVICE	JANITORIAL SERVICES
15021	\$ 50.00	RICKY SAMAYOA	BOARD MEETING 1/21
15022	\$ 50.00	RON SULLENGER	BOARD MEETING 1/21
15023	\$ 850.00	SACRAMENTO REGIONAL TRANSIT	JANUARY BUS PASSES
15024	\$ 9,965.69	SC FUELS	BUS FUEL
15025	\$ 50.00	STANLEY CLEVELAND	BOARD MEETING 1/21
15026	\$ 119.46	STAPLES CREDIT PLAN	OFFICE SUPPLIES
15027	\$ 7.53	STATE COMP INSURANCE FUND	ADDITIONAL INSURANCE PREMIUM
15028	\$ 427,594.09	TRANSDEV SERVICES, INC.	DECEMBER - CONTRACT SERVICES
15029	\$ 31.88	AT&T	FIRE LINE
15030	\$ 510.00	APPEAL DEMOCRAT	"99 THINGS AD"
15031	\$ 670.32	AT&T YELLOW PAGES	YELLOW PAGES ADVERTISING
15032	\$ 221.38	CARDMEMBER SERVICES	CREDIT CARD PAYMENT
15033	\$ 50.00	DALE WHITEMORE	BOARD MEETING 2/18
15034	\$ 600.00	DICKSON MECHANICAL	1 YR SERVICE CONTRACT
15035	\$ 1,327.26	DILLINGHAM TICKET CO.	MONTHLY BUS PASSES
15036	\$ 50.00	JIM WHITEAKER	BOARD MEETING 2/18
15037	\$ 50.00	MARY JANE GRIEGO	BOARD MEETING 2/18
15038	\$ 50.00	PREET DIDBAL	BOARD MEETING 2/18
15039	\$ 1,338.22	PREMIER PRINT & MAIL	LETTERHEAD, ENVELOPES & BUSINESS CARD
15040	\$ 191.34	QUILL CORP.	OFFICE SUPPLIES
15041	\$ 50.00	RANDY FLETCHER	BOARD MEETING 2/18
15042	\$ 50.00	RICKY SAMAYOA	BOARD MEETING 2/18
15043	\$ 50.00	RON SULLENGER	BOARD MEETING 2/18
15044	\$ 9,296.89	SC FUELS	BUS FUEL
15045	\$ 40.00	SHELBY'S PEST CONTROL	PEST CONTROL
15046	\$ 50.00	STANLEY CLEVELAND	BOARD MEETING 2/18
15047	\$ 421.68	STANLEY SECURITY SOLUTIONS, INC.	SECURITY SERVICES
15048	\$ 381.63	U.S. BANK EQUIPMENT FINANCE	COPIER LEASE
	<b>\$ 512,422.35</b>		

\*THIS CHECK INCLUDES A PORTION OF AN ELIGIBLE RWMA EXPENSE

**LAIF  
TRANSFERS**

NO LAIF TRANSFERS

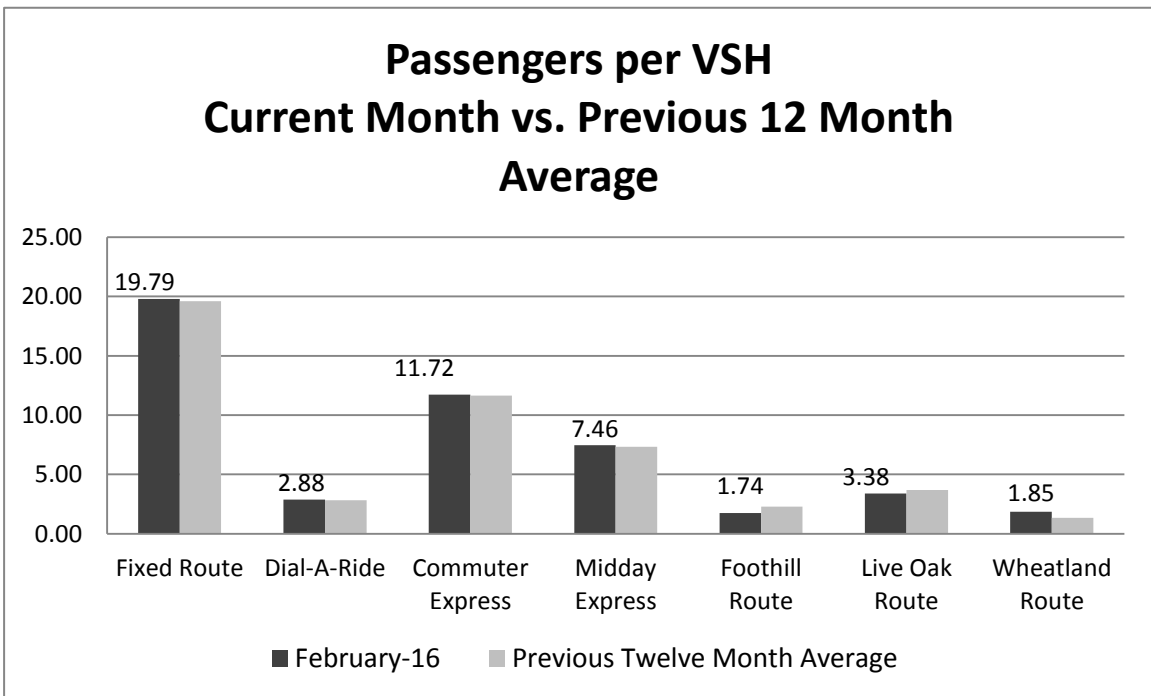
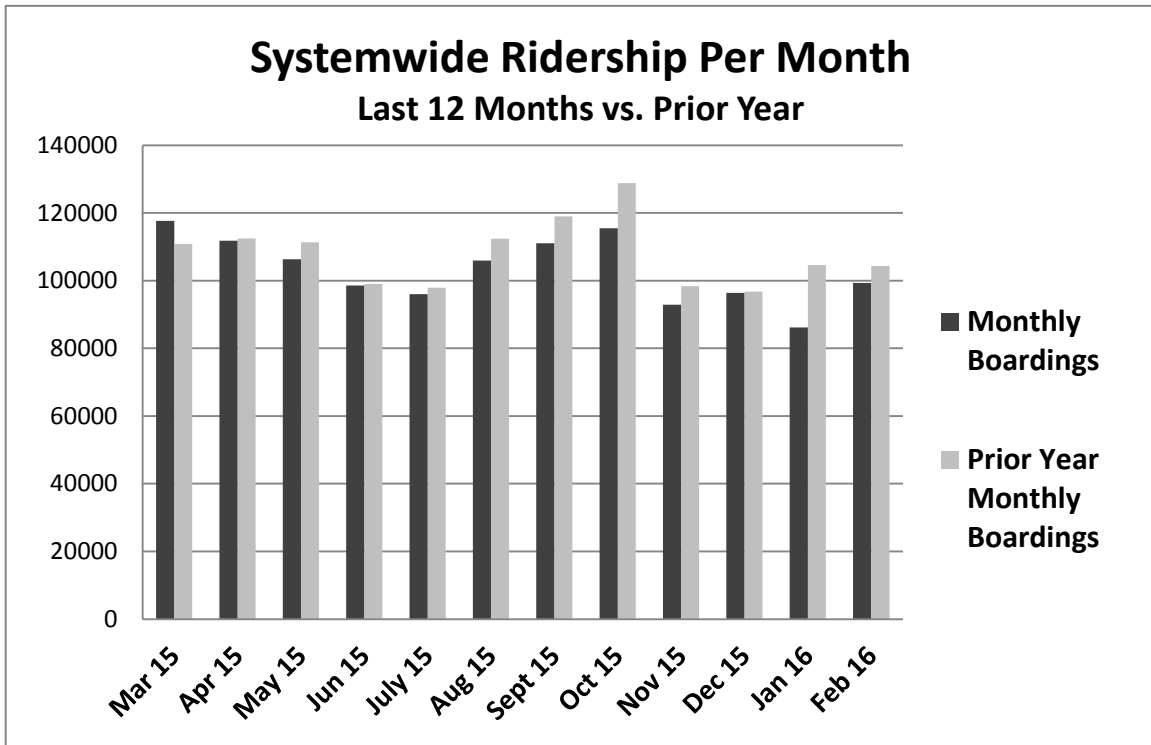
## AGENDA ITEM III - C

### FEBRUARY 2016 PERFORMANCE REPORT

<b>Ridership:</b>	<b>February-16</b>	<b>Previous Twelve Month Average</b>	<b>Fiscal YTD</b>	<b>Previous Fiscal YTD</b>
Fixed Route	81,359	84,894	655,904	708,930
Dial-A-Ride	5,665	5,876	46,623	45,914
Commuter Express	10,803	11,143	87,599	92,901
Midday Express	1,084	1,198	9,225	10,954
Foothill Route	136	193	1,530	1,848
Live Oak Route	233	224	2,108	1,376
Wheatland Route	76	40	406	288
<b>Total Ridership:</b>	<b>99,356</b>	<b>103,568</b>	<b>803,395</b>	<b>862,211</b>
<b>Vehicle Service Hours:</b>				
Fixed Route	4,112.15	4,327.95	34,415.42	33,835.25
Dial-A-Ride	1,964.87	2,076.36	16,460.18	16,285.96
Commuter Express	921.63	957.43	7,679.18	7,496.36
Midday Express	145.40	163.59	1,265.14	1,320.50
Foothill Route	78.09	84.20	672.01	677.63
Live Oak Route	68.88	60.69	585.88	337.60
Wheatland Route	41.13	29.74	273.65	206.19
<b>Total VSH's:</b>	<b>7,332.15</b>	<b>7,699.96</b>	<b>61,351.46</b>	<b>60,159.49</b>
<b>Passengers Per Hour:</b>				
Fixed Route	19.79	19.62	19.06	20.95
Dial-A-Ride	2.88	2.83	2.83	2.82
Commuter Express	11.72	11.64	11.41	12.39
Midday Express	7.46	7.32	7.29	8.30
Foothill Route	1.74	2.29	2.28	2.73
Live Oak Route	3.38	3.69	3.60	4.08
Wheatland Route	1.85	1.34	1.48	1.40
<b>Total Passengers Per VSH:</b>	<b>13.55</b>	<b>13.45</b>	<b>13.09</b>	<b>14.33</b>



## FEBRUARY 2016 PERFORMANCE REPORT



AGENDA ITEM IV – A  
STAFF REPORT

**PRELIMINARY DRAFT YUBA-SUTTER TRANSIT  
OPERATING AND CAPITAL BUDGET FOR FY 2017**

**Background**

Attached for Board review and discussion is the preliminary draft Yuba-Sutter Transit operating and capital budget for FY 2017. The Yuba Sutter Transit Authority Joint Powers Agreement (JPA) stipulates that a proposed budget be submitted to the Board by the end of March prior to the start of each fiscal year and that a final budget be adopted by the end of May. This adoption schedule is designed to provide early notice to the member jurisdictions of the annual apportionment of Local Transportation Fund (LTF) contributions for inclusion in their own budget process.

**Current Year Budget Estimates**

For the current year, projected year-end operating expenses for FY 2016 are now expected to be \$92,800 (1.4 percent) below the budgeted amount of \$6,637,100 largely due to much lower than anticipated year-to-date diesel fuel prices. While fuel expenses are now expected to be \$228,000 less than was budgeted, this savings is partially off-set by higher than budgeted expenditures for contract operating expenses (up \$70,000) and administrative staffing expenses (up \$53,500).

The major positive expense factor continues to be much lower than expected fuel prices. Representing more than 12 percent of the operating budget, fuel has by far been the most volatile line item over the years. The year-to-date average price for diesel fuel is now \$1.75 per gallon compared to a budgeted average of \$3.01 per gallon. Fuel prices have been well below the year-to-date average for the last three months so this average is not likely to increase through the end of the year. As a result, the currently estimated year-end savings is likely to increase in the final budget unless fuel prices suddenly spike upward.

The increase in operating expenses is due to the projected operation of more vehicle service hours than was budgeted for FY 2016 with small increases on nearly all services. The increase in staffing expenses is due primarily to changes in accounting and billing procedures particularly under the July 2015 consultant agreement with the Regional Waste Management Authority (RWMA). These expenses will be generally off-set by revenues that were not previously recognized in the FY 2016 budget.

On the revenue side, projected fare receipts are projected lower than budgeted for FY 2016 (down \$39,000) due to decreased ridership while the previously unrecognized RWMA payments and other miscellaneous reimbursements are expected to help backfill this shortfall. While not expected to impact the operating budget in FY 2016, a broader revenue issue that will be discussed further in relation to the FY 2017 budget is the drop

in State Transit Assistance (STA) revenue collections. STA revenue is derived from a sales tax on diesel fuel and lower than expected prices has reduced receipts well below projected levels which will likely impact future operating and capital funding plans.

### **Preliminary FY 2017 Budget Projections**

The preliminary draft FY 2017 budget is a status quo document that should be viewed at this early date as a starting point for further analysis and discussion. Staff is not currently recommending any service, fare or organizational changes for FY 2017 due to the uncertainty of several factors most notably the current negative ridership trend and the STA funding outlook. Despite this conservative approach, the preliminary draft operating budget of \$6,841,400 represents an increase of 3.1 percent (\$204,300) over the adopted FY 2016 budget and an increase of 4.5 percent (\$297,100) over the projected year end figure.

Most of this increase is due to higher costs in the third year of the Transdev Services, Inc. contract and an allowance for the higher number of vehicle service hours now being operated in FY 2016 for a budgeted total of 93,000 hours for FY 2017. The current three year contract will expire on September 30, 2017, but two indexed one year extension options will be available at the sole discretion of Yuba-Sutter Transit. For some perspective, all of the expenses related to the service contract combine to represent 75 percent of the FY 2017 operating budget. The next largest expense (10 percent) is for diesel fuel which has been a major budget variable in recent years with wide swings both up and down.

The most significant revenue assumptions in the preliminary draft operating budget include the expected stabilization of ridership, the resulting impact on fare revenue and the relative distribution between operating and capital uses for a significantly lower level of STA funding. Based on these and other preliminary draft assumptions, the amount of the Local Transportation Fund (LTF) contributions from the member jurisdictions is expected to increase by 4.3 percent (\$101,600) over the budgeted amount for FY 2016 to \$2,437,700. Staff is planning for a similar level of Federal funding for operations compared to FY 2016 though from a reduced number of sources.

The preliminary draft capital budget of nearly \$5.1 million for FY 2017 includes the much needed replacement of seven commuter buses and a number of smaller capital projects. These smaller projects include long delayed accessibility improvements on North Beale Road that are being funded by three Federal New Freedom grants in coordination with Yuba County; bus stop enhancements being funded with State Low Carbon Transit Operations Program; and, facility security improvements and system technology upgrades being funded through the State Transit Safety and Security Grant program.

## **Other Considerations**

In addition to the above, the preliminary draft FY 2017 budget includes several other significant expense and revenue assumptions for consideration:

- No major SRTP related service, program or policy recommendations are expected to be implemented until FY 2018. This approach would delay the provision of any special service for Yuba College's Sutter County Center until at least the Fall Semester of 2017 as the college has yet to offer any funding alternative to the proposed student election for a universal transit fee. It would also delay any consideration of an extension of local service later in the evening.
- Continuation of Regional Waste Management Authority consulting agreement.
- No fare increases are included in the preliminary draft budget as it assumes a farebox recovery ratio of nearly 21 percent (compared to a 20 percent goal and a minimum requirement of 14.6 percent).
- The continued use of Federal transit funding at the near maximum amount of up to 50 percent of eligible operating expenses.
- Winter 2016/2017 implementation of the Connect Card regional fare card system. The financial and operational impacts of the new system are assumed to be revenue neutral, but with several significant fare policy changes and unknown administrative costs, the actual impact will not be known until we have fully transitioned to the new system presumably by the end of 2017.
- Continued funding from the Feather River Air Quality Management District (FRAQMD) for the deeply discounted monthly youth, senior and disabled discount pass program at a level similar to what is being provided for 2016. This program will expire on December 31, 2016 without additional funding. Higher pass rates would likely have a significant impact on both ridership and fare revenue.
- Temporarily slowing the accumulation of the necessary local funds to match and augment expected State and Federal grants for planned bus replacement and minor fleet expansion projects in FY 2018 and FY 2019 due to reduced STA funding projections and to minimize the level of LTF funding required from the member jurisdictions in FY 2017.
- Staff has requested cost estimates for an increase level of liability insurance coverage for those claims not covered by the policies that are provided under the Transdev Services, Inc. contract.

- Due to STA funding for FY 2016 and FY 2017 being dramatically less than what was available in previous years, Yuba-Sutter Transit and the City of Wheatland will need to address a projected deficit by the end of FY 2017 for services provided. Similarly, the City of Live Oak will be facing an STA revenue deficit itself by FY 2018.

### **Recommendation**

The annual Yuba-Sutter Transit budget is always a work in progress at this point in the process and that is certainly the case again this year. For this reason, staff is recommending that any significant discussion on this issue be delayed until the next regular meeting on April 21<sup>st</sup> at which time staff will submit a revised draft budget with detailed descriptions of each revenue and expense account for more discussion and further direction. If further discussion is still necessary, a special meeting could be scheduled for early May in advance of the final budget being presented for adoption consideration at the regular monthly meeting on May 19<sup>th</sup>.

Staff will be prepared at the meeting to discuss the above issues as well as the preliminary draft budget in as much detail as desired.

RECOMMENDATION: Direct staff as desired.

Attachment: Preliminary Draft Operating and Capital Budget for FY 2017

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**YUBA-SUTTER TRANSIT AUTHORITY  
PRELIMINARY DRAFT FY 2016/2017 OPERATING BUDGET**

PREPARED MARCH 9, 2016

	FY 2013/2014 Budget	FY 2013/2014 Audited	FY 2014/2015 Budget	FY 2014/2015 Audited	FY 2015/2016 Adopted	FY 2015/2016 Projected	FY 2016/2017 Preliminary Draft
<b>Operations Expenditures</b>							
010.50300	Services - Other Maintenance	85,000	90,275	100,000	96,857	100,000	100,000
010.50401	Fuel and Lubricants	945,000	929,819	937,300	715,212	828,000	700,000
010.50402	Tires and Tubes	54,000	52,824	54,600	58,431	64,400	65,000
010.50499	Other Materials and Supplies Consumed	60,000	58,851	60,000	149,188	70,000	100,000
010.50500	Utilities - Electric and Gas	48,000	44,751	48,000	42,568	48,000	48,000
010.50501	Utilities - Water and Sewer	4,500	4,793	5,200	5,211	5,500	5,500
010.50600	Casualty and Liability Costs - Operations	243,400	242,546	262,000	258,882	268,600	277,300
010.50800	Services - Contract Operations	4,345,500	4,366,798	4,490,000	4,448,164	4,647,000	4,855,800
010.50801	Services - Out of Contract	12,500	12,639	12,500	9,200	12,500	12,000
	Subtotal - Operations	\$5,797,900	\$5,803,296	\$5,969,600	\$5,783,713	\$6,044,000	\$6,163,600
<b>Administration Expenditures</b>							
160.50102	Salaries and Wages - Admin. Staff	237,600	256,745	255,000	266,865	278,000	329,000
160.50200	Fringe Benefits - Admin. Staff	112,000	114,756	120,000	118,942	150,000	174,400
160.50301	Services - Accounting	3,000	1,470	2,000	1,407	2,000	2,100
160.50302	Services - Legal	12,000	8,040	12,000	10,582	12,000	12,000
160.50303	Services - Printing and Copying	30,000	32,540	35,000	31,944	35,000	40,000
160.50309	Services - Miscellaneous Professional	20,000	8,784	106,000	104,373	20,000	20,000
160.50499	Materials and Supplies - Office & Postage	10,000	10,585	11,000	14,262	15,000	15,000
160.50502	Utilities - Telephone	4,500	3,447	7,500	7,126	9,000	11,000
160.50900	Miscellaneous Expense - Insurance and Bond	30,000	20,033	30,000	25,260	33,000	33,000
160.50901	Miscellaneous Expense - Dues & Subscriptions	3,500	3,034	3,500	4,815	4,800	6,000
160.50902	Miscellaneous Expense - Travel and Meetings	4,000	3,751	6,000	5,585	6,000	7,000
160.50903	Miscellaneous Expense - Board of Directors	5,000	4,350	5,000	3,550	4,800	4,800
160.50904	Miscellaneous Expense - Media Adv. and Promo.	20,000	8,161	15,000	18,580	20,000	20,000
160.50909	Miscellaneous Expense - Other	1,000	4,884	1,000	1,653	3,500	3,500
	Subtotal - Administration	\$492,600	\$480,580	\$609,000	\$614,944	\$593,100	\$677,800
	Total Expenditures	\$6,290,500	\$6,283,876	\$6,578,600	\$6,398,657	\$6,637,100	\$6,841,400

		FY 2013/2014 Budget	FY 2013/2014 Audited	FY 2014/2015 Budget	FY 2014/2015 Audited	FY 2015/2016 Adopted Budget	FY 2015/2016 Projected	FY 2016/2017 Preliminary Draft
Operating Revenue								
40100	Passenger Fares	1,365,000	1,404,948	1,375,000	1,424,757	1,430,000	1,390,000	1,400,000
40200	Special Transit Fares	35,000	33,908	35,500	21,922	20,000	21,000	20,000
40600	Auxiliary Revenue (Bus, Shelter & Bench Advertising)	30,000	28,910	25,000	28,398	25,000	28,800	28,000
40700	Non-Transportation Revenue (Interest)	3,000	1,470	2,000	1,060	1,000	1,000	1,000
40709	Non-Transportation Revenue (RWMA, Misc.)	10,000	12,052	10,000	9,571	17,000	69,000	66,000
40900	Local Transportation Funds (LTF)	1,920,700	1,887,951	1,837,100	1,716,203	2,336,100	2,180,400	2,437,700
40901	Local Cash Grants/Reimbursements	0	0	0	0	0	20,700	23,400
40901-01	State Cash Grants/Reimbursements	0	0	0	0	0	26,400	26,400
41100	State Transit Assistance Funds (STA)	576,800	506,919	809,000	810,746	480,000	480,000	488,900
41300	General Operating Assistance - FTA Sect. 5307 (Urban)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,100,000
41301	General Operating Assistance - FTA Sect. 5311 (Rural)	200,000	200,000	200,000	200,000	228,000	228,000	250,000
41309	Job Access Grant - FTA Sect. 5316 (JARC)	150,000	207,718	200,000	101,000	100,000	99,000	0
41310	Rural/Small Urban Planning Grant - FTA Sect. 5304 (SRTP)	0	0	85,000	85,000	0	0	0
	Total Operating Revenue	\$6,290,500	\$6,283,876	\$6,578,600	\$6,398,657	\$6,637,100	\$6,544,300	\$6,841,400

		FY 2013/2014 Budget	FY 2013/2014 Audited	FY 2014/2015 Budget	FY 2014/2015 Audited	FY 2015/2016 Adopted Budget	FY 2015/2016 Projected	FY 2016/2017 Preliminary Draft
	Deferred TDA Revenues, July 1	\$1,518,384	\$1,482,452	\$1,024,836	\$1,011,353	\$1,383,042	\$1,358,293	\$1,694,793
	LTF Revenues Received	1,920,700	1,920,700	1,837,100	1,823,274	2,336,100	2,336,100	2,437,700
	STA Revenues Received	948,800	878,920	909,000	1,050,615	932,162	681,400	727,100
	LTF Revenues Allocated - Operating	(1,920,700)	(1,887,951)	(1,837,100)	(1,716,203)	(2,336,100)	(2,180,400)	(2,437,700)
	STA Revenues Allocated - Operating	(576,800)	(506,919)	(809,000)	(810,746)	(480,000)	(480,000)	(488,900)
	LTF Revenues Allocated For Local Capital Outlays	0	0	0	0	0	0	0
	STA Revenues Allocated For Local Capital Outlays	(961,505)	(883,780)	(100,000)	0	(100,000)	(20,600)	(100,000)
	Prior Period Audit Adjustments (As Necessary)	0	7,931	0	0	0	0	0
	Deferred TDA Revenues, June 30*	\$928,879	\$1,011,353	\$1,024,836	\$1,358,293	\$1,735,204	\$1,694,793	\$1,832,993
	Local Transportation Funds (LTF)	928,338	1,008,557	1,024,626	1,115,628	1,164,777	1,271,328	1,271,328
	State Transit Assistance Funds (STA)	541	2,796	210	242,665	570,427	423,465	561,665

Deferred STA Detail								
	Yuba-Sutter Transit Portion		\$13,137		\$113,137	\$459,730	\$337,743	\$517,570
	City of Live Oak Portion		(9,168)		107,276	90,686	78,132	44,095
	City of Wheatland Portion		(1,173)		22,252	20,011	7,590	0
	Total Deferred STA Revenue		\$2,796		\$242,665	\$570,427	\$423,465	\$561,665

**YUBA-SUTTER TRANSIT AUTHORITY  
PRELIMINARY DRAFT CAPITAL BUDGET  
FY 2016/2017**

**PREPARED MARCH 9, 2016**

	<b>FY 2014/2015 BUDGET</b>	<b>FY 2014/2015 AUDITED</b>	<b>FY 2015/2016 BUDGET</b>	<b>FY 2015/2016 PROJECTED</b>	<b>FY 2016/2017 PRELIMINARY DRAFT BUDGET</b>
<b><u>EXPENDITURES</u></b>					
Maintenance and Operations Facility (1)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Purchase/Replacement (2)	0	0	4,375,000	0	4,425,000
Miscellaneous Capital (3)	<u>464,000</u>	<u>11,230</u>	<u>580,600</u>	<u>345,600</u>	<u>650,700</u>
	\$ 464,000	\$ 11,230	\$ 4,955,600	\$ 345,600	\$ 5,075,700
<b><u>REVENUES</u></b>					
Federal (5307/5339, 5310, 5311 & 5317)	\$ 286,000	\$ 0	\$ 1,271,513	\$ 0	\$ 1,271,513
Federal State of Good Repair (5309)	0	0	0	0	0
Transportation Development Act (Local)	100,000	0	100,000	20,600	100,000
Low Carbon Transit Operations Program	0	0	60,300	60,300	180,400
Vehicle Emission Fees (FRAQMD)	0	0	0	0	0
Other Local	0	0	0	0	0
Proposition 1B (PTMISEA/Safety)	<u>78,000</u>	<u>11,230</u>	<u>3,523,787</u>	<u>264,700</u>	<u>3,523,787</u>
	\$ 464,000	\$ 11,230	\$ 4,955,600	\$ 345,600	\$ 5,075,700

Notes:

1. No facility projects are planned for FY 2017. The last major facility project was the remodel and expansion of the facility that was completed in FY 2012.
2. The listed vehicle projects for FY 2017 include the replacement of the seven 2006/2007 model Blue Bird commuter buses (PTMISEA – \$3,389,487 / Section 5311 – \$526,573 / Section 5339 – \$458,940) along with the replacement of a 1996 model accessible minivan that has been used for road supervision (STA -- \$50,000). The last major vehicle projects were the purchases of six demand response/rural route buses and eleven heavy duty local fixed route buses that were both completed in FY 2014.
3. Planned miscellaneous capital expenditures for FY 2017 include an allowance for facility and office equipment & furnishings (STA – \$50,000); North Beale Road accessibility improvements funded by three Federal New Freedom (Section 5317) grants in the combined amount of \$286,000; a State Proposition 1B Transit Safety and Security Grant funded facility security and system technology upgrade project (\$134,300); and, the 2016 State Low Carbon Transit Operations Program (LCTP) funded bus stop enhancement project (\$180,400). The North Beale Road project has been in the budget for several years, but is now expected to be completed in FY 2017 as part of a complex Yuba County project. Projected FY 2016 expenses include completion of the Park & Ride Lot Video Surveillance Project (\$68,400); close-out of an earlier mobile video surveillance project (\$62,000); a mobile video retrofit project (\$134,300); and, the North Beale Road Transit Center (LCTOP – \$60,300 from 2015). All of the video surveillance projects are financed primarily (except for \$20,600 in STA funds) with State Proposition 1B Transit Safety and Security Funds from previous years.



AGENDA ITEM IV – B  
STAFF REPORT

**METROPOLITAN TRANSPORTATION IMPROVEMENT PLAN (MTIP) UPDATE**

The Sacramento Area Council of Governments (SACOG) recently issued a call to update all projects in the current Metropolitan Transportation Improvement Plan (MTIP) because they are preparing a new 2017-20 MTIP. All projects in the current plan must be noted as completed, deleted or delayed by April 1, 2016 or they will not be carried over into the new plan. Yuba-Sutter Transit usually updates the Program of Projects following the adoption of the annual budget, but staff is presenting this item for early Board review and approval to meet this unique deadline. Should the adopted budget vary from the proposed Program of Projects, the plan can be amended in the future.

Attached for Board review and consideration is the proposed Yuba-Sutter Transit Transportation Improvement Program (TIP) Program of Projects for the five-year period FY 2017 through FY 2021 (Exhibit A). This draft program would replace the FY 2016 version that was adopted in May 2015 (Exhibit B). All projects for which Federal funding will be requested must be identified in this program and incorporated into the three-year MTIP that is now being updated. Also attached are copies of the proposed and current Yuba-Sutter Transit Capital Improvement Plan (Exhibits C and D) from the SACOG Metropolitan Transportation Plan (MTP 2035). Projects are supposed to flow from the long range MTP to the short-range MTIP, but approval of the draft program does not restrict the Board's future options as program amendments are possible should funding availability or service priorities change.

The proposed Program of Projects is consistent with the preliminary draft FY 2017 operating and capital budget that will be discussed earlier on this same agenda. Though cost estimates have been updated, the proposed program is essentially a status quo document compared to the previous program just with an extra year of projects. The proposed program still includes a high level of Federal funding for operating purposes though the percentage declines over time as budgets increase. This policy, which began in FY 2009, was made possible by replacing all of the Section 5307 funds that had previously been programmed for a variety of major capital projects with State Proposition 1B (November 2006) bond funds from the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) line item of Proposition 1B. This policy may need to be reassessed in future years due to the planned fleet replacement and expansion projects for which substantial Federal funding will again be necessary.

For the proposed five year program, staff is projecting only minor annual increases in the total amount of Section 5307 funding available each year beyond what was appropriated for FY 2016 in the Fixing America's Surface Transportation (FAST) Act which is the first year in this five year Federal transportation funding authorization measure. This assumption and the proposed Program of Projects are reflected in the updated Section 5307 fund balance projections shown in Exhibit E.

The proposed FY 2017 Capital Improvement Plan (CIP) is generally consistent with the adopted 2015 Yuba-Sutter Short Range Transit Plan (SRTP) except for the planned two bus expansion of the local fixed route in FY 2020 and the one bus expansion of the Dial-A-Ride fleet in FY 2019. While the SRTP anticipates continued ridership growth on all services through FY 2020 requiring a modest increase in the bus fleet from 51 to 54 vehicles, staff is taking a more conservative approach at this time due to continued flat population growth; declining ridership on the local fixed route and Sacramento services; much higher cost for new buses due to changes in the bus manufacturing industry and new air quality requirements; and, a consistently gloomy federal, state and local economic outlook. This assumption will be evaluated annually and adjusted as necessary.

In addition to the planned replacement of seven commuter buses in early 2017 for which funding has already been reserved in the existing FY 2016 budget, the proposed capital plan over the next five years includes three significant projects for which Federal funding will be requested. The first project is the planned replacement of ten 2009 model demand response buses in FY 2019 with ten low floor demand response buses as recommended in the SRTP. This \$1.5 million project will be funded primarily with Federal funding from a variety of sources matched with the last of the Proposition 1B funds and local transportation funds. The SRTP recommended that this purchase include one expansion bus which is not being recommended at this time for all of the above reasons. The second and largest project is the replacement of eleven 2008 model medium duty local fixed route buses with eleven heavy duty local fixed route buses in FY 2020. This \$5.5 million project was originally recommended to include two expansion buses, but it is being scaled back at this time as well. This will be the first project in many years to require a contribution from Federal Section 5307 formula funds (\$3.9 million) with most of the balance coming from local transportation funds. The final project is the scheduled replacement of six 2014 model demand response buses in FY 2022 with seven low floor buses.

The specific funding package and scope of these important projects will be the subject of further discussion as these projects are included in future annual budgets for implementation. Staff will be prepared at the meeting to review the proposed program in detail.

**RECOMMENDATION:** Amend the Yuba-Sutter Transit Capital Improvement Plan and Adopt the FY 2017 – FY 2021 Program of Projects as proposed.

## EXHIBIT A

### YUBA-SUTTER TRANSIT TRANSPORTATION IMPROVEMENT PROGRAM Federally Funded Projects Only FY 2016/2017 - FY 2020/2021

Proposed March 17, 2016

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FIVE YEAR TOTAL
<b>OPERATING ASSISTANCE</b>							
<b>Urbanized Area</b>							
FTA Section 5307 (Small Urban)	\$2,000,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$10,500,000
FTA Section 5316 (Job Access Funds)	100,000	0	0	0	0	0	0
Local (All Sources)	3,883,390	4,228,295	4,541,500	4,874,500	5,226,000	5,596,000	24,466,295
Urban Subtotal	\$5,983,390	\$6,328,295	\$6,641,500	\$6,974,500	\$7,326,000	\$7,696,000	\$34,966,295
<b>Rural Area</b>							
FTA Section 5311 (Rural)	\$228,000	\$250,000	\$260,000	\$270,000	\$280,000	\$290,000	\$1,350,000
Local (All Sources)	425,710	263,105	278,500	295,500	314,000	334,000	1,485,105
Rural Subtotal	\$653,710	\$513,105	\$538,500	\$565,500	\$594,000	\$624,000	\$2,835,105
<b>Total Operating Assistance</b>	<b>\$6,637,100</b>	<b>\$6,841,400</b>	<b>\$7,180,000</b>	<b>\$7,540,000</b>	<b>\$7,920,000</b>	<b>\$8,320,000</b>	<b>\$37,801,400</b>
<b>CAPITAL ASSISTANCE</b>							
<b>Vehicle Replacement/Minor Expansion</b>							
FTA Section 5307 (Small Urban)	\$0	\$0	\$3,920,000	\$0	\$0	\$260,000	\$4,180,000
FTA Section 5311 (Rural)	526,573	0	375,000	0	0	120,000	495,000
FTA (CMAQ)	0	0	0	0	0	0	0
FTA (Section 5339)	458,940	0	920,000	0	0	460,000	1,380,000
Local (TDA)	0	0	1,537,747	0	0	210,000	1,747,747
Other Local (FRAQMD, Prop. 1B, etc.)	3,389,487	0	247,253	0	0	0	247,253
Vehicle Subtotal	\$4,375,000	\$0	\$7,000,000	\$0	\$0	\$1,050,000	\$8,050,000
<b>Property/Facility/Equipment/Furnishings</b>							
FTA Section 5307 (Small Urban)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Congestion Mitigation & Air Quality Funds	0	0	0	0	0	0	0
FTA Section 5317 (New Freedom)	0	0	0	0	0	0	0
Local (TDA)	0	0	0	0	0	0	0
Other Local (FRAQMD, Prop. 1B, etc.)	0	0	0	0	0	0	0
Facility/Equipment Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Capital Assistance</b>	<b>\$4,375,000</b>	<b>\$0</b>	<b>\$7,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,050,000</b>	<b>\$8,050,000</b>

**NOTES:**

- Capital projects are listed in the year that funding authority will be requested with completion typically occurring in the following year.
- Operating costs are estimated based on the Preliminary Draft FY 2017 Budget escalated 5 percent annually thereafter and capital costs are estimated at current dollar value.

## EXHIBIT B

### YUBA-SUTTER TRANSIT TRANSPORTATION IMPROVEMENT PROGRAM Federally Funded Projects Only FY 2015/2016 - FY 2019/2020

Adopted May 21, 2015

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FIVE YEAR TOTAL
<b>OPERATING ASSISTANCE</b>							
<b>Urbanized Area</b>							
FTA Section 5307 (Small Urban)	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$10,000,000
FTA Section 5316 (Job Access Funds)	200,000	100,000	0	0	0	0	100,000
Local (All Sources)	3,740,740	4,210,245	4,621,500	4,954,000	5,305,500	5,666,500	24,757,745
Urban Subtotal	\$5,940,740	\$6,310,245	\$6,621,500	\$6,954,000	\$7,305,500	\$7,666,500	\$34,857,745
<b>Rural Area</b>							
FTA Section 5311 (Rural)	\$200,000	\$228,000	\$240,000	\$260,000	\$280,000	\$300,000	\$1,308,000
Local (All Sources)	399,050	98,855	108,500	106,000	104,500	103,500	521,355
Rural Subtotal	\$637,860	\$326,855	\$348,500	\$366,000	\$384,500	\$403,500	\$1,829,355
<b>Total Operating Assistance</b>	<b>\$6,578,600</b>	<b>\$6,637,100</b>	<b>\$6,970,000</b>	<b>\$7,320,000</b>	<b>\$7,690,000</b>	<b>\$8,070,000</b>	<b>\$36,687,100</b>
<b>CAPITAL ASSISTANCE</b>							
<b>Vehicle Replacement/Minor Expansion</b>							
FTA Section 5307 (Small Urban)	\$0	\$0	\$0	\$3,920,000	\$0	\$0	\$3,920,000
FTA Section 5311 (Rural)	0	526,573	0	375,000	0	0	901,573
FTA (CMAQ)	0	0	0	0	0	0	0
FTA (Section 5339)	0	458,940	0	920,000	0	0	1,378,940
Local (TDA)	0	0	0	1,287,747	0	0	1,287,747
Other Local (FRAQMD, Prop. 1B, etc.)	0	3,389,487	0	247,253	0	0	3,636,740
Vehicle Subtotal	\$0	\$4,375,000	\$0	\$6,750,000	\$0	\$0	\$11,125,000
<b>Property/Facility/Equipment/Furnishings</b>							
FTA Section 5307 (Small Urban)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Congestion Mitigation & Air Quality Funds	0	0	0	0	0	0	0
FTA Section 5317 (New Freedom)	0	0	0	0	0	0	0
Local (TDA)	0	0	0	0	0	0	0
Other Local (FRAQMD, Prop. 1B, etc.)	0	0	0	0	0	0	0
Facility/Equipment Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Capital Assistance</b>	<b>\$0</b>	<b>\$4,375,000</b>	<b>\$0</b>	<b>\$6,750,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,125,000</b>

**NOTES:**

1. Capital projects are listed in the year that funding authority will be requested with completion typically occurring in the following year.
2. Operating costs are estimated based on the adopted FY 2016 budget escalated 5 percent annually thereafter and capital costs are estimated at current dollar value.



**EXHIBIT D**  
**Yuba-Sutter Transit Authority Capital Improvement Plan (CIP)**  
**Fleet & Facility Replacement/Expansion Schedule for the Metropolitan Transportation Plan (MTP 2035)**  
**Based on the Adopted FY 2016 - FY 2020 Program of Projects**  
**Adopted May 21, 2015**

Current Model / Vehicle # / Service Type	Y-E #	Project Completion Fiscal Year																				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
<b>2014 Gillig Buses (3200's -- Fixed Route)</b> 2015 cost estimate of \$500,000 each (\$1,000) MTIP or MTP # (if any)	11											13 \$6,500 10370										
<b>2012 MCI Buses (5704 - 5706 -- Commuter)</b> 2015 cost estimate of \$625,000 each (\$1,000) MTIP or MTP # (if any)	3													5 \$3,125 10360								
<b>2014 Glaval (1681 - 1686 -- Paratransit/Rural)</b> 2015 cost estimate of \$125,000 each (\$1,000) MTIP or MTP # (if any)	6						7 \$875 10400							10 \$1,250 10423							10 \$1,250 10428	
<b>2006/2007 Blue Bird Xcel (4100's -- Commuter)</b> 2015 cost estimate of \$625,000 each (\$1,000) MTIP or MTP # (if any)	7			7 \$4,375 10220																	11 \$6,875 10425	
<b>2008 NABI Opus (2700/3100 Series -- Fixed Route)</b> 2015 cost estimate of \$500,000 each (\$1,000) MTIP or MTP # (if any)	11					11 \$5,500 10444											15 \$7,500 10426					
<b>2010 Starcraft (1670 - 1679 -- Paratransit/Rural)</b> 2015 cost estimate of \$125,000 each (\$1,000) MTIP or MTP # (if any)	10				10 \$1,250 10210					10 \$1,250 10350							10 \$1,250 10427					
<b>2010 MCI Buses (5701 - 5703 -- Commuter)</b> 2015 cost estimate of \$625,000 each (\$1,000) MTIP or MTP # (if any)	3										5 \$3,125 NA											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Fixed Route (30 - 35')	22			22	22	22	22			22	22	24		24			28		28		28	
Commuter (35 - 45')	13			13	13	13	13			13	15	15		17			17		21		21	
Paratransit (20 - 25')	16			16	16	16	17			17	17	17		20			20		20		20	
Running Fleet Total	51			51	51	51	52			52	54	56		61			65		69		69	
<b>Facility Expansion/Replacement Projects</b>																						<b>Facility Repl.</b>
2015 Budget (\$1,000) MTP # (if any)																						<b>\$15,000</b> <b>10424</b>

/Common/TIP-MTP/MTP Replacement Schedule.xls/

[Five Year Totals -- Buses Only]

\$11,125

\$5,250

\$10,875

\$16,875

**EXHIBIT E**

**Projected Section 5307 Balances FY 2013 Through FY 2020  
Based on the Adopted FY 2016 Budget and Proposed FY 2021 Program of Projects  
Revised March 10, 2016**

Published and projected apportionments (based on authorized annual increases) through the end of FAST-Act (FFY 2020)

FTA Grant # or MTP #	Section 5307 Totals	Explanatory Notes
<b>Two Year Reauthorization (MAP-21) for FFY 2013 &amp; FFY 2014</b>		
<b>Available Balance (7/1/12)</b>	<b>\$1,972,718</b>	
<b>FY 2013 Apportionment (Published 5/13/13)</b>	<b>2,278,869</b>	<b>Increase of 45.5% (\$712,822) in first year of MAP-21 (JARC added to Section 5307)</b>
FY 2013 Oper. Assist. CA-90-Z031	(1,915,000)	Federal Operating Match (All SAFETEA-LU)
FY 2013 Cap. Assist.	0	<i>FYI -- \$227,320 in FFY 13 Section 5339 Formula Capital Funds thru Caltrans</i>
<b>Available Balance (7/1/13)</b>	<b>\$2,336,587</b>	<b>MATCHES SACOG SPREADSHEET PER AZADEH DOHERTY 8/8/13 (\$57,718 SAFETEA-LU &amp; \$2,278,869 MAP-21)</b>
<b>FY 2014 Apportionment (Published 3/10/14)</b>	<b>2,318,607</b>	<b>Increase of 1.74% (\$39,738) in second year of MAP-21</b>
FY 2014 Oper. Assist. CA-90-Z119	(1,942,282)	Federal Operating Match (\$1,942,282 MAP-21)
FY 2014 Oper. Assist. CA-90-Z031-02	(57,718)	Federal Operating Match (\$57,718 SAFETEA-LU)
FY 2014 Cap. Assist.	0	<i>FYI -- \$231,620 in FFY 14 Section 5339 Formula Capital Funds thru Caltrans</i>
<b>Available Balance (7/1/14)</b>	<b>\$2,655,194</b>	<b>End of MAP-21 Reauthorization Period</b>
<b>FY 2015 Apportionment (Published 8/27/15)</b>	<b>2,311,595</b>	<b>Decrease of 0.3% (\$7,012) in third year of MAP-21</b>
FY 2015 Oper. Assist. CA-90-Z166	(2,000,000)	Federal Operating Match
FY 2015 Cap. Assist.	0	<i>FYI -- Est. \$230,000 in FFY 15 Section 5339 Formula Capital Funds thru Caltrans</i>
<b>Available Balance (7/1/15)</b>	<b>\$2,966,789</b>	
<b>Five Year Reauthorization (FAST Act) Signed December 4, 2015 for FFY 2016 through FFY 2020</b>		
<b>FY 2016 Apportionment (Published 2/9/16)</b>	<b>2,356,456</b>	<b>Increase of 1.9% over FFY 15 in 1st year of FAST</b>
FY 2016 Oper. Assist. YST 10443	(2,000,000)	Federal Operating Match
FY 2016 Cap. Assist. YST 10445	0	Commuter Bus Replacement (7) in FY 17 -- \$4,375,000 Total Cost Section 5311 (\$526,573) / Section 5339 (\$458,940) / PTMISEA (\$3,389,487)
		<i>FYI -- Est. \$230,000 in FFY 16 Section 5339 Formula Capital Funds thru Caltrans</i>
<b>Proj. Available Balance (7/1/16)</b>	<b>\$3,323,245</b>	
Proj. FY 2017 Apportionment	2,403,585	Assumes 2.0% increase over FFY 16 in 2nd year of FAST
Proj. FY 2017 Oper. Assist.	(2,100,000)	Federal Operating Match -- Preliminary Draft Budget
Proj. FY 2017 Cap. Assist.	0	
<b>Proj. Available Balance (7/1/17)</b>	<b>\$3,626,830</b>	
Proj. FY 2018 Apportionment	2,454,060	Assumes 2.1% increase over FFY 17 in 3rd year of FAST
Proj. FY 2018 Oper. Assist.	(2,100,000)	Federal Operating Match
Proj. FY 2018 Cap. Assist. YST 10446	0	DAR Fleet Replacement (10) in FY 19 -- \$1,500,000 Total Cost Section 5311 (\$375,000) / Section 5339 (\$460,000) / PTMISEA (\$247,253) / STA
YST 10444	(3,920,000)	Fixed Route Fleet Replacement (11) in FY 20 -- \$5,500,000 Total Cost Section 5307 with Section 5339 (\$460,000) & STA \$1,120,000)
<b>Proj. Available Balance (7/1/18)</b>	<b>\$60,891</b>	
Proj. FY 2019 Apportionment	2,505,596	Assumes 2.1% increase over FFY 18 in 4th year of FAST
Proj. FY 2019 Oper. Assist.	(2,100,000)	Federal Operating Match
Proj. FY 2019 Cap. Assist.	0	
<b>Proj. Available Balance (7/1/19)</b>	<b>\$466,486</b>	
Proj. FY 2020 Apportionment	2,558,213	Assumes 2.1% increase over FFY 19 in 5th and last year of FAST
Proj. FY 2020 Oper. Assist.	(2,100,000)	Federal Operating Match
Proj. FY 2020 Cap. Assist.	0	
<b>Proj. Available Balance (7/1/20)</b>	<b>\$924,699</b>	

1. Funding for capital projects is shown in the year in which it is to be requested with the purchase typically completed in the following year

AGENDA ITEM IV – C  
STAFF REPORT

**PROCUREMENT POLICIES AND PROCEDURES MANUAL REVISIONS**

One of the corrective actions in the FY 2009 Federal Transit Administration (FTA) Triennial Review Report was for Yuba-Sutter Transit to develop and submit written procurement procedures that incorporate the requirements found in FTA's Third Party Contracting Guidance found in Circular 4220.1F and other relevant regulations. The reviewer suggested that a simple way of meeting this requirement would be to simply adopt the FTA Circular 4220.1F as it is amended from time to time as the local procedures for all federally funded procurements. In October 2009, the Board of Directors adopted this federal guidance document in its entirety in October 2009 as the official policy for all federally funded procurements. Non-federal procurements continued to be guided by the agency by-laws which had since 1975 been the previous written policy guidance for all procurements.

The next Triennial Review Report in FY 2012 found no deficiencies in Yuba-Sutter Transit's procurement program, but the FY 2015 review rejected the use of Circular 4220.1F as a local procurement policy. The corrective action was for the agency to develop and implement specific local procurement policies and procedures in compliance with federal requirements. After reviewing the procurement manuals from other federally funded transit operators and adapting the best of those examples to meet our local needs, the Board adopted the current Procurement Policies and Procedures Manual in August 2015 to close this finding in the Triennial Review Report. This manual was designed to reflect current procurement practices, terms and conditions in compliance with all applicable federal, state and local requirements, including the restrictive and out of date purchasing provisions from the then current by-laws. Those by-laws were then replaced by the Board in December 2015 to, among other things, remove all references to procurement policies with the intent that the agency procurement manual would soon be revised to reflect current procurement standards.

Attached for Board reference and consideration is a copy of the relevant portions of the existing Procurement Policies and Procedures Manual with the recommended additions and deletions shown in a track changes format. In general, the proposed revisions would expand the purchasing authority of the Transit Manager to up to \$50,000 and would expand the dollar threshold requirements for certain procurement methods so that the procedures are appropriate to the size and scope of the acquisition. The new dollar thresholds would be set at \$3,000 or less for Micro-Purchases (compared to \$300 or less now) and Small Purchases would be set at greater than \$3,000, but not over \$50,000 (compared to between \$300 and \$10,000 now). The current manual, consistent with the old agency by-laws, requires a formal competitive bidding process for all purchases over \$10,000. All procurements must still be consistent with the official agency budget and established policies.



Staff will be prepared to discuss the proposed revisions to the Yuba-Sutter Transit Procurement Policies and Procedures Manual in detail at the meeting.

**RECOMMENDATION:** Adopt the Yuba-Sutter Transit Procurement Policies and Procedures Manual revisions as proposed or amended.

3-17-16



# Procurement Policies & Procedures Manual

DRAFT

Proposed March 17, 2016

**YUBA-SUTTER TRANSIT AUTHORITY  
PROCUREMENT POLICIES & PROCEDURES MANUAL**

**TABLE OF CONTENTS**

CHAPTER I	PURCHASING POLICIES, GOALS AND OBJECTIVES	1	P
CHAPTER II	PURCHASE REQUISITION PROCEDURES	4	
CHAPTER III	METHODS OF PROCUREMENT	8	
CHAPTER IV	CAPITAL PURCHASE PROCEDURES	11	
CHAPTER V	NON-CAPITAL PURCHASE PROCEDURES	13	
CHAPTER VI	SOLE SOURCE NON-COMPETITIVE NEGOTIATION	15	
CHAPTER VII	NEGOTIATION AND SEALED BID PROCUREMENT REQUIREMENTS	<del>16</del> <sup>7</sup>	
CHAPTER VIII	CONTRACT ADMINISTRATION	<del>25</del> <sup>6</sup>	
CHAPTER IX	BONDING REQUIREMENTS	<del>29</del> <sup>30</sup>	
CHAPTER X	BID PROTEST PROCEDURES	<del>30</del> <sup>1</sup>	
CHAPTER XI	DEFINITIONS	<del>36</del> <sup>7</sup>	
CHAPTER XII	LIST OF FTA CLAUSES	<del>41</del> <sup>2</sup>	
CHAPTER XIII	FORMS	<del>43</del> <sup>4</sup>	

**CHAPTER I**  
**PURCHASING POLICIES, GOALS AND OBJECTIVES**

Policies, Goals, and Objectives

It is the responsibility of the Yuba-Sutter Transit Authority (the Authority) staff to coordinate, monitor, and record all phases of purchasing of supplies, equipment, materials, services, and construction. The staff is also responsible for the sale of Authority surplus and obsolete property.

In the course of performing its responsibilities, the staff is guided by certain policy objectives, broadly stated as follows:

- A. Conserve public funds through reduction in cost and improvement in quality of supplies, equipment, materials, services, construction procured, and reduce the overhead cost of contracting, buying, and selling.
- B. Achieve and promote cost-effective procurements by:
  - 1. Analyzing alternative approaches for each procurement, such as: purchase, time-share, lease, intergovernmental/interagency agreements.
  - 2. Structuring each procurement through consolidation of similar products and separation of dissimilar ones.
  - 3. Eliminating purchase of unnecessary or duplicative items and services.
  - 4. Encouraging price and quality competition among suppliers, vendors, contractors, and consultants.
- C. Reduce the volume and streamline the flow of paperwork; at the same time, maintain accurate documentation of transactions.
- D. Utilize competent technical expertise where needed in the initiation and administration of procurements and contracts.
- E. Adhere to participation goals and procedures incidental to the Disadvantaged Business Enterprise Policy.
- F. Follow the procedures of the Procurement Manual, with the aim of furthering the goals and objectives that are the reason for such procedures.
- G. Perform all duties and responsibilities in compliance with local, state, and federal law, and consistent with applicable standards of conduct and ethics.
- H. Require that vendors present acceptable documentation evidencing the quality of the product and the accuracy of representations relative to the product.

Standards of Conduct

- A. Duty to Disclose. Employees shall not be involved in any purchasing decisions, tasks, or procedures (including participation in initiation, award, or administration of a contract) in which

they or persons related to them have a real or apparent conflict of interest, as more particularly defined in Subsection B, below. In cases where there may be such conflict of interest, employees have the responsibility to report in writing such conflict to the Transit Manager. Failure to make such disclosure is subject to discipline, as hereinafter defined.

- B. Conflict of Interest. The Political Reform Act of 1974 maintains a conflict of interest code, Section 87500 under which certain designated employees and corporate directors are required to disclose economic interests and are prohibited from participating in decisions which may have an effect on their financial interests.

For the purpose of these Purchasing Manual Standards of Conduct, it is further required that no employee, or corporate director of the Authority shall participate in procedures, tasks, or decision relative to initiation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when: (a) the employee, or corporate director; (b) any member of his or her immediate family; (c) his or her business associate; or (d) an organization which employs, or which is about to employ, any of the above has a financial or other interest in a firm that participates in the bidding process or that is selected for an award.

- C. Gratuities and Contingent Fees. No Board Member, Officer, or employee shall knowingly solicit, accept, or agree to accept gifts, gratuities, or favors in connection with actual or potential procurement and contracting activities.
- D. Confidential Information. No member of the staff shall use confidential information for his or her actual, anticipated, or apparent personal gain, or for the actual, anticipated, or apparent personal gain of any person related to such employee as such relationship is defined in Subsection B, above. "Confidential Information" is defined to include any proprietary, privileged, or nonpublic information, coming to the employee's attention as a result of employment by the Authority, the knowledge of which makes possible financial gain.
- E. Discipline for Violation. The violation of any of these Standards of Conduct will subject the violator to any disciplinary proceedings or action deemed appropriate by the Authority, up to and including dismissal.

#### Delegation of Authority

- A. The Board of Directors authorizes and delegates to the Transit Manager the authority and responsibility to:

1. Approve and execute all Purchase Requisitions.
2. Approve and execute Purchase Orders and Contracts which do not exceed \$50,000.00.
3. Approve and execute Change Orders and Contract Amendments as may from time to time be necessary, which do not exceed \$25,000 or 10% of the original total contract price, whichever is greater.
34. Execute all contract documents including purchase orders, blanket purchase orders, contracts, change orders, contract amendments, and settlements after any necessary approval by the Board of Directors.

—All of the above is to be within the approved official budget and consistent with the established policies and approved projects of the Authority.

~~—All Purchase Orders, Contracts, Blanket Purchase Orders, Contract Change Orders, Contract Amendments, and proposed claim settlements in excess of the amounts set forth above shall be submitted for approval to the Board of Directors prior to execution.~~

In those instances, where work must progress immediately, the Transit Manager may approve any Purchase Order, Blanket Purchase Order, Contract, Change Order, Contract Amendment, or claim settlement within the budget and under an approved project. The facts and circumstances of such action shall be reported to the Board of Directors at its next meeting for ratification.

~~—Consistent with the plans and programs of the Authority, including the Disadvantaged Business Enterprise program, purchase requisitions for goods or services estimated to exceed \$10,000 shall be competitively bid and, where appropriate, formally advertised, with proposals on such items submitted in writing and opened and evaluated prior to the award of a Purchase Order or Contract. Purchase Requisitions for services or goods estimated to be less than \$10,000 may be competitively bid by contacting three or more qualified vendors or suppliers, documenting and evaluating their bids prior to the award of a Purchase Order or a Contract. Sole source procurements of over \$10,000 for goods and services shall be allowed only on an exceptional and fully documented basis, or if the public exigency will not permit the delay, incident to advertising.~~

B. The Transit Manager may delegate, in writing, any of the authorities granted to him under this Resolution; provided, however, that the said Transit Manager shall retain overall responsibility for the control over all matters conducted by him or as a result of his delegation of authority hereunder.

## CHAPTER II

### PURCHASE REQUISITION PROCEDURES

#### General Requirements

The purpose of this chapter is to outline the method by which materials, supplies, equipment and services will be requested.

Requests for purchases may be submitted orally or in writing to the Transit Manager. The level of procurement method will be determined for approved projects and staff will be assigned to proceed accordingly.

The individual initiating the Purchase Request is responsible for the accuracy and adequacy of information supporting the request. Requests should be submitted early enough for the material or service to be obtained when needed.

#### Purchase Requisition Preparation - Direct

Purchase Requisitions shall contain appropriate data on price, quantity/frequency, budget cost center, recommended supplier or manufacturer, and a detailed description of the product including any model numbers or part codes.

**Sole Source.** If a sole source item is specified, the sole source must be justified in writing.

#### Development Of Technical Specifications For Equipment/Materials

A. Technical Specifications shall be prepared by in-house staff, or depending upon the type of equipment/materials, may be prepared by a consultant.

The originator shall coordinate closely with the requesting department to determine the detailed requirements for the piece of equipment/material required. The description should include:

1. A statement of the qualitative nature of the equipment/material to be procured including form, fit, and function.
2. Minimum essential characteristics and standards required to satisfy its intended use.
3. Reliability and testing requirements.
4. Quality control requirements needed to guarantee the required performance of the equipment/materials.

B. The technical specification shall be prepared for the equipment/material, providing adequate detail to ensure that any potential source will be fully appraised of the Authority's requirements. Where possible, the specifications, including performance, form, fit, and function, shall be broad enough to allow as many sources as possible to bid. Product specifications should be in sufficient detail to define requirements, but not to inhibit competition. When it is impractical or uneconomical to develop a clear, accurate description of the technical requirements, a "brand name or approved equal" description may be used to define the performance or other salient features of the requirement. When so used, the specific features which must be met by equipment/material shall be clearly stated. Brand names that are known to meet the "or approved equal" requirements shall be listed.

- C. A market survey may be conducted to determine the source(s) that offer products which meet the requirements. Extreme caution must be exercised to avoid discussions of budgeted dollar amounts.
- D. Where an equipment/material item can be procured from only one source because of patent or proprietary rights, the originator shall prepare a sole source justification, in accordance with the procedures in Chapter VI, in addition to the specification.

Technical Specifications and Statements of Work (Prepared by Requestor)

Technical Specifications/Statements of Work for solicitation of offers, for competitively bid or negotiated procurements, shall describe accurately and in clear, concise language the technical requirements to be met by a contractor in satisfying Authority needs. These documents shall be in a format that describes, in logical steps, the complete service or item to be delivered for each portion of the total requirement from inception to 100% completion.

Technical Specifications/Statements of Work shall not be directed toward any particular prospective contractor. Descriptive literature from one prospective contractor shall not be used as the sole basis for writing specifications/statements of work. The requirements set forth in the instructions to Bidders/Proposers shall not contain features that unduly restrict competition.

Development of Scope of Work For Professional/Consultant Services

Solicitations of offers for professional/consultant services shall clearly and accurately set forth all requirements which the bidders must fulfill, including the factors to be used in evaluating the bids or proposals. The Scope of Work shall be developed by the requesting department and shall contain the appropriate information in the following format:

- 1. General. A broad description of the services and project/program objectives. This section describes the contractor's specific responsibilities and the items i.e., property, materials, etc. that must be furnished by the Contractor.
- 2. Applicable Standards. This part contains a description of all standards the Contractor must fulfill, including federal, state, local and Authority standards that are applicable to the project.
- 3. Authority Furnished Data, Property or Services. This portion contains detailed lists of all data, property, and services which will be provided to the Contractor by the Authority for use in the performance of the Contract.
- 4. Specific Task Breakdown. This portion shall contain, in detail, all tasks the Contractor must perform, and where applicable, should specify step by step instructions and coordination requirements.
- 5. Data Submission/Delivery Schedules. This portion shall specify the data that must be submitted for approval and the schedule requirements for submission/approval to assure the project progresses in a logical, expeditious manner.

Professional or Consultant Services Contract Requirements

Purchase Requisitions for professional or consultant services shall have the following documentation attached:

- 1. A complete and comprehensive Scope of Work.
- 2. An itemized listing of Evaluation Criteria.



3. Desired delivery schedule (milestones).

Capital Purchase Requests shall identify the Grant Project.

Lease vs. Purchase Alternatives

A Purchase Request for leasing equipment must be accompanied by an analysis addressing the economics of lease vs. purchase. The extent of the analysis should be appropriate to the size and complexity of the procurement.

Exceptions

Certain expenses are routinely incurred without the issuance of purchasing documentation. These expenses typically include the following types of items:

- A. Emergencies coordinated through Finance Department - A procurement requisition shall be submitted as soon as possible.
- B. Payroll reimbursement, taxes, deductions, and associated benefit payments pursuant to staffing plans and fringe benefit plans.
- C. Fuel and Use Taxes.
- D. Reimbursement of petty cash.
- E. Non-Contract temporary help.
- F. Travel expenses, travel advances and employee expense reimbursements.
- G. Conferences, staff seminars and work shops.
- H. Utilities.
- I. Medical expenses.
- J. Return and re-stocking of bus parts to suppliers.
- K. Legal expenses.
- L. Insurance.
- M. Routine and re-stocking of office supplies.
- N. Dues & Subscriptions

Approvals of Purchase Requisitions, Purchase Orders and Blanket Purchase Orders

- A. **Purchase Requisitions** - (Other than for Bus Parts)

Dollar Limits

Approval

Up to \$3,000

—————Program Managers

~~Up to Over \$50,000~~300~~~~

Transit Manager

Over ~~\$30~~50,000 Transit Manager with Board of Directors approval

~~Sole Source > \$10,000 Transit Manager, Board of Directors and FTA pre-approval if applicable~~

All capital procurements of office furniture and equipment must be coordinated through the Transit Manager.

In the absence of the Transit Manger, the Finance Manager is authorized to approve purchase orders under \$10,000 for Board approved projects.

Purchase Orders below ~~\$30~~50,000 that did not require Board approval and later require Change Orders resulting from unforeseeable situations that cause the Original Purchase Order to ~~reach or~~ exceed ~~\$30~~50,000 shall be brought before the Board immediately for ratification.

## CHAPTER III

### METHODS OF PROCUREMENT

#### Methods of Procurement

The following methods of procurement may be used as appropriate:

#### Procurement by Micro-Purchases

Procurement by micro-purchases are those purchases ~~under up to~~ \$3,000. Purchases below that threshold may be made without obtaining competitive quotations if the Authority determines that the price is fair and reasonable. ~~This determination and how it was made shall be documented.~~ Such purchases are exempt from Buy America requirements ~~and Davis-Bacon prevailing wage requirements.~~ ~~However, Davis-Bacon prevailing wage requirements will apply to construction contracts exceeding \$2,000.~~ There should be equitable distribution among qualified suppliers and no splitting of procurements merely to avoid competition come within the micro-purchase limit.

#### Procurement by Small Purchase Procedures

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property valued greater than \$3,000 but ~~less than~~ not exceeding \$50,000. If small purchasing procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources. Procurements shall not be reduced in size or divided to avoid the additional procurement requirements applicable to larger acquisitions. These purchases are also exempt from FTA's Buy America requirements. ~~However, Davis-Bacon prevailing wage requirements will apply to construction contracts exceeding \$2,000.~~

#### Procurement by Sealed Bids/Invitation for Bid (IFB)

Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the overall lowest and best.

- A. In order for sealed bidding to be feasible, the following conditions should be present:
1. A complete, adequate, and realistic specification or purchase description is available;
  2. Two or more responsible bidders are willing and able to compete effectively for the business;
  3. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the bases of price.
  4. No discussion with bidders is needed.
- B. If this procurement method is used, the following requirements apply:
1. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time to prepare bids prior to the date set for opening bids;
  2. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services sought in order for the bidder to properly respond;

~~4. 3.~~—A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. When specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest;

4. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
5. Any or all bids may be rejected if there is a sound documented business reason.

#### Procurements by Competitive Proposal/Request for Proposals (RFP)

The competitive proposal method of procurement is normally conducted with more than one source submitting an offer (i.e., proposal). Either a fixed price or cost reimbursement type contract is awarded. This method of procurement is generally used when conditions are not appropriate for the use of sealed bids. If this procurement method is used the following requirements apply:

1. Requests for proposals will be publicized. All evaluation factors will be identified along with their relative importance.
2. Proposals will be solicited from an adequate number of qualified sources.
3. The Authority will have a method in place for conducting technical evaluations of the proposals received and for selecting awards.
4. Awards will be made to the most responsible firm whose proposal is most advantageous to the Authority's program with price and other factors considered.

#### Procurement of Architectural and Engineering Services (A&E)

The Authority will use competitive proposal procedures based on the Brooks Act when contracting for A&E services. Other types of services considered A&E services include program management, construction management, feasibility studies, preliminary engineering, design, surveying, mapping, and services which require performance by a registered or licensed architect or engineer. The Brooks Act requires that:

1. All offeror's qualifications be evaluated;
2. Price be excluded as an evaluation factor;
3. Negotiations be conducted with only the most qualified offeror; and
4. Failing agreement on price, negotiations with the next most qualified offeror be conducted until a contract award can be made to the most qualified offeror whose price is fair and reasonable.

This "qualifications based procurement method" can only be used for the procurement of A&E services. This method of procurement cannot be used to obtain other types of services even though a firm that provides A&E services is also a potential source to perform other types of services.

These requirements apply except to the extent any state adopts or has adopted by statute a formal procedure for the procurement of architectural and engineering services.

#### Procurement ~~By~~ Noncompetitive Proposals (Sole Source)

A. Sole Source procurements are accomplished through solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. A contract amendment or change order that is not within the scope of the original contract is considered a sole source procurement that must comply with this subparagraph.

1. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

a. The item is available only from a single source;

b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

c. FTA authorizes noncompetitive negotiations; or

d. After solicitation of a number of sources, competition is determined inadequate; ~~or,~~

~~e. The item is an associated capital maintenance item as defined, and can only be procured directly from the original manufacturer or supplier of the item to be replaced.~~

B. The Authority must first certify in writing:

1. That such manufacturer or supplier is the only source for such item; and

2. That the price of such item is no higher than the price paid for such item by like customers.

~~3. Obtain FTA pre-approval on procurements of \$100,000 and above.~~

C. A cost analysis is required to verify the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit.

#### Options

The Authority may include options in contracts. An option is a unilateral right in a contract by which, for a specified time, a grantee may elect to purchase additional equipment, supplies, or services called for by the contract, or may elect to extend the term of the contract. If the Authority chooses to use options, the requirements below apply:

A. Evaluation of options. If required in the solicitation, the option quantities or periods contained in the contractor's bid or offer must be evaluated in order to determine contract award. When options have not been evaluated as part of the award, the exercise of such options will be considered a sole source procurement.

B. Exercise of Options.

1. The Authority must ensure that the exercise of an option is in accordance with the terms and conditions of the option stated in the initial contract awarded.

2. An option may not be exercised unless the Authority has determined that the option price is better than prices available in the market or that the option is the more advantageous offer at the time the option is exercised.

**CHAPTER IV**  
**CAPITAL PURCHASE PROCEDURES**

Determination of Capital Purchases

Capital purchases consists of items that are:

- A. Non-expendable tangible property which costs at least \$5,000 and has a useful life of more than one (1) year.
- B. Costs associated with the construction of buildings and facilities.
- C. Real property.
- D. Expendable incidentals, labor force account, overhead and other costs associated with a capital purchase.

All capital purchases should be included in the annual capital budget.

All capital expenditures which are not included in the capital budget must be approved by the Transit Manager prior to the commitment of funds.

Procedures for Capital Purchases

- A. Applicable Administrative Staff:
  - 1. Determines purchasing requirement and prepares a Capital purchase requisition using purchase requisition processing as outline in Chapter II.
  - 2. Obtains/creates support documents for the purchase requisition as necessary. (Technical specification, Scope of Work, Plans, etc.)
  - 3. Obtains required approval for the requisition via the Hierarchy of Approval (See Chapter II).
  - 4. Reviews the requisition for verification of Funding availability.
  - 5. Determines method of procurement based on Authority purchasing policies and requirements on the purchase requisition.
    - a. If ~~less than \$3,000 or less~~, purchases item from appropriate source at a price determined as fair and reasonable and documents how the determination was made.
    - b. If ~~between more than \$3,000 and not over \$2,500~~ 5,000, obtains price and rate quotations from an adequate number of qualified sources. ~~a minimum of three oral bids, documenting and evaluating each bid prior to award.~~
    - ~~c. If between \$2,500 and \$10,000, obtains a minimum of three written bids, documenting and evaluating each bid prior to award.~~
    - dc. If greater than ~~\$10~~ 50,000, solicits competitive bids.
  - 6. Conducts Cost & Price Analysis.

7. Requests Board approval if needed.
  8. Selects Vendor.
- B. Upon receipt of goods, applicable Staff:
1. Verifies merchandise or material have been received.
  2. Verifies merchandise or material to the corresponding order.
  3. Signs and forwards packing slip/invoice to Accounts Payable.
- C. DBE Officer (when Applicable)
1. Receives capital check register.
  2. Verifies DBE compliance and forwards to Grants Administrator.
- D. Finance Department – Accounts Payable.
1. Processes Capital Grant check payments.

**CHAPTER V**  
**NON-CAPITAL PURCHASE PROCEDURES**

Introduction

This chapter sets forth the procedure for the procurement of non-capital supplies, material, equipment and services. These purchases shall be made competitively except where it is clearly in the best interest of the Authority to accomplish such purchases by less formal methods.

A. Competition and Price Reasonableness. Purchases not exceeding \$3,000 may be accomplished without securing competitive quotations if the prices are considered to be fair and reasonable.

Reasonableness of a proposed price may be determined by comparison of the proposed price with:

1. Prices found reasonable on recent previous purchases.
2. Current price lists.
3. Catalogs.
4. Advertisements.
5. Similar items in a related industry.
6. Purchasing Agent's/Buyers knowledge of the item being procured.

~~Purchases greater than \$300 and not exceeding \$2,500 may be accomplished by obtaining three or more oral quotations from qualified sources.~~

Purchases greater than ~~\$2,500~~3,000 and not exceeding \$4050,000 may be accomplished by obtaining ~~three or more written quotations from price or rate quotations from an adequate number (minimum of two) of~~ qualified sources.

Purchases in excess of \$4050,000 require formal competitive bidding.

Procedures for Non-Capital Purchases

A. Applicable Administrative Staff:

1. Determines purchasing requirement.
2. Obtains support documents for the purchase requisition as necessary. (Technical specification, Scope of Work, Plans, etc.)
3. Obtains required approval for the requisition.
4. Determines method of procurement based on Authority purchasing policies and requirements on the purchase requisition.

a. If ~~less than~~not over \$3,000, purchases item from appropriate source at a price determined as fair and reasonable, documenting how the determination was made.



~~b. If between \$300 and \$2,500, obtains a minimum of three oral bids, documenting and evaluating each bid prior to award.~~

~~c. If between \$2,500 greater than \$3,000 and not exceeding \$1050,000, obtains a minimum of three written bids, documenting and evaluating each bid prior to award price or rate quotations from an adequate number (minimum two) of qualified sources.~~

d. If greater than \$1050,000, competitive bids are solicited.

5. Conducts Cost & Price Analysis.

6. Selects Vendor.

B. Upon receipt of goods, applicable Staff:

1. Verifies services or goods have been received.

2. Verifies merchandise or material to the corresponding order.

3. Signs and forwards packing slip/invoice to Accounts Payable.

C. Finance Department – Accounts Payable.

1. Processes payment.

**CHAPTER VI**  
**SOLE SOURCE NON-COMPETITIVE NEGOTIATION**

Policy

Consistent with the plans and programs of the Authority, purchase requirements for goods or services estimated to exceed \$~~1050~~,000 should be competitively bid. Sole Source Non Competitive Negotiation for goods or services shall be allowed only on an exceptional and fully documented basis if: (1) an emergency situation exists requiring immediate action (in order for this authority to be used, the need must be compelling and of unusual urgency), ~~or~~ (2) only one vendor exists, (3) upon receiving a single bid or single proposal in response to a solicitation with adequate competition, or (4) FTA authorizes after determining competition was adequate, solicitation competition is determined inadequate, (4) the item is an associated capital maintenance item as defined in 49 U.S.C. §5307 (a) (1) that is procured directly from the original manufacturer or supplier of the item to be replaced. The Authority must first certify in writing to FTA: (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.

Justification Procedure

Each sole source selection decision exceeding \$~~1050~~,000 must be supported by documentation which justifies the selection of the specified contractor. The following will guide in preparing the sole-source justification:

- A. ~~It will not be sufficient merely to conclude in general that a certain source is uniquely qualified or is the only company that can meet a certain delivery requirement. If a unique capability is claimed, particulars and details must be furnished of how the source is solely qualified (merely preferring a specific model or make or desirability is not sufficient). General conclusions and statements as to capability, experience, personal know-how, and so forth, will not be acceptable. Solicit offers from as many potential sources as is practicable under the circumstances.~~
- B. ~~If a claim is made that time requirements dictate a sole source, the Authority must factually demonstrate that the delivery schedule is critical and must furnish a precise statement of the damage that will be sustained if the delivery schedule is changed to allow competition. A mere recitation of an administratively established deadline, commissioning date, or implementation schedule is not enough. If it is claimed that only one source can furnish a particular product or service, the Authority must also demonstrate why another product or service which is obtainable competitively cannot be procured in lieu of the sole source item. Finally, the summary statement must make the firm declaration that for the reasons listed only the proposed source is capable of performing the required effort. If the Authority decides to solicit an offer from only one source, the Authority will justify its decision adequately, in writing.~~
- C. ~~Additionally, the following must be provided to the Grants Administrator in order to obtain concurrence from FTA if the procurement is FTA funded and greater than \$100,000:~~
  - ~~1. Cost and/or price analysis.~~
  - ~~2. Legal opinion that the purchase will comply with state and local laws, if required.~~
  - ~~3. A summary of the negotiations with the contractor, including subjects discussed and agreements reached.~~

~~4. The basis for determining that the price was fair and reasonable. Prepare or obtain a cost analysis verifying the proposed cost data, the projections of the data, and the evaluation of the costs and profits.~~

~~D. Submit the proposed procurement to FTA for pre-award review if FTA so requests.~~

Procedures for Sole Source Non-Competitive Procurements

- | A. Identify requirements, - prepare specifications and process approved Purchase Requisition.
- B. Prepare written sole-source justification.
- C. Develop pre-negotiation objectives.
- D. Solicit price proposal from vendor.
- E. Perform cost and/or price analysis, determine reasonableness of vendor's price and certify that the price is fair and reasonable.
- | F. If ~~FTA funded over \$100,000, request FTA's concurrence required, obtain FTA authorization.-~~
- G. Prepare contract documents.
- H. If grant-funded, review for adherence to FTA Guidelines.
- I. Forward contract to contractor for execution.