

BOARD AGENDA

Wednesday, October 22, 2014
CITY OF ARROYO GRANDE, CITY COUNCIL CHAMBERS
215 E. Branch Street. Arroyo Grande, California
1:30 p.m. to 3:00 p.m.
(Ending time is approximate)

Chairperson: Jim Guthrie
Vice-Chairperson: Shelly Higginbotham

Director: Caren Ray
Director: Bill Nicolls

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment by contacting the SCT offices at 781-1338. Please note that 48 hours advance notice will be necessary to honor a request.

NOTE: Arroyo Grande City Offices are served hourly by SCT Route 24.
Please call 541-2228 for more information.

CALL TO ORDER AND ROLL CALL

PUBLIC COMMENTS: This portion of the agenda is reserved for any members of the public to directly address the South County Transit Board on any items not on the agenda and within the jurisdiction of the Board. Comments are limited to three minutes per speaker. The Board will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

A. INFORMATION AGENDA

A-1 Administrator's Report (Receive)

B. ACTION AGENDA

B-1 Strategic Business Plan (Approve)

B-2 SCT Rebranding to *Five Cities Area Transit* (Approve)

B-3 Public Outreach Plan for SCT Fare Increase (Approve)

C. CONSENT AGENDA: (Roll Call Vote) the following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the South County Transit Board or public wishes an item be removed. If discussion is desired by anyone, the item will be removed from the consent agenda and will be considered separately. Questions of clarification may be made by South County Transit Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

C-1 SCT Minutes of July 23, 2014 (Approve)

C-2 SCT Purchasing Policy and Procedures Manual (Approve)

C-3 Accept Proposition 1B Funds for Bus Purchase (Approve)

C-4 Authorize Application for Proposition 1B Funds (Approve)

D. DIRECTORS' COMMENTS

E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS

ADJOURNMENT

Next South County Transit Board meeting: **January 21, 2015**

SOUTH COUNTY TRANSIT

October 22, 2014

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Administrator's Report

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Information

BACKGROUND/DISCUSSION:

Operations:

Supervisor Coleen Kubel participated in a teleconference based at the RTA offices with RTA staff and Gillig Corporation representatives to finalize minor changes to the build specifications for SCT's fourth new low-floor bus. That bus is expected to arrive in April 2015.

SCT took delivery of a new wheelchair-accessible minivan in September that is used by SCT supervisors. It has replaced a failing Ford Taurus that was purchased used from SLO County. This procurement was primarily funded with FTA capital funds.

Marketing & Service Planning:

RTA hired Mary Gardner as new Marketing and Community Relations Manager on August 11th. Thanks to Jim Guthrie for serving on the interview panel. Mary has been working with SCT staff on a variety of projects

Finance and Administration:

The FY13-14 Fiscal and Compliance Audit report is complete. We are pleased to report that no material weaknesses were reported. RTA's administrative staff – led by CFO/Director of Administration Tania Arnold – should be commended for a job well done again this past year. Copies of the report will be distributed at the Board meeting. In short, farebox revenues exceeded the budgeted amount, while operating expenses were below budget. SCT was substantially below budget for Maintenance (\$76,255 vs. \$128,450) and SCT Bus Fuel (\$189,417 vs. \$210,104). SCT was almost exactly on budget for the highest-ticket line item, Salaries/Benefits – \$424,269 actual vs. \$428,539 budget. The final farebox recovery ratio achieved by SCT fixed routes (not including Avila Trolley) was 16.55%

As shown in the tables below, the FY13-14 year-end fixed route ridership totaled 239,101. In comparison, only 234,690 passenger-trips were recorded in FY12-13, resulting in a year-over-year increase of 1.9%. It should be noted that Routes 22 and 23 were combined into a single route on February 1, 2014. This merging of the routes likely resulted in a slight decrease in passenger-boardings, since some passengers who previously transferred between the two routes now only board one bus. Nonetheless, the year-end totals indicate a slowing trend in ridership growth on SCT over the past five years.

The operating results for the first two months of FY14-15 were mixed, as shown in the ensuing two pages of tables. Specifically, SCT ridership totaled 44,460 in July and August 2014, compared to 48,522 in the previous year – a decline of 8.4%. Productivity (riders per hour) also declined FY14-15 (20.37 vs. 21.20 in FY13-14). However, the year to date farebox recovery ratio in FY14-15 equated to 20.19%, while SCT only achieved 15.52% in FY13-14. Staff will continue to closely monitor these performance measures.

In terms of overall financial performance, SCT spent 13.87% of budgeted operating expenses through the end of August 2014. This is less than the budgeted allocation, since only 16.67% of the year had been completed. See the last page of this report for more information for each line-item.

Maintenance

SCT bus 204 was severely damaged by an SCT driver, who backed into a fixed object. While the damage exceeds the \$3,000 threshold established at the July SCT Board meeting for the fleet of 2003 Gillig Phantom buses, RTA maintenance staff is evaluating if parts from one of RTA's salvaged buses can be adapted. However, any repairs would need to be completed during spare time in the shop. Fortunately, as explained in the last month's meeting, SCT currently has a higher than necessary vehicle spare ratio, so this will not have an adverse affect on system readiness.

All other maintenance inspections and repairs are being completed according to manufacturer recommendations.

Summary of Driver's Forum

Staff conducted an SCT Driver's Forum on September 8th at the SCT operating facility. Members of the management team included Supervisor Coleen Kubel, Operations Manager Phil Moores, Maintenance Manager David Roessler, CFO Tania Arnold, and SCT Administrator Geoff Straw. A variety of topics were discussed, including SCT proposed route changes and RTA maintenance staff / road supervisor response times. Two unresolved issues brought up at the forum are the employee COLA increase concept and a new route suggestion.

With regard to the former, the SCT Bus Operators have requested that all COLA and longevity wage increases be implemented on July 1 of each year instead of each employee's anniversary date. We will monetize the request over the coming months and present a recommendation (if feasible) to the Executive Committee based on our evaluation of the fiscal impact.

The new Route 26 concept – which will provide peak-period/direct connections between Oceano, the two transit centers and the service industries located in Shell Beach – will be tested on December 3rd. This coincides with a planned SLOCOG Board of Directors meeting in Grover Beach. The results from this test will help inform decisions that could be implemented as part of the FY15-16 budget-making process. Staff has confirmed with SLOCOG that if we implement this as a regular route, it would “restart” the clock on the 20% farebox recovery ratio

requirement. There is no need for FY14-15 budget adjustment, since it only requires ~6 hours of additional operations.

No Bus Operators requested that any other unresolved issues from the Driver Forums be immediately brought before the SCT Board.

STAFF RECOMMENDATION:

Accept this as an information item.

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY
YEAR TO DATE THRU JUNE 2014**

	RT 21 PISMO & SHELL BEACH	RT 22 OCEANO & GRAND AVENUE	RT 23 A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 24 GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 25 HIGH SCHOOL TRIPPER	TOTAL WEEKDAY SERVICE	AVILA BEACH TROLLEY
REVENUES:							
FARES	37,009	10,956	21,095	32,319	11,354	112,734	4,998
TOTAL ROUTE REVENUES	37,009	10,956	21,095	32,319	11,354	112,734	4,998
EXPENDITURES:							
ADMINISTRATION	21,071	4,984	14,680	21,186	1,331	63,253	4,399
MARKETING	1,878	149	1,665	1,904	122	5,717	2,384
OPERATIONS/CONTINGENCY	126,368	27,972	90,366	127,157	7,782	379,645	26,105
FUEL	39,891	12,254	33,790	42,430	3,010	131,374	12,280
INSURANCE	14,160	4,213	12,150	15,040	1,079	46,643	4,645
TOTAL EXPENDITURES	203,368	49,572	152,651	207,717	13,324	626,632	49,813
FAREBOX RATIO	18.20%	22.10%	13.82%	15.56%	85.21%	17.99%	10.03%
RIDERSHIP	66,194	15,814	41,012	58,979	11,553	193,552	10,766
SERVICE MILES	45,381.98	13,608.00	38,815.20	48,219.23	3,477.60	149,502.01	14,906.00
SERVICE HOURS	3,189.35	744.72	2,233.38	3,207.21	196.88	9,571.54	716.76
RIDERS PER MILE	1.46	1.16	1.06	1.22	3.32	1.29	0.72
RIDERS PER HOUR	20.75	21.23	18.36	18.39	58.68	20.22	15.02
COST PER PASSENGER	3.07	3.13	3.72	3.52	1.15	3.24	4.63
SUBSIDY PER PASSENGER	2.51	2.44	3.21	2.97	0.17	2.66	4.16

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKEND, TROLLEY, AND TOTAL
YEAR TO DATE THRU JUNE 2014**

	RT 21 - SAT PISMO & SHELL BEACH	RT 21 - SUN PISMO & SHELL BEACH	RT 22 - SAT OCEANO & GRAND AVENUE	RT 22 - SUN OCEANO & GRAND AVENUE	RT 23 - SAT A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 23 - SUN A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 24 - SAT GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 24 - SUN GROVER B. A.G. VILLAGE, PISMO & A.G.	TOTAL WEEKEND SERVICE	TOTAL SCT ONLY SERVICE	TOTAL SCT AND AVILA SERVICE
REVENUES:											
FARES	6,010	4,214	2,009	1,471	2,936	2,364	5,435	3,874	28,313	141,047	146,045
TOTAL ROUTE REVENUES	6,010	4,214	2,009	1,471	2,936	2,364	5,435	3,874	28,313	141,047	146,045
EXPENDITURES:											
ADMINISTRATION	4,003	3,868	956	928	2,789	2,713	4,026	3,887	23,170	86,423	90,821
MARKETING	342	310	37	23	297	286	347	314	1,956	7,673	10,058
OPERATIONS/CONTINGENCY	24,016	22,913	5,418	5,091	17,118	16,617	24,169	23,048	138,389	518,034	544,140
FUEL	7,270	6,800	2,358	2,203	6,198	5,920	7,711	7,219	45,679	177,052	189,333
INSURANCE	2,574	2,427	810	762	2,220	2,133	2,726	2,573	16,225	62,868	67,513
TOTAL EXPENDITURES	38,205	36,318	9,579	9,007	28,622	27,669	38,978	37,042	225,419	852,051	901,864
FAREBOX RATIO	15.73%	11.60%	20.98%	16.34%	10.26%	8.54%	13.94%	10.46%	12.56%	16.55%	16.19%
RIDERSHIP	9,717	6,978	2,561	1,857	5,333	4,240	8,618	6,244	45,548	239,100	249,866
SERVICE MILES	8,256.51	7,760.37	2,604.00	2,464.00	7,116.00	6,793.60	8,746.23	8,232.03	51,972.74	201,474.75	216,380.75
SERVICE HOURS	607.65	575.77	142.60	135.04	425.30	407.48	611.15	578.77	3,483.76	13,055.30	13,772.06
RIDERS PER MILE	1.18	0.90	0.98	0.75	0.75	0.62	0.99	0.76	0.88	1.19	1.15
RIDERS PER HOUR	15.99	12.12	17.96	13.75	12.54	10.41	14.10	10.79	13.07	18.31	18.14
COST PER PASSENGER	3.93	5.20	3.74	4.85	5.37	6.53	4.52	5.93	4.95	3.56	3.61
SUBSIDY PER PASSENGER	3.31	4.60	2.96	4.06	4.82	5.97	3.89	5.31	4.33	2.97	3.02

**SOUTH COUNTY TRANSIT
2014-15 Budget vs. Actual (unaudited)**

	FY 14/15 Adopted	July 2014	August 2014	Year to Date	Percent Year to Date
Use of Resources					
<u>Administrative Expenditures</u>					
Insurance					
Liability & Physical Damage	\$ 43,300	\$ 3,575	\$ 3,575	\$ 7,149	16.51%
Workers Compensation	50,000	6,948	3,335	10,283	20.57%
Property Insurance	640	53	53	106	16.62%
Rent	25,500	2,125	2,125	4,250	16.67%
Utilities	8,050	574	583	1,157	14.37%
Radio Expense	1,250	103	103	206	16.48%
Legal Services	500	-	-	-	0.00%
Payroll Processing	3,750	267	258	525	14.00%
Administration	64,530	5,378	5,378	10,755	16.67%
Finance	14,230	1,186	1,186	2,372	16.67%
Office Expense/Miscellaneous	8,280	440	128	569	6.87%
Audit	3,240	-	-	-	0.00%
Marketing/Community Relations/Printing	16,000	-	-	-	0.00%
Uniforms/Laundry/Physicals/Ads	7,600	292	316	607	7.99%
<u>Operating Expenditures</u>					
Salaries/Benefits	\$ 455,000	\$ 32,595	\$ 33,267	\$ 65,862	14.48%
Maintenance	123,700	4,299	3,584	7,883	6.37%
Dispatch	18,500	1,542	1,542	3,083	16.67%
Sign Maintenance	3,000	-	-	-	0.00%
SCT Bus Fuel	214,200	17,655	16,775	34,431	16.07%
Contingency	15,000	-	-	-	0.00%
9 Total Operating Expenditures	\$ 1,076,270	\$ 77,031	\$ 72,207	\$ 149,239	13.87%
<u>Capital Service</u>					
Support Vehicle	\$ 102,000	\$ -	\$ -	\$ -	0.00%
Computer Upgrade	\$ 700	\$ -	\$ -	\$ -	0.00%
Vehicles/ITS	493,850	-	-	-	0.00%
Facility Improvements/Bus Stop Amenities	61,500	-	-	-	0.00%
Total Capital Service	\$ 658,050	\$ -	\$ -	\$ -	0.00%
10 Total Use of Resources	\$ 1,734,320	\$ 77,031	\$ 72,207	\$ 149,239	8.61%

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY
YEAR TO DATE THRU AUGUST 2014**

	RT 21 PISMO & SHELL BEACH	RT 23 A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 24 GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 25 HIGH SCHOOL TRIPPER	TOTAL WEEKDAY SERVICE	AVILA BEACH TROLLEY
REVENUES:						
FARES	7,391	6,442	5,918	860	20,612	2,195
TOTAL ROUTE REVENUES	7,391	6,442	5,918	860	20,612	2,195
EXPENDITURES:						
ADMINISTRATION	3,037	2,983	3,089	48	9,157	1,805
MARKETING	-	-	-	-	-	-
OPERATIONS/CONTINGENCY	17,837	17,523	18,146	288	53,795	9,958
FUEL	6,497	7,806	6,602	129	21,034	5,914
INSURANCE	3,397	4,084	3,451	52	10,985	2,774
TOTAL EXPENDITURES	30,768	32,397	31,289	516	94,970	20,451
FAREBOX RATIO	24.02%	19.89%	18.92%	166.56%	21.70%	10.73%
RIDERSHIP	13,308	11,901	10,437	581	36,227	5,425
SERVICE MILES	7,910.30	9,504.00	8,037.00	155.60	25,606.90	6,606.00
SERVICE HOURS	532.98	523.62	542.24	8.82	1,607.66	318.06
RIDERS PER MILE	1.68	1.25	1.30	3.73	1.41	0.82
RIDERS PER HOUR	24.97	22.73	19.25	65.87	22.53	17.06
COST PER PASSENGER	2.31	2.72	3.00	0.89	2.62	3.77
SUBSIDY PER PASSENGER	1.76	2.18	2.43	(0.59)	2.05	3.37

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKEND, TROLLEY, AND TOTAL
YEAR TO DATE THRU AUGUST 2014**

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REVENUES:									
FARES	1,133	814	907	677	1,102	732	5,365	25,977	28,172
TOTAL ROUTE REVENUES	1,133	814	907	677	1,102	732	5,365	25,977	28,172
EXPENDITURES:									
ADMINISTRATION	561	514	567	523	571	523	3,258	12,415	14,221
MARKETING	-	-	-	-	-	-	-	-	-
OPERATIONS/CONTINGENCY	3,302	3,026	3,341	3,080	3,362	3,080	19,193	72,987	82,946
FUEL	1,231	1,129	1,421	1,302	1,252	1,148	7,483	28,517	34,431
INSURANCE	622	570	718	658	632	580	3,780	14,765	17,539
TOTAL EXPENDITURES	5,717	5,239	6,047	5,563	5,818	5,331	33,714	128,684	149,136
FAREBOX RATIO	19.81%	15.54%	15.01%	12.17%	18.93%	13.74%	15.91%	20.19%	18.89%
RIDERSHIP	1,781	1,254	1,461	990	1,617	1,130	8,233	44,460	49,885
SERVICE MILES	1,497.96	1,373.13	1,728.00	1,584.00	1,522.80	1,395.90	9,101.79	34,708.69	41,314.69
SERVICE HOURS	99.00	90.72	100.17	92.34	100.80	92.34	575.37	2,183.03	2,501.09
RIDERS PER MILE	1.19	0.91	0.85	0.63	1.06	0.81	0.90	1.28	1.21
RIDERS PER HOUR	17.99	13.82	14.59	10.72	16.04	12.24	14.31	20.37	19.95
COST PER PASSENGER	3.21	4.18	4.14	5.62	3.60	4.72	4.09	2.89	2.99
SUBSIDY PER PASSENGER	2.57	3.53	3.52	4.94	2.92	4.07	3.44	2.31	2.42

SOUTH COUNTY TRANSIT

October 22, 2014

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Strategic Business Plan

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Approve

**EXECUTIVE COMMITTEE
RECOMMENDATION:** Approve, with formal review in 18 months

BACKGROUND/DISCUSSION:

Attached is the SCT 2015-2017 Strategic Business Plan. This guiding document was developed by building upon the goals and objectives in the 2011 Short Range Transit Plan. However, no Mission Statement or Vision Statement has been formally adopted by SCT in either the SRTP or as the result of a separate effort. As such, staff has developed draft language that the Board could consider.

The Strategic Business Plan should be used in conjunction with the Short Range Transit Plan to help guide the agency's decisions. Staff will be using the goals and objectives to move the organization forward and provide update at SCT Board Meetings. For measurement purposes, the Short Range Transit Plan sets the base of what SCT believes it can achieve and the Strategic Business Plan sets the goal of what SCT strives to achieve.

The SCT Executive Committee recommended approval of the 2015-2017 Strategic Business Plan, with the caveat that it be reviewed/revised as needed. The Committee also recommended that it be scheduled for formal review in 18 months.

Staff recommendation: Approve the 2015-2017 Strategic Business Plan as presented.

SOUTH COUNTY TRANSIT 2015—2017 STRATEGIC BUSINESS PLAN Approved October 22, 2014

The major components of the South County Transit 2015-2017 Strategic Business Plan are the Vision, Vision Elements, Mission of the Organization, and Strategies in achieving the Mission. The following pages provide the framework for a detailed SCT Strategic Business Plan.

Vision Statement

The SCT of the future will help meet residents' and visitor's diverse transportation needs in the Five Cities Area.

Mission Statement

South County Transit is committed to providing safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Area.

Vision Elements

- Continue successful partnerships with jurisdictions, county, other public agencies, businesses and schools.
- Provide excellent, reliable, sustainable seamless service that is effective in getting residents and visitors where they want to travel.
- Secure reliable funding.
- Implement an Intelligent Transportation Systems (ITS) program to improve service quality and provide efficiencies.
- Develop a well-executed image-building campaign with a single face for public transportation.

Strategic Direction

- Stabilize and grow funding.
- Continue to improve service quality: On-time performance, scheduling and routing, customer amenities on our vehicles and at our bus stops, operating procedures.
- Consolidate and streamline operations to improve efficiency and effectiveness of public transportation throughout the county.

- Include public transportation as part of the lifestyle evolution needed to confront climate change.
- Reduce private automobile Vehicle Miles Traveled (VMT).
- Improve SCT's farebox recovery ratio to avoid Transportation Development Act (TDA) penalties.
- Embrace technological improvements that will positively impact efficiency and quality of service.

Goals

1. Provide market-driven service that meets the needs of the communities that we serve but that will also attract discretionary riders.
2. Provide transportation services that are safe, reliable, economical and accessible in an efficient manner with innovative management practices and technological advancements.
3. Lead and participate in the analysis of the integration of transit operations throughout the county to ensure that customers are provided seamless transit alternatives and services that attract discretionary riders from every community that SCT serves.
4. Promote the value of SCT and public transportation to the quality of life in the Five Cities Area and the environmental rewards of utilizing public transportation and the reduction of vehicle miles traveled.

Objectives

- 1.1 Link population centers and major traffic generators within the region.
- 1.2 Coordinate service with all public transportation operators and services.
- 2.1 Provide safe public transportation.
- 2.2 Provide reliable public transportation.
- 2.3 Provide efficient public transportation.
- 2.4 Provide comfortable intercity transportation.
- 3.1 Achieve a highly rated level of customer satisfaction.
- 3.3 Provide service that is supported by market demand.
- 3.3 Manage service in a cost-effective manner.
- 3.4 Deploy technology effectively and efficiently.
- 4.1 Provide accountability and transparency.
- 4.2 Increase use and support of public transportation in South County.

- 4.3 Implement an annual marketing plan.
- 4.4 Use public funding efficiently in meeting public transit needs of SCT communities.
- 4.5 Educate community and business leaders and the public on the value of SCT services.

Current and Projected Business Conditions and Opportunities

Current and projected economic conditions have and will continue to impact SCT. We are still recovering from what most economists define as the worst economic recession since the Great Depression. The state and local unemployment rate surpassed 10% for a number of quarters and we are just now experiencing an improved job market. The housing market took a significant hit as did overall consumer spending, although both have recovered to almost pre-recession levels in 2014. TDA revenues are also recovering, which has resulted in increased net revenues for jurisdictions for transit and non-transit uses. Prop 1B bond sales are also recently recovering so that long-planned capital projects can again be implemented. The State budget calls for Cap and Trade funds to be available for transit needs beginning in the next year, although the method for distribution has not yet been finalized.

However, on the Federal side, the two-year MAP-21 transportation authorization bill expired in September 2014 and transportation expenditures are currently being guided through Congressional Continuing Resolutions. Furthermore, discretionary funds that have previously been used to replace buses and to fund operations in San Luis Obispo County have dried up and there is not a replacement funding source being seriously discussed. In short, SCT's ability to rely upon large infusions of capital and discretionary operating funds in the future is uncertain at best.

The 2010 US Census resulted in the area being designated as an urbanized area. The Arroyo Grande – Grover Beach Urbanized Area brings new Federal Transit Administration formula funding to the region, along with additional operating and administrative requirements – including the need to achieve a 20% farebox recovery ratio. This will be a struggle for SCT, since the agency has never achieved the level of fares necessary to ensure compliance in the future.

Overall Business Direction for FY15

- We will work to achieve this by continuing to focus on cost effectiveness and living with our resources, and by undertaking efforts to grow operating and capital revenues.
- Seek and implement innovative opportunities to improve service for our customers within current resources.
- Be a leader among transit systems in developing and implementing environmentally friendly transit service and sustainable business practices.
- Plan and prepare for the future growth of the system, while being mindful of farebox recovery ratio realities.

2015—2017 Strategic Business Plan Objectives

Goal

Increase ridership through improved system design and maintenance.

Objectives

1. Continue to analyze data from the SCT Route Performance Standards to evaluate service efficiencies and effectiveness.
2. Complete community survey to address current and potential customer needs.
3. Improve customer communications and information about SCT services.
4. Continue to explore alternative transit modes for underperforming and rural needs.
5. Achieve SCT Key Performance Indicators (KPIs) to improve existing service (On Time Performance, Customer Comments, Service Delivery, Accident Rate, etc.).

Goal

Expand the development and use of our KPIs to enhance system performance, employee performance, and improve service quality to our customers.

Objectives

1. New KPIs will include the following Standards Categories: Service Quality and Efficiency, Resources and Revenue, Safety, Human Resources, Fleet and Facilities, Leadership.
2. With policy guidance from the SCT Board, the Administrator with input from throughout the organization shall set the standards as detailed in this document. These will be provided to everyone in the organization and reported on quarterly.

South County Transit Standards of Excellence: Service Quality and Efficiency

Summary: We will deliver dependable, customer focused and efficient transit services to the communities that we serve. Further, we will look for opportunities to deploy innovative new service within the resources available.

Standard 1: Passengers per vehicle service hour will be 15 or greater.

Measurement: Objective.

- Administrator will review monthly and report quarterly.

Standard 2: Service delivery rate shall be 99% or greater.

Measurement: Objective.

- Administrator will report biannually.

Standard 3: System wide On-time Performance shall be 95% or greater. "On-time" is defined as no later than six minutes from any timepoint in the published schedule.

Measurement: Objective.

- Administrator will report quarterly.

Standard 4: SCT will make consistent efforts to explore new service and service delivery options as well as work with regional efficiencies in the delivery of transportation to the jurisdictions

Measurement: Subjective.

- Administrator will report annually.

South County Transit Standards of Excellence: Revenue and Resources

We will live within our means. While providing excellent service to our customers and communities, we will do so within the financial resources available to us. The financial health of the organization will not be compromised and we will work to deliver good value for the taxpayers' investment in SCT.

Standard 1: The annual operating budget will be based upon projected revenue balanced with other eligible TDA uses and the total operating cost will not exceed the budget adopted by the Board.

Measurement: Objective.

- Administrator will review monthly and report quarterly.

Standard 2: Farebox Recovery Ratio shall be greater than 20%.

Measurement: Objective.

- Administrator will review monthly and report quarterly.

Standard 3: No significant financial audit findings.

Measurement: Objective.

- Administrator will report any negative audit findings.

Standard 4: Ensure that all capital procurements provide good value to our customers and our employees.

Measurement: Subjective.

- Evaluated through community evaluation survey, feedback from communities and review of the annual capital program by staff and the Board.

South County Transit Standards of Excellence: Safety

We recognize the tremendous importance of safety in the operation of SCT service to our customers and communities. Therefore the safety of our customers and employees will be an organizational priority and we will be proactive in promoting system safety.

Standard 1: Rate of preventable vehicle collisions will not exceed 1.0 per 100,000 miles.

Measurement: Objective.

- Administrator will review monthly and report annually.

Standard 2: Address all safety hazards indentified by the SCT Supervisor and reported to the joint RTA/SCT Safety Resource Committee.

Measurement: Objective.

- List shall be compiled with action items and timelines by the Administrator.

Standard 3: Preventable workers compensation lost-time claims will not exceed 4 annually, and preventable medical-only claims will not exceed 5 annually.

Measurement: Objective.

- All work comp claims shall be duly investigated and reported by Finance and Administration.

Standard 4: Customer and Community perception of system safety will be at least 90%.

Measurement: Objective.

- As measured by biannual community survey.

Standard 5: Total risk management costs shall not exceed 8.5% of total operating costs.

Measurement: Objective.

- Reported by Finance and Administration in financials and YTD budget reports monthly.

Standard 6: The number of bus trips with passenger standees will not exceed 10% of the daily bus trips on that route.

Measurement: Objective.

- Reviewed quarterly by the SCT Supervisor, and reported by Administrator biannually.

South County Transit Standards of Excellence: Human Resources

Our employees are the foundation of the organization. We will support our employees in achieving excellence through training and development, teamwork, and continuous efforts at effective communication while treating each with integrity and dignity

Standard 1: Recruit, promote and retain highly qualified employees to achieve our service standards.

Measurement: Subjective.

- Annual assessment by Administrator and Department Heads.

Standard 2: Provide continuous development of organizational skills through ongoing training and development programs that result in personal and professional growth.

Measurement: Objective.

- Training needs will be reviewed annually as part of the budget process.

Standard 3: Enable our employees to achieve excellence in serving our customers by building teamwork and understanding effective communication within the organization.

Measurement: Subjective.

Standard 4: Employees will be evaluated annually in a fair and equitable way to judge performance and be provided a developmental plan for the next fiscal year.

Measurement: Objective.

- Employee merit evaluations will be provided to each employee annually with the evaluation grading measurement of attainment of department objectives developed during the budget process and achievement of SCT's Standards and SCT's KPIs.

South County Transit Standard of Excellence: Fleet and Facility

We will operate and maintain a modern and clean fleet and facilities that will be pleasing to our customers and a source of pride for our employees and our communities.

Standard 1: Replace all revenue vehicles no more than 40% beyond the FTA-defined useful life standard in terms of years or miles.

Measurement: Objective.

- Will be reported by the Administrator.

Standard 2: Road calls will not exceed 5 per 100,000 miles of vehicle service miles.

Measurement: Objective.

- Administrator will report biannually.

Standard 3: Maintain a clean, attractive fleet. Maintain our facilities so that they are safe and appealing to customers and employees.

Measurement: Subjective.

- As measured by employee and customer feedback.

Standard 4: Achieve an 80% favorable rating of bus stop appearance by customers and the communities that we serve.

Measurement: Objective.

- As measured in the annual Community Evaluation conducted by Marketing.

Standard 5: Achieve all federal, state-mandated maintenance practices, as well as vendor recommended maintenance schedules for our fleet and facilities.

Measurement: Objective.

- No negative FTA or TDA audit findings.

- Preventative maintenance schedules for all equipment shall be done on a timely basis (3,000 mile intervals or as mandated by equipment OEM vendor).

South County Transit Standards of Excellence: Leadership

We will strive to be one of the nation's leading small transit operators. We will work to maintain collaborative relationships within the industry, our community, with our stakeholders and develop future leaders from within our organization.

Standard 1: Maintain cooperative relationships with federal, state and local funding agencies.

Measurement: Subjective.

- Will be reviewed by staff and SCT Board.

Standard 2: Develop partnerships with stakeholders, community leaders and decision makers keeping them well informed of the integral role of SCT and contributions to the communities that we serve.

Measurement: Subjective.

- To be evaluated and monitored by SCT Board.

Standard 3: Promote effective internal communications and promote the values of the organization.

Measure: Subjective.

- To be evaluated by the Administrator.

Standard 4: Provide effective leadership for public transportation within the County.

Measurement: Subjective.

- To be evaluated by the Administrator and SCT Board.

SOUTH COUNTY TRANSIT

October 22, 2014

STAFF REPORT

AGENDA ITEM:	B-2
TOPIC:	SCT Rebranding
ACTION:	Consider the Name Change from <i>SCT</i> to <i>Five Cities Area Transit</i>
PRESENTED BY:	Geoff Straw
LOGO SUBCOMMITTEE RECOMMENDATION:	Implement Rebranding Effort in FY15-16
EXECUTIVE COMMITTEE RECOMMENDATION:	Approve in conjunction with service and/or fare change

BACKGROUND/DISCUSSION:

As presented during the Administrator's Report at the July 23, 2014 SCT Board meeting, the Logo Subcommittee met on June 18th to discuss possible logo concepts and agency name alternatives. The Logo Subcommittee supported renaming the agency "Five Cities Area Transit." Since this would represent a cardinal change in the name of the agency, SCT's legal counsel suggests also amending the Joint Powers Agreement for the South County Area Transit, which is still the official name of the agency.

While any rebranding effort requires a fair amount of resources to successfully communicate the new brand to the public and to implement the transition, the Subcommittee believes that several considerations make this effort worthwhile:

- A new name that includes "Five Cities" will better indicate the specific region served by this transit system.
- Individual brand identity is needed. The current logo for SCT is essentially the same as RTA's logo, except for the small print under the RTA logo. The Logo Subcommittee is concerned that this sometimes confuses passengers who see two similar-looking RTA and SCT vehicles approaching a shared bus stop – most notably at the Pismo Prime Outlets passenger facility, and at shared bus stops near the Halcyon Park-n-Ride lot.
- A new name and logo is an opportunity for revitalization and changes can create renewed interest

- Staff believes it would be optimal to implement a rebranding campaign in conjunction with another significant event. This would maximize potential press coverage. Possible significant events include a fare change and/or a service change.

If a new name is formally approved by the Board, there are several steps that would need to be undertaken. In addition, the SCT FY14-15 Operating and Capital budget would need to be amended to reflect the additional resources needed to complete the implementation (unless a decision is made to delay implementation until FY15-16 or later).

Option 1: Implement a Rebranding in FY14-15

If the Board decides to pursue a rebranding effort in FY14-15, it would also need to amend the budget to identify new/additional resources. Staff could further refine the cost estimates provided below and present a budget amendment at the January 21, 2015 SCT Board meeting. In total, staff estimates that an additional \$22,800 would be needed, as follows:

1. Final design of a new logo – preliminary samples are attached, although further refinement to produce art-quality logos would be necessary. The three preliminary Five Cities Area Transit concepts are included at the end of this report. Approximate cost: Additional \$2,000 in direct costs.
2. Use of new logo in all communications and assets, including:
 - a. Removal of current SCAT/SCT decals, and installation of new Five Cities Area Transit logos on all four exterior sides of the four remaining 2003 buses, the three 2013 low-floor buses, one 2015 bus on order, and the two staff cars. Approximate cost: Additional \$13,000 in direct costs by third-party vendors.
 - b. Interior bus communications – Rider Alerts and maps: No additional direct costs.
 - c. Schedules/brochures: No additional direct costs, since these marketing materials would be updated as part of the annual replenishment process.
 - d. Website updates: No additional direct costs. It should be noted that the TDA Triennial Performance Audit recommended a separate/distinct SCT website, which staff planned to propose as part of the upcoming FY15-16 budget-making process.
 - e. Driver uniform replacement. While the agency could replace uniforms over time as part of the normal, on-going worn-out uniform replacement process, this could cause confusion for riders because “Five Cities Area

Transit” is significantly different than “South County Transit.” As such, staff recommends that all old SCT and SCAT uniforms be replaced at one time. Approximate cost: Additional \$2,500 in direct costs.

- f. Signage changes include:
 - i. New metal sign heads at the top of the bus stop poles: No additional direct costs (\$14,000 has already been identified in the FY14-15 budget for bus stop improvements, primarily using FTA funds).
 - ii. New bus stop kiosk large information signs (i.e., at Halcyon P-n-R lot, Ramona Garden, etc.): Additional \$1,500 in printing costs.
 - iii. New bus stop small information signs: Additional \$300 in printing costs.
 - iv. New sign on SCT facility on Rodeo Drive: Additional \$500 in direct costs.

The approximate costs presented above do not include administrative labor costs to develop the next round of maps/schedules, Rider Alerts, etc. Nor does it include the labor costs to install the updated bus stop kiosk information sheets. Staff projects those one-time costs to equate to approximately \$2,000. The labor and other costs to update the JPA would require an additional \$1,000 in revenues. All told, this rebranding effort would cost on the order of \$22,800.

It would be optimal for the transition to occur all at once, along with a focused promotional effort to coincide with the launch. One option is to launch the new name in conjunction with a new service that has been discussed in the recent past – namely, a peak-period connector/express service between the Ramona Gardens and Pismo Prime Outlets transit centers that would also provide more direct service to the businesses in Shell Beach. This name change could also coincide with implementation of the proposed new fare program preliminarily identified on March 1, 2015. Either way, staff believes most of the items below can realistically be implemented within 90 days after board approval, as follows.

1. Agree on the final logo concept at the October 22nd Board meeting, during which the Board would authorize the Logo Subcommittee to accept the final design.
2. Further refine costs and present a budget amendment at the January 21, 2015 Board meeting.
3. Promote the new name on the website the first week of January 2015.
4. Issue a Press Release on the name-change the first week of January 2015.

5. Email to all contacts in South County the first week of January 2015.
6. Update logos on bus exteriors – to be completed by the third week of February 2015.
7. Develop and order new schedules in mid-January (which could also reflect changes to fare system at the same time, if approved). Delivery by second week of February 2015.
8. Order new metal bus stop signs for bus stops by mid-November for placement by the end of February 2015.
9. Order new uniforms in January 2015 for delivery by mid-February.
10. Gradually update other materials in the regular schedule reprint cycles, including RTA schedules, county-wide transit information materials from Rideshare and other regional transit partners.

Option 2: Delay Rebranding Until FY15-16

An alternative is to delay the implementation of a rebranding effort until FY15-16. This would permit the Board to consider the costs and benefits of a rebranding effort as part of the normal budget-making process. The primary drawback in delaying the implementation is that the three shared SCT/RTA bus stops¹ could still cause passenger confusion. In addition, the existing logos on the four remaining white 2003 SCT buses (that look very similar to RTA's remaining white buses) will also continue to cause confusion for passengers.

One possible solution for the shared bus stop sign problem is to develop a decal that clearly presents both the RTA logo and an SCT logo that could cover the bus stop signs at these three bus stops. A logo recently developed and placed on the new SCT staff minivan is presented below.



¹ SCT and RTA share one bus stop at the Pismo Prime Outlets, one at the Halcyon Park-n-Ride, and one on Grand Avenue near El Camino Real.

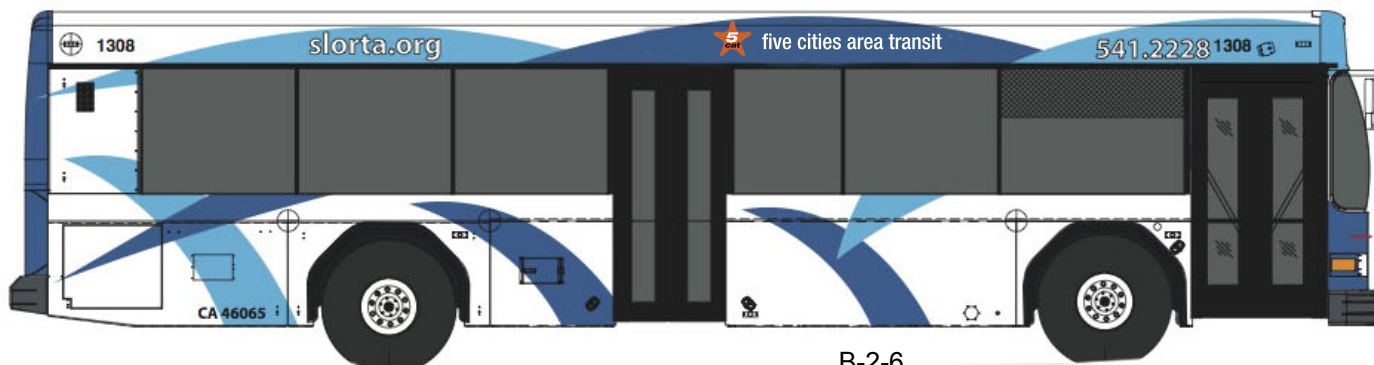
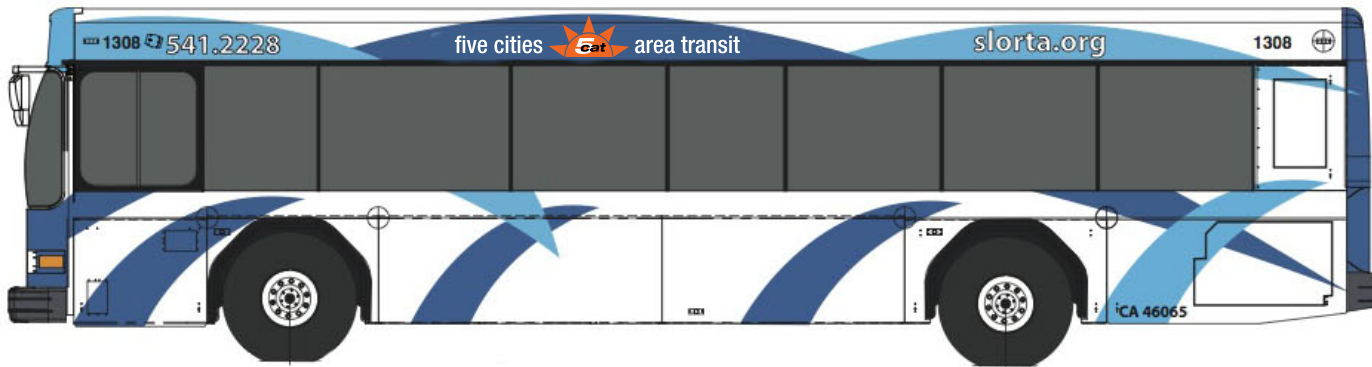
Staff believes this interim solution would cost on the order of \$400 to produce the logos and place them over the existing logos at these three bus stops. If and when a final logo is established, staff would use it to implement the FTA-funded bus stop sign replacement project that is identified in the FY14-15 budget.

Staff Recommendation

Based on the recommendation of the Logo Subcommittee, staff recommends that the Board consider a name change to “Five Cities Area Transit” and implement it according to Option 1, as presented above. A final budget amendment with updated cost figures would be presented at the January 21, 2015 Board meeting.



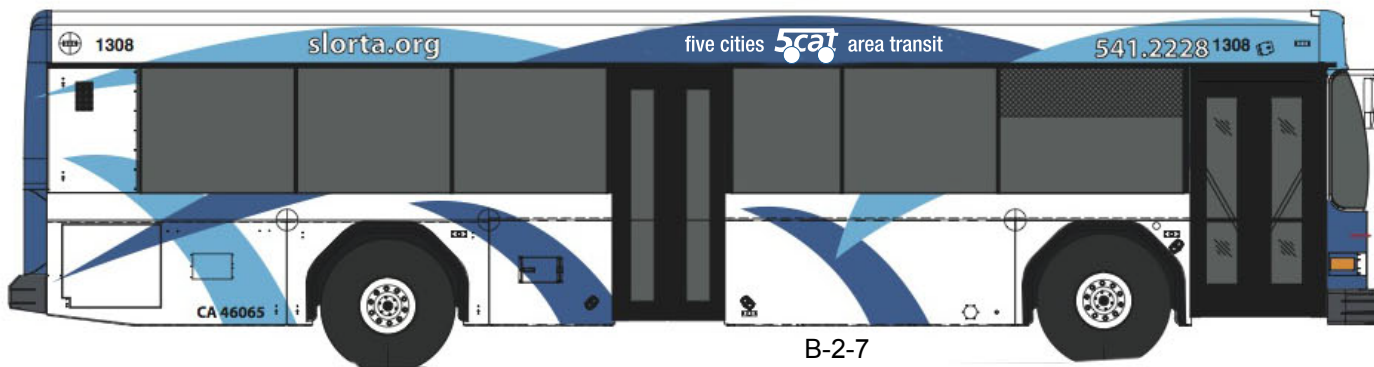
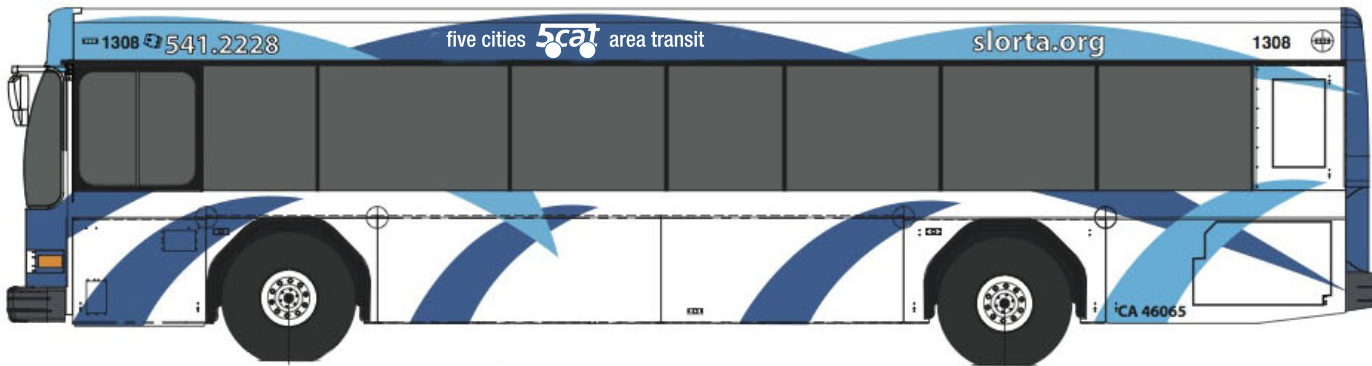
five cities area transit



B-2-6



five cities area transit

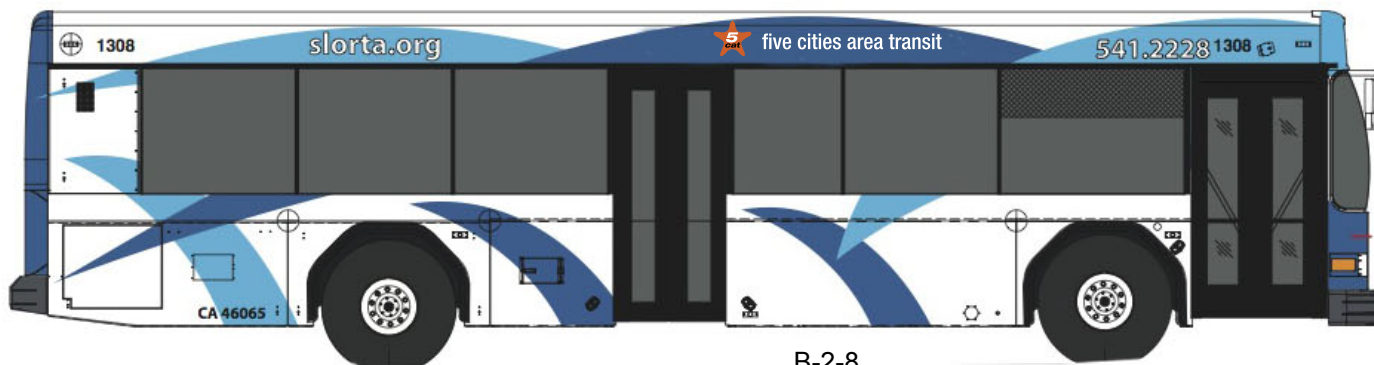
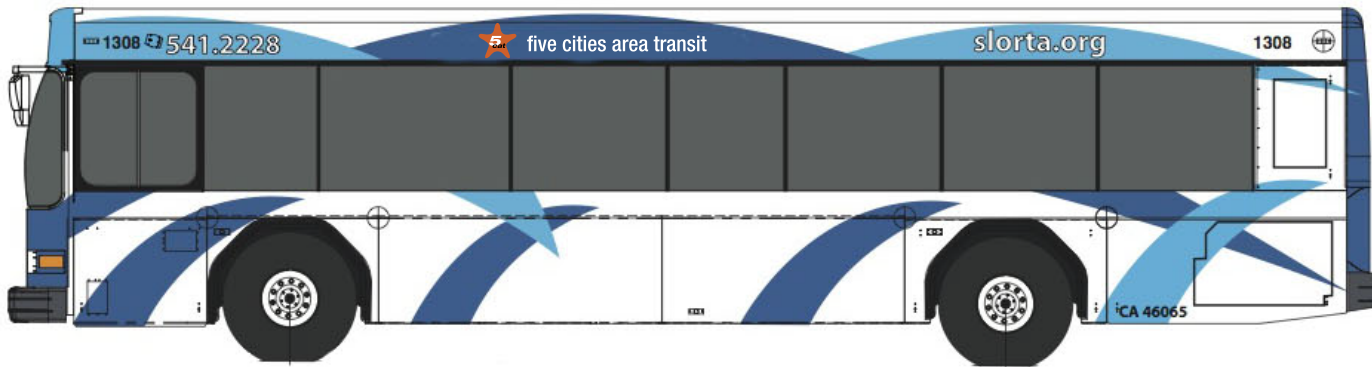


B-2-7





five cities area transit



B-2-8

SOUTH COUNTY TRANSIT

October 22, 2014

STAFF REPORT

AGENDA ITEM: B-3

TOPIC: Public Outreach Plan for SCT Fare Increase Proposal

ACTION: Receive public workshop schedule

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Finalize proposed SCT fare increase structure and publish the public outreach plan to solicit input

EXECUTIVE COMMITTEE RECOMMENDATION: Delay implementation of a fare increase until the rebranding/service changes are considered

BACKGROUND/DISCUSSION:

At its April 23, 2014 meeting, the SCT Board accepted the “Strategies to Improve Farebox Recovery Ratio” report. As noted in that report, SCT must achieve a 20% farebox recovery ratio (FRR) by the end of FY17-18 because the area has been designated an urbanized area. That report presented three broad solutions to either eliminate or minimize the financial penalty, including:

1. Revenue improvement opportunities,
2. Cost-saving opportunities, and/or
3. Acceptance of the TDA financial penalty in FY18-19 for failing to meet the 20% FRR requirement by the end of FY17-18.

The Fiscal Year 2014-15 Operating and Capital Budget, which was also adopted at the April 23rd meeting, assumed that a 5% increase in overall fare revenues would be achieved during the fiscal year and that a revised fare program would be implemented in February 2015. However, given recent discussions on the potential rebranding of SCT, in addition to a possible new peak-period connector route directly connecting the Oceano area to the two transit centers and the service industry in Shell Beach, staff is now recommending that the fare increase be delayed until these two new proposals could be considered for simultaneous implementation.

This report presents further refinements to the potential fare structure presented during the April meeting and discussed again at the July 23, 2014 SCT Board meeting. The specific elements of staff's recommended fare changes are as follows:

1. Seek to increase advertising revenues – already begun and is being managed by new Marketing and Community Relations Manager Mary Gardner. A new advertising media package has been developed and will be presented to ad agencies and individual clients in October and November 2014.
2. Increase the SCT 31-Day Pass price to \$37.00 general / \$18.50 discounted on Saturday July 1, 2015.
3. Increase 20-Ride Pass to \$24.00 general / \$12.00 discounted on July 1, 2015.
4. Increase Cash Fare to \$1.50 general / \$0.75 discounted on July 1, 2015.
5. Eliminate transfers and create a \$3.00 SCT Day Pass, effective July 1, 2015.

Staff has identified a two-tier public input process on the proposed Runabout fare program changes, as follows:

1. Seek to be placed on each jurisdiction's agenda during the late-March 2015 / early-April 2015 to discuss the proposed fare increase program. The jurisdictions include the cities of Arroyo Grande, Grover Beach, Pismo Beach and the Oceano Advisory Council. Staff will summarize the proposed fare increase program, and suggest that interested parties attend the public workshop discussed below to provide input.
2. Conduct a public workshop at the Ramona Garden Community Center in Grover Beach on or about April 15, 2015 from 4:30 PM to 6:30 PM.

Notices will also be posted on SCT vehicles, on our website, and at the Ramona Garden and Pismo Premium Outlets transit centers. These notices will summarize the proposed new SCT fares, as well as the date, time and location of the public meeting. A *Fact Sheet* section on this notice will detail the impacts to SCT if fares are not increased, including the possibility that SCT fixed route service may need to be curtailed in the evenings and/or weekends to minimize financial penalties. The notices will also invite stakeholders to submit input at the public workshop, in writing, or through our website.

Staff will summarize the information received through this outreach effort as part of an SCT fare proposal public hearing that will be conducted at the April 22, 2015 SCT Board meeting.

Staff recommendation

Direct staff to schedule a presentation at each jurisdiction's governing body meeting, to conduct a public workshop on the proposed SCT fare increase program, and present a summary of the input at a public hearing to be conducted at SCT's regularly-scheduled April 22, 2015 Board meeting.

**SOUTH COUNTY TRANSIT
MINUTES OF July 23, 2014 BOARD MEETING
City of Arroyo Grande City Council Chambers
C-1**

Directors Present:	Jim Guthrie, Chairperson	City Council Member, Arroyo Grande
	Shelly Higginbotham, Vice Chair	City of Pismo Beach
	Bill Nicolls	City Council Member, Grover Beach

Directors Absent:	Caren Ray	County Supervisor, District 4
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Staff Present:	Geoff Straw	Administrator
	Coleen Kubel	SCT Lead Operations Supervisor
	Phil Moores	Manager, Operations
	Tania Arnold	RTA CFO and Director of Administration

CALL TO ORDER AND ROLL CALL: Chairperson Jim Guthrie called the meeting to order at 1:35 p.m. Roll call was taken; a quorum was present.

PUBLIC COMMENT: Chairperson Guthrie asked for public comment on non-agenda items.

Chairperson Guthrie closed public comment.

A. INFORMATION AGENDA:

A-1 Administrator's Report: Mr. Geoff Straw passed out some ridership numbers and began his report by announcing Youth Ride Free started June 15 and will run through August 15. We've limited group numbers in South County to 10 youth and two adults. We had some hiccups early on, but this has smoothed out.

Staff ordered a new wheelchair-accessible minivan staff vehicle, and it should be delivered in the next 60 days. This will allow us to retire RTA cutaway vans #25 and #53, while still being able to provide accessible service to people who need special assistance. RTA listed Bus #25 on eBay and is looking to sell it for about \$2,000. The next vehicles to go up for auction will be Bus #53 and #208.

The three low-floor Gillig buses we purchased last year are very reliable and working well. The cost per mile is down in comparison to the 2003 vehicles. The fourth new bus is expected to arrive in March or April 2015. Staff set a \$3,000 threshold for any major repairs on the four older buses. If a large repair is necessary, staff will recommend to the Board that the bus be salvaged.

RTA maintenance staff removed rusted rain gutters at the SCT operations facility in May. This will protect employees from falling pieces when walking under the eaves, but will cause some challenges with rainwater handling.

RTA awarded a contract to Ron Turley and Associates for a computerized vehicle maintenance software system. This new database program will help us better maintain vehicles and provide such information as cost per mile by bus.

We successfully completed the annual CHP Terminal Inspection in June. The combined fleet of SCT, RTA and Paso Express makes the agency large enough that the CHP inspects the maximum proportion of buses and employee safety files allowed under state law. We passed with flying colors.

RTA senior staff is now recording hours they spend on SCT issues on a daily basis in our new ADP computerized payroll system.

The logo subcommittee met on June 18 to discuss ideas and brainstorm. Directors Guthrie and Nicolls serve on this subcommittee, along with staff from RTA and SCT. We received some ideas and information back from the vendor, **Ms. Neomi Vembu**, and will reconvene in the coming weeks.

Financial results look solid. As of May 31, we completed 91.7% of the year and non-capital operating costs totaled 78.8% of the annual budget. **Mr. Straw** broke out the top three expense line-items: Salaries/Benefits, SCT Bus Fuel, and Maintenance. The remaining line-items are substantially within budgeted costs.

We had some big jumps in year-over-year ridership growth in recent years, although FY13-14 ridership slowed slightly compared with previous years. Year-to-date SCT provided 219,440 passenger trips, up from 211,832 the previous year. This represents a 3.6% increase. Productivity is defined as the number of riders per hour. The current year-to-date productivity is 18.3 in FY13-14 in comparison with 17.4 in the previous fiscal year—a 5.2% increase. The year-to-date public subsidy per passenger dropped from \$3.10 in FY12-13 to \$2.93 in FY13-14, which indicates increased cost effectiveness. The overall farebox recovery ratio increased from 16.4% last year to 16.8% this year. The state mandated number for urbanized areas is 20%.

Chairperson Guthrie asked about service gaps in the current plan. **Mr. Straw** said the Short Range Transit Plan adopted in 2011 identified four primary service gaps, with particular focus in the area of Grover Beach north of Newport Avenue and Atlantic City Drive. Staff believes these gaps still exist, as well as some connectivity issues. We have an opportunity now to look at this more in-depth and program some funds to address some of these shortcomings. With the UZA designation, the area has access to new FTA 5307 funds, which can pay for up to 50% of operating costs. Right now we are in a programming cycle. SLOCOG will soon request the South County Urbanized Area Technical Committee to discuss how it wants to spend these funds over the next couple of years.

Director Bill Nicolls said there was very little public support for adding service around Atlantic City. Residents did not want large buses driving in their neighborhood. **Ms. Coleen Kubel** concurred.

Chairperson Guthrie inquired about the added stops on Oak Park. **Ms. Kubel** said staff received another complaint about the stop at Oak Park and Newport. We moved it to Ramona and it is used often.

Mr. Straw continued by thanking **Chairperson Guthrie** for serving on the interview panel to fill the Marketing Manager position. Staff is very pleased with the top two candidates and we have a tentative agreement with the top candidate.

Staff held an SCT driver forum on June 11 and discussed a number of items.

As previously noted, farebox ratio is at 16.8%, productivity is just over 18 riders per hour, and subsidy per SCT passenger trip is \$2.93 through May 2014.

Mr. Straw concluded his report.

Director Higginbotham asked if the issues at Ramona Garden Park have been resolved. **Ms. Kubel** said it is significantly better, largely thanks to the police department and everyone involved. **Mr. Straw** met with **Commander Rogers** and there is a potential for installing some security cameras. SCT has funding to do some bus stop improvements and we can tie in the two efforts to achieve some economies of scale.

Director Higginbotham requested **Mr. Straw** to elaborate on the final paragraph of the Administrator's Report regarding implementation of the new wage scale. He said some drivers thought the wage increase would occur either on April 23 or July 1. The raise goes into effect on the employee's anniversary date.

Director Higginbotham inquired if the county or the city public works departments might have some rain gutters that could be used for the SCT facility. **Mr. Straw** said the building design is unusual and replacements would have to be customized.

Chairperson Guthrie closed Board and public comment.

A-2 Strategic Business Plan: **Mr. Straw** reviewed the SCT 2015-2017 Strategic Business Plan that is based upon the 2011 Short Range Transit Plan. The Board has not yet approved a formal Mission Statement or Vision Statement, but staff created very generic draft language for consideration. He pointed out some performance measures are subjective and difficult to measure, while others are objective and simple to measure. These objectives are excellent measures to see how well SCT is doing, as well as a guideline to use when evaluating new service.

Staff recommends accepting this draft Plan, allowing us to refine it and bring it back to the October SCT Board meeting for final approval.

Mr. Straw concluded his report.

Director Nicolls suggested all new Board members should receive a copy of this document when they begin service.

Chairperson Guthrie closed Board and public comment.

B. ACTION AGENDA

B-1 Children under 44" Ride Free policy (Accept): Mr. Straw said staff has been working with all area transit agencies in the county to implement a uniform fare policy for children. RTA and Paso Express adopted a policy in March 2014 allowing children under 44" tall to ride free with a paying adult. SLO Transit will consider this policy in the coming months. Staff recommends SCT also adopt this policy.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board and public comment.

Chairperson Guthrie closed Board and public comment.

Director Higginbotham moved to approve the Item B-1. **Director Nicolls** seconded and the motion carried on a roll call vote with **Director Ray** absent.

C. CONSENT AGENDA:

Chairperson Guthrie opened Board and public comment on any items listed on Consent.

- C-1 SCT Minutes of April 23, 2014 (Approve)
- C-2 Charter Policy (Approve)
- C-3 APCD Grant Agreement Amendment for SCT Bus #208 (Approve)
- C-4 Title VI and LEP Plan update (Approve)

Chairperson Guthrie asked for clarification on exceptions to the Charter policy. **Mr. Straw** said the exceptions are of a national significance. Also, there are 80 hours per year allocated for government use. For example, the City of Arroyo Grande might commission a bus to tour various sites in South County for the Planning Commission. Also, if a private party wants to hire shuttle service, we can take the order and post to a national website for private transit companies to bid. However, this is difficult to manage and staff does not recommend it for SCT. **Chairperson Guthrie** inquired about van carpool service. **Mr. Straw** noted federal funds prohibit funding of this type of service. Rideshare is a better option for this type of service.

Director Nicolls requested more detail about the Bus swap. **Mr. Straw** reviewed the history of Bus 208. He said it was procured using several funding sources, including a Mover grant from Air Pollution Control District (APCD). Under this agreement, we received funding to purchase the vehicle and operate it for 18 years. Bus 208 is a refurbished hybrid that has not been reliable. We removed it from service in 2012 because of ongoing issues. In

the meantime, the company that built the bus went bankrupt. No warranty or technical support was available. Staff approached APCD and offered to swap out Bus 208 with vehicle 1308.

Director Nicolls moved to approve the Consent Agenda. **Director Higginbotham** seconded and the motion carried on a roll call vote with **Director Ray** absent.

D. DIRECTORS' COMMENTS: None

E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS: **Mr. Bob Perrault** said he is encouraged by the potential use of FTA 5307 funds to establish a new connector route from Ramona Garden Park to the Premium Outlets. If we create this new service, it's likely to increase ridership.

F. ADJOURNMENT: The meeting was adjourned at 2:17 p.m.

Respectfully submitted, Anna Mafort-Lacy, Administrative Assistant

SOUTH COUNTY TRANSIT

October 22, 2014

STAFF REPORT

AGENDA ITEM: C-2

TOPIC: SCT Purchasing Policy and Procedures Manual

ACTION: Review and Approve

PRESENTED BY: Geoff Straw, SCT Administrator

STAFF RECOMMENDATION: Approve Purchasing Policy and Procedures Manual

BACKGROUND/DISCUSSION:

As a result of the 2010 US Census, the Arroyo Grande – Grover Beach Urbanized Area was established. This designation made the SCT eligible for Federal Transit Administration Section 5307 Urbanized Area Formula Program funds. To ensure eligibility for FTA Section 5307 reimbursement funds, SCT must adopt a procurement policy that meets federal requirements. The attached draft Purchasing Policy and Procedures Manual is based on the policy used by RTA, which has been reviewed and accepted by FTA.

Staff recommendation: Approve the SCT Purchasing Policy and Procedures Manual as presented.

SOUTH COUNTY TRANSIT (SCT)
PURCHASING POLICY AND PROCEDURES MANUAL
ADMINISTERED BY REGIONAL TRANSIT AUTHORITY (RTA)
ADOPTED OCTOBER 22, 2014

CHAPTER I

SCT PURCHASING POLICIES, GOALS AND OBJECTIVES

Policies, Goals, And Objectives

It is the responsibility of the South County Transit (SCT) Finance Department to coordinate, monitor, and record all phases of SCT purchasing of supplies, equipment, materials, services, and construction. The SCT Finance Department is also responsible for the sale of SCT surplus and obsolete property.

In the course of performing its responsibilities, the SCT 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 incident to SCT's Disadvantaged Business Enterprise Policy.
- F. Follow the procedures of the Purchasing 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. SCT 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 SCT Administrator. 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 SCT Administrator 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 a SCT bidding process or that is selected for an award.

- C. Gratuities and Contingent Fees. No Board Member, Officer, or employee of SCT knowingly shall 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 SCT 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 SCT, 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 SCT, up to and including dismissal.

Delegation Of Authority

- A. The Board of Directors of SCT authorizes and delegates to the SCT Administrator the authority and responsibility to:
 - 1. Approve and execute all Purchase Requisitions.
 - 2. Approve and execute Purchase Orders and Contracts which do not exceed \$30,000.00.

3. Approve and execute Change Orders and Contract Amendments as may from time to time be necessary, which do not exceed \$15,000.00 or 10% of the original total contract price, whichever is greater.
4. Approve and execute Blanket Purchase Orders whose estimated annual dollar amount does not exceed \$30,000.00.
5. Approve and execute settlements of claims against SCT in the amount not to exceed \$5,000.00 per claimant.
6. 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 of SCT.

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

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 of SCT prior to execution.

In those instances, where work must progress immediately, the SCT Administrator 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 SCT, including the Disadvantaged Business Enterprise program, purchase requisitions for goods or services estimated to exceed \$10,000.00 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 \$10,000.00 may be competitively bid by contacting two 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 \$10,000.00 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 SCT Administrator may delegate, in writing, any of the authorities granted to him under this Resolution; provided, however, that the said SCT Administrator 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 and to indicate the manner in which purchase requisitions will be prepared and controlled.

Properly executed Purchase Requisitions (PR's) are required to initiate procurement action.

The individual initiating the PR is responsible for the accuracy and adequacy of information supporting the request. Requests should be submitted early enough to have a purchase order and/or contract prepared, reviewed and issued in time for the material or service to be obtained when needed.

Requirements for the procurement of materials, supplies, equipment, and services, (not covered by the petty cash procedure) are submitted to the Finance Department, via computer, on a properly completed and approved Purchase Requisition before the Finance Department may proceed with procuring the requirement. Requisitions restricting competitive procurement shall be supported with an appropriate "justification memorandum".

The Purchase Requisition shall be completed, and a Purchase Order (PO) issued prior to the commitment of any SCT Funds. Exceptions will occur in emergency situations only.

Purchase Requisition Preparation - Direct:

Complete the Purchase Requisition pursuant to SCT policy and with appropriate data on price, quantity, budget cost center, recommended supplier or manufacturer, and a detailed description of the product including any model numbers or part codes.

For a Service Contract, leave the Qty and Unit of Measure blank and enter the total dollars for the service in the Estimated Unit Price box.

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 SCT'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 SCT 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 SCT, federal, state and local standards that are applicable to the project.
3. SCT Furnished Data, Property or Services. This portion contains detailed lists of all data, property, and services which will be provided to the Contractor by SCT 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 and their related point values.
3. Desired delivery schedule (milestones).

Capital Purchase Requisitions shall contain the Grant Project Number and shall have pre-approval by the Grants Department prior to proceeding with the procurement.

Lease vs. Purchase Alternatives

A PR 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.

Changes To Purchase Requisitions

Problems may arise regarding changes made to PR's between the time they are initiated and the time they reach the Purchasing Department for purchase action. If any change in estimated dollar amounts or scope of work is made to the PR, the person making the change should inform previous signatories prior to forwarding the PR to the next level of approval. Purchase Requisitions that are questionable upon arrival at Purchasing will be returned to the originator for clarification prior to procurement action.

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. Reimbursement of petty cash.
- D. Non-Contract temporary help.
- E. Travel expenses, travel advances and employee expense reimbursements.
- F. Conferences, staff seminars and workshops.
- G. Utilities.
- H. Medical expenses.
- I. Return and re-stocking of bus parts to suppliers.
- J. Legal expenses.

K. Insurance.

Approvals Of Purchase Requisitions, Purchase Orders and Blanket Purchase Orders

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

<u>Dollar Limits</u>	<u>Approval</u>
up to \$ 5,000	Managers
up to \$30,000	SCT Administrator
over \$30,000	SCT Administrator with Board of Directors approval.
Sole Source > \$10,000	SCT Administrator, Board of Dir. and if applicable FTA pre-approval

NOTE: Dues and subscriptions, office supplies and non-capital office equipment and furniture must be coordinated with the Administrative Assistant.

All capital procurements of office furniture and equipment must be coordinated through the Manager, Finance and Administration.

B. **Purchase Orders/Blanket Purchase Orders and Change Orders**

<u>Dollar Limits</u>	<u>Issued By</u>
up to \$10,000	Finance Department
up to \$30,000	SCT Administrator
over \$30,000	SCT Administrator, with approval from Board of Directors
Sole Source > \$10,000	SCT Administrator with Board of Director approval

* In the absence of the SCT Administrator, the RTA CFO/Director of Administration and Administration is authorized to approve purchase orders over \$ 10,000 for board approved projects.

In rare cases, Purchase Orders below \$30,000 that did not require Board Approval, require Change Orders resulting from unforeseeable situations that cause the Original Purchase Order to reach or exceed \$30,000, shall be brought before the Board immediately.

CHAPTER III

METHODS OF PROCUREMENT

Methods Of Procurement

The following methods of procurement may be used as appropriate:

Procurement By Small Purchase Procedures

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold currently set at \$2,500.00. If small purchasing procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

Procurement By Micro-Purchases

Procurement by micro-purchases are those purchases under \$2,500.00. Purchases below that threshold may be made without obtaining competitive quotations if SCT determines that the price is fair and reasonable. Such purchases are exempt from Buy America requirements. There should be equitable distribution among qualified suppliers (in the local area) and no splitting of procurements to avoid competition. The Davis-Bacon act applies to construction contracts between \$2,000.00 and \$2,500.00. Minimum documentation is required: A determination that the price is fair and reasonable and how this determination was derived.

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;
 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.
- C. The sealed bid method is the preferred method for procuring construction if the conditions in previous paragraphs apply.

Procurements By Competitive Proposal/Request For Proposals (RFP)

A. 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. SCT 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 SCT's program with price and other factors considered.

Procurement Of Architectural And Engineering Services (A&E)

SCT 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 to SCT.

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;
 - 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. SCT 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 F.T.A. pre-approval on procurements of \$100,000.00 and above.
- C. A cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profit, is required.
- D. Options: SCT 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 SCT chooses to use options, the requirements below apply:
1. 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.
 2. Exercise of Options.
 - a. SCT 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.
 - b. An option may not be exercised unless SCT 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 \$500.00 and has a useful life of more than one (1) year. Includes: vehicles, office and shop equipment and major bus components valued at \$700.00 or more. (See Chapter 8)
- 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 Assistant General Manager prior to the commitment of funds.

Procedures For Capital Purchases

- A. Originating Department/Project Manager.
 - 1. Develops 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. The CFO/Director of Administration forwards the requisition to Grants Manager for verification of Funding availability and assignment of Authorization Code.
- B. Grants Administration:
 - 1. Receives hard copy of the Purchase Requisition for review.
 - 2. Grants Manager reviews and approves/denies the purchase of the Capital requisition.
 - 2. When Approved, the Grants Manager assigns an Authorization Code and returns the requisition to Finance for processing.
- C. Finance.
 - 1. Receives and dates the purchase requisition.
 - 2. Reviews purchase requisition for completeness and proper approval.

3. Determines method of procurement based on SCT purchasing policies and requirements on the purchase requisition.
 - a. If less than \$2,500.00, purchases item from appropriate source at a price determined as fair and reasonable.
 - b. If between \$2,500.00 and \$10,000.00, obtains a minimum of two bids, documenting and evaluating each bid prior to award.
 - c. If greater than \$10,000.00, solicits competitive bids.
- D. Originating Department.
 1. Conducts Cost & Price Analysis.
 2. Requests Board approval if needed (Originating Department).
 3. Selects Vendor (with Finance Department)
- E. Purchasing Department.
 1. Prepares purchase order (PO).
 2. Obtains signatures on PO according to delegation of authority.
 3. Submits PO to Vendor/Project Manager.
- F. Originating Department/Project Manager/Receiving Department.
 1. Verifies services or goods have been received.
 2. Verifies merchandise or material to the corresponding PO.
 3. Receives goods or material into computer. If it is a service, verifies pricing/price sheet. The receiving person then signs and dates packing slip. Makes proper notation on the packing slip if it is only a partial delivery for a particular order.
 4. Signs and forwards packing slip/invoice to Accounts Payable.
- G. DBE Officer
 1. Receives capital check register.
 2. Verifies DBE compliance and forwards to Grants Administrator.
- H. Finance Department – Accounts Payable.
 1. Processes Capital Grant check payments.

CHAPTER V

NON-CAPITAL PURCHASE PROCEDURE

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 SCT to accomplish such purchases by less formal methods.

A. Competition and Price Reasonableness. Purchases not exceeding \$2,500.00 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 \$2,500.00 and not exceeding \$10,000.00 may be accomplished by obtaining two or more written quotations from qualified sources.

Purchases in excess of \$10,000.00 require formal competitive bidding.

Procedures For Non-Capital Purchases

A. Originating Department/Project Manager.

1. Develops purchasing requirement and enters purchase requisition into computer.
2. Obtains and forwards to Purchasing, support documents for the purchase requisition as necessary. (Technical Specifications, Scope of Work, Plans, etc.)
3. Verifies required approval for the requisition is obtained: reference approvals as set forth in Chapter 3.
4. Verifies approved purchase requisition is furnished to Finance Department.

B. Finance Department.

1. Receives hard copy of purchase requisition and assumes responsibility for processing.
2. Reviews purchase requisition for completeness.
3. Determines method of procurement based on SCT purchasing policies and requirements of the purchase requisition.

- a. If less than \$2,500.00 purchases item from appropriate source at a price determined as fair and reasonable.
- b. If between \$2,500.00 and \$10,000.00 obtains a minimum of two bids, documenting and evaluating each bid prior to award.
- c. If greater than \$10,000.00 competitive bids are solicited.

Purchasing Department/Originating Department.

1. Conducts Cost & Price Analysis.
2. Selects Vendor.

C. Purchasing Department.

1. Prepares purchase order (PO).
2. Obtains authorized signature on PO.
3. Submits PO to Vendor/Project Manager.

D. Receiving Department.

1. Receives merchandise or material.
2. Verifies merchandise or material to the corresponding PO.
3. Signs and dates packing slip. Make proper notation on the packing slip if it is a partial delivery for a particular order.
4. Forwards record of receipt to the originator who then keys the receipt into the computer. Stock Parts are received and keyed by Stores.

E. Originating Department.

1. Verifies services or material received and enters receipt into computer. Forwards copy of invoice and packing slip/receiver to Accounts Payable.

F. Accounts Payable (After material/services received).

1. If not previously received in computer, stamps and forwards copy of original invoice to originating department for receipt.
2. Processes payment.

CHAPTER VI

SOLE SOURCE NON-COMPETITIVE NEGOTIATION

Policy

Consistent with the plans and programs of SCT purchase requirements for goods or services estimated to exceed \$25,000.00 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) FTA authorizes after 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. SCT 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 \$10,000.00 must be supported by documentation which justifies the selection of the specified contractor. The following will guide the Originating Department 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.
- B. If a claim is made that time requirements dictate a sole source, SCT 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, SCT 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.
- 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 \$100,000.00:
 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.

Procedures For Sole Source Non-Competitive Procurements

- A. Originating Department.

1. Identifies requirements and prepares specifications and processes appropriate approved Purchase Requisition.
 2. Prepares written sole-source justification.
- B. Finance Department/DBE Officer.
1. Reviews and approves Purchase Requisition and sole-source justification.
- C. Originating Department/DBE Officer/Finance Department.
1. Develops pre-negotiation objectives.
- D. Finance Department.
1. Solicits price proposal from vendor.
- E. Purchasing Department/Originating Department.
1. Performs cost and/or price analysis determine reasonableness of vendor's price. Certifies that the price is fair and reasonable.
- F. Grants Administrator
1. If FTA funded over \$100,000.00, requests FTA's concurrence.
- G. Finance Department/Originating Department.
1. Prepares contract documents.
- H. Grants Administrator.
1. If grant-funded, reviews for adherence to FTA Guidelines.
- I. Finance Department/Originating Department.
1. Forwards contract to contractor for execution.

CHAPTER VII

NEGOTIATION AND SEALED BID PROCUREMENT REQUIREMENTS

Introduction

This chapter outlines SCT procedures for competitive bids and negotiated procurements. It is applicable to all Professional/Personal Services, equipment and construction procurements of SCT.

Policy

All procurement transactions will be conducted in a manner providing full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to:

Unreasonable requirements placed on firms in order for the to qualify to do business;

Unnecessary experience and excessive bonding requirements;

Noncompetitive pricing practices between firms or between affiliated companies;

Noncompetitive awards to any person or firm on retainer contracts;

Organizational conflicts of interest. An organizational conflict of interest means that because of other activities, relationships, or contracts, a contractor is unable, or potentially unable, to render impartial assistance or advice to SCT; a contractor's objectivity in performing the contract work is or might be otherwise impaired; or a contractor has an unfair competitive advantage;

The specification of only a "brand name" product without listing its salient characteristics and not allowing "an equal" product to be offered.

Proposals or qualifications leading to a negotiated procurement or competitive bid should be formally advertised and solicited from at least three potentially qualified proposers in order to obtain the greatest possible competition. SCT technical personnel are responsible (with consultant assistance as required) for providing the technical specifications and drawings for equipment, materials and construction contracts.

Requesters are responsible for providing additional and special terms and conditions to cover such items as material delivery dates, progress reporting requirements and selective contract controls, together with the technical requirements, to the Finance Department.

Time and Material Contracts

SCT will use time and material contracts only:

After a determination that no other type of contract is suitable; and

If the contract specifies a ceiling in price that the contractor shall not exceed except at its own risk.

Procedures

Purchasing is responsible for assembling the Invitation For Bid (IFB) or Request For Proposal (RFP) package. An IFB package includes a bid form covering all items to be bid, technical specifications, the special terms and conditions recommended by the appropriate departments, and any contractual provisions or standard clauses required by the federal government (e.g., EEO compliance, minimum wage rates bid guarantees and bonding requirements). A RFP contains similar provisions plus a Statement of Work, the contract terms and conditions, and the evaluation criteria that will be utilized to determine Proposer selection.

All IFB's and RFP's shall be based on a clear and accurate description of the technical requirements for the material, product or service to be procured. Such requirements shall not contain features which unduly restrict competition.

All departments and groups involved in the preparation of the bid package, IFB or RFP shall review the portions for which they are responsible. When all reviews have been completed and approvals obtained, Purchasing will issue the final documents.

Procedures For Preparation Of Solicitation Documents

The RTA CFO/Director of Administration or the Designated Employee is responsible for preparation of the IFB/RFP. The RFP will identify for the proposer the types of technical expertise which are required for the particular job. The proposers will then be evaluated on their competence in those areas. The technical criteria must be listed in the RFP so that the proposer is aware of the items and their relative emphasis.

A. Prepare a Draft IFB/RFP

1. Develop the Scope of Work and any required technical specifications, drawings, plans, photographs, etc. (Requestor)
3. Establish realistic procurement schedule. (Requestor)
- 4.
3. Develop and incorporate the appropriate "boilerplate" of Terms and Conditions. (Finance)
 - a. If FTA funded, include required clauses and Forms.
 - b. Check for insurance or bonding requirements.
4. Specify number of proposals to be submitted. (i.e. An electronic copy, an original and four copies for an RFP Review Committee of four).
5. Specify evaluation criteria (RFP). (Requestor/Finance)

B. Develop a "Review and Concur" memorandum with the draft Bid/Proposal. (Finance)

1. Distribute for review as necessary to the following:
 - a. Originator.
 - b. Others as appropriate.

Pre-Bid/Pre-Proposal Conference

If a Pre-Bid or Pre-Proposal Conference is deemed necessary, Purchasing will include this information in the Bid or Proposal solicitation document and schedule a room for this meeting.

The meeting will be chaired by the Department responsible for the procurement and will cover at least the following issues:

- Instruction to offerors;
- Funding source;
- Contract type;
- Evaluation Criteria;
- Specific points that need to be addressed in Proposals;

- DBE goal if established;
- Critical dates;
- Bonding requirements;
- Answer questions regarding the Terms and Conditions of the Agreement/Contract. (Buyer)
- Answer questions regarding the Scope of Work, Technical Specs, Plans, etc. (Requestor and evaluation Team members)

Addenda

All changes to Bids or Proposals will be made by issuing written Addenda. This Addenda will be issued to all who attended the Pre-Bid or Pre-Proposal Conference or received a Bid or Proposal packet. Receipt of this Addenda must be indicated on the Bid or Proposal form.

Guidelines For The Evaluation Of Request For Proposals

Proposals for professional services contracts are evaluated in terms of responsibility and responsiveness by an evaluation team. Emphasis is placed on the technical expertise of the firm, both in terms of past efforts and proposed approach to the project. While price is a consideration, it is not necessarily the determining factor. The objective is to select the firm or individual that can best perform the services, or supply the material or equipment most suitable to SCT after price and other factors have been considered.

Following the receipt of sealed proposals by the Finance Department, several steps are normally completed prior to the selection of a firm to do the work.

- A. Proposals are opened privately. Strict confidentiality as to the nature and cost of the proposal are maintained throughout the negotiation process. Only after award of the contract is the successful firm revealed to the public and the terms and conditions made known.
- B. Evaluation Team. In order to evaluate the proposals received, a team is formed with representatives from the originating department as well as Purchasing. The team would typically consist of SCT staff members, and on an as needed basis representatives from other agencies. In some cases independent consultants may be retained to provide particular expertise to SCT as part of the review team. The team members are to have experience with and responsibility for the disciplines that will be involved with the project. The DBE Officer may also be a member of the team. The review team shall be approved by the Finance Manager.
- C. Evaluation Criteria. Included in the RFP is a list of the evaluation criteria which will be used by the evaluation team in reviewing the proposals. Criteria is listed numerically in order of importance (some criteria may have sub-criteria). Typically the evaluation criteria or factors will relate to the areas of technical expertise, project approach, experience of firms personnel and completeness of response. Project cost may or may not be a evaluation criteria.
 1. Project Approach: The proposer will be evaluated on its understanding of the nature and scope of the work to be performed. The evaluation committee will consider both organization and experience with attention to factors such as:
 - Experience and make-up of the firm.
 - Experience of key personnel assigned to the project.
 - Experience with government agencies.
 - Experience with transit projects.
 - Past achievements.
 - Commitment of key personnel to the project.
 - Suitability of equipment/service to SCT.

2. Affirmative Action/Disadvantaged Business Enterprise: Bids or Proposals that do not meet or exceed established DBE goals and it is determined good faith efforts were not sufficient, the Bid/Proposal may be considered non-responsive.
3. Cost and Price Information: The following criteria will be used in the evaluation of cost proposals.
 - a. Clarity and visibility of proposed cost breakdown for the proposal and its subcontractors and sub-consultants.
 - b. Credibility of labor hours and dollar cost estimates when related to the proposed project approach.
 - c. Total price.

SCT will require finalists to submit evidence to ensure the proposer's financial capability to perform the effort required by the RFP.

- D. Evaluation Form. Purchasing will prepare an evaluation form to be used by team members in evaluating the proposals. The form must be based on the criteria listed in the RFP.

The evaluation team members, individually evaluate the proposals and fill out the evaluation form. The score is then totaled. A team meeting is held to verify the scoring process, reconcile individual scores, determine a "team" score, and decide how many proposers in the top ranking category are to be invited for oral interviews. The number of people interview varies depending on the size and importance of the project and the quality of proposals received.

The results are submitted to the Finance Department for further processing and it is the responsibility of the Finance Department to notify the finalists considered for oral interviews. Oral interviews are not mandatory.

- E. Oral Interviews. The team members prepare lists of questions that they may ask the proposers during the oral interviews. These questions generally address items that are not sufficiently covered by the proposers in the proposals, or that require further clarification.
- F. Selection. Upon completion of the interview, the evaluation team members re-evaluate their original recommendations and discuss the oral performance of the proposers and their previously submitted proposals. A final selection is then made by staff based on oral performance and proposal evaluation of responsiveness and responsibility and telephone reference information. The selection of the single source or several sources deemed within the competitive range is delivered to Purchasing for cost and/or price negotiations in the recommended order of selection. Evaluators will substantiate each rating with a brief narration explaining their evaluation.

Negotiation With Selected Proposer

The following activities are coordinated by the Finance Department.

- A. Establish initial meeting with selected Proposer.
- B. Provide detailed information to Proposer consisting of:
 1. Detailed schedule for negotiations and contract execution.
 2. Discuss proposed contract type.
 3. Discuss and/or provide any new or additional information available regarding the project.

4. Solicits "Best And Final Offer".
- C. Request the following information from the Proposer:
1. Name, address, and phone number of any federal or state agency which has audited the contractor's direct and indirect rates in the past two years. Provide a copy of any written approvals or agreements which may exist.
 2. Labor rates by job classification and the basis of the rates.
 - a. Full disclosure of proposed rates.
 - b. List of OH accounts and dollar amounts for each.
 3. Basis of application and allocation.
 - a. Identify and explain any recent changes or deviation in burden formulation.
 4. Insurance certificates are required prior to contract execution.
- D. Determine the need, utility, and availability of a pre-contract audit. Company preference is in the order of the following list:
1. Use current, existing audit information from federal or state agency.
 2. Obtain new audit through a third party.
 3. Manager, Finance performs desk audit of information obtained from Proposer along with Originating Department.
 4. Debriefs unsuccessful proposers as needed.

Documentation (Procurement Summary)

Procurement Summary shall include but not be limited to the rationale for:

- A. Method of procurement rationale.
- B. Selection of contract type.
- C. Reason for contractor selection.
- D. Basis for the contract price.
- E. Cost and Price Analysis.
- F. Changes to standard terms and conditions.
- G. Unusual circumstances or agreements.
- H. Determination that the Contract Amount is fair and reasonable.
- I. SCT will use time and material type contracts only:
- J. After a determination that no other type of contract is suitable; and

K. If the contract specifies a ceiling price that the contractor shall not exceed except at its own risk.

Contract Preparation

The Finance Department in coordination with the Originating Department will prepare the negotiated contract and review for accuracy and completeness. This review should verify the following:

- A. Placement of Insurance and Claims requirements on program sheet.
- B. Consistency of prices with:
 - 1. Award Page.
 - 2. Consideration Article.
 - 3. Cost and Price Analysis.
- C. Contract documents are complete and properly listed on the Award Page.
- D. Contractor's name is consistent on all pages.
- E. Period of Performance is consistent on Award page and performance Article.
- F. Index is completed to match the Articles.
- G. Contract must be signed by Contractor's authorized representative/s and SCT Administrator.

In addition the Finance Department in coordination with the Originating Department shall:

- A. Prepare Purchase Requisition and verify amount is sufficient. (Requestor)
- B. Prepare two (2) duplicate originals of Contract and transmittal letter.
- C. Review final contract and letter.
- D. Mail to Contractor
- E. Follow up progress with Contractor.
- F. Prepare transmittal letter for the Manager, Finance and Admin signature.
- G. Mail fully executed contract, transmittal letter and delegation letter.
- H. Make internal distribution.

Confidentiality Of Proposals

Proposers may be required to submit corporate financial data and labor rates which are usually considered by the proposers to be privileged information. Therefore, all documentation received in response to RFP's is to be treated as confidential. If the need arises to share the contents of a proposal with another company or firm, the permission of a responsible official of the proposing firm must be acquired prior to such dissemination. **Furthermore, dissemination of proposals within SCT should be controlled and restricted to those persons with a demonstrable "need to know".**

Guidelines For The Evaluation Of Sealed Bids

An Invitation For Bid is formally advertised in local and/or national newspapers, magazines or trade publications. In addition, bid lists, DBE Directory and letters of interest are reviewed for qualified/interested vendors.

- A. Sealed bids are received and opened at time and place specified in IFB. Bids are opened publicly and bid amounts become knowledge of all bidders.
- B. Bidders may not modify bids after they have been opened. Bid price offered is a “best price offer”.
- C. Bid bonds, if required, must accompany bid.
- D. In awarding bid, consideration will be given to price, financial responsibility of the bidder, responsiveness to the IFB, suitability of the labor and/or material offered and DBE participation, if requested.
- E. In the event a single bid is received, SCT may conduct a price or cost analysis of the bid. A price analysis is the process of examining the bid and evaluating the separate cost elements. Where it is impossible to obtain a valid price analysis, it may be necessary for SCT to conduct a cost analysis of the bid price.
- F. Firm fixed price contract is awarded.

Contract Cost And Price Analysis For Every Procurement Action

SCT will perform a cost or price analysis in connection with every procurement action, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, SCT will make independent estimates before receiving bids or proposals.

- A. Cost Analysis. A cost analysis must be performed when the offeror is required to submit the elements (i.e., labor hours, overhead, materials, etc.) of the estimated cost, e.g., under professional consulting and architectural and engineering services contracts.

A cost analysis will be necessary when adequate price competition is lacking and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation.
- B. Price Analysis. A price analysis may be used in all other instances to determine the reasonableness of the proposed contract price.
- C. Profit. SCT will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor’s investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- D. Federal Cost Principles. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles. SCT may reference its own cost principles that comply with applicable Federal cost principles.

- E. Cost Plus Percentage of Cost Prohibited. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

Payment Provisions In Third Party Contracts

- A. Advance Payments. FTA does not authorize and will not participate in funding payments to a contractor prior to the incurrence of costs by the contractor unless prior written concurrence is obtained from FTA.
- B. Progress Payments. SCT may use progress payments provided the following requirements are followed:
1. Progress payments are only made to the contractor for costs incurred in the performance of the contract.
 2. When progress payments are used, SCT must obtain title to property (materials, work in progress, and finished goods) for which progress payments are made. Alternative security for progress payments by irrevocable letter of credit or equivalent means to protect the grantee's interests in the progress payments may be used in lieu of obtaining title.
- C. Prompt Payment To Subcontractors. Contractor must pay subcontractors for satisfactory performance of their contracts no later than 10 days from the receipt of payment made to the contractor by SCT. Prompt return of retainage payments from the contractor to the subcontractor(s) will be made within 15 days after the subcontractor's work is satisfactorily completed.

Any delay or postponement of payment among the parties may take place only for good cause and with SCT's prior written approval. If the contractor determines the work of the subcontractor to be unsatisfactory, it must notify RTA's Finance Department immediately in writing and stating the reasons. Failure by contractor to comply with this requirement will be construed to be a breach of contract and subject to contract termination.

Liquidated Damages Provisions

SCT may use liquidated damages if it may reasonably expect to suffer damages (increased costs on project involved) from late completion and the extent or amount of such damages would be difficult or impossible to determine.

The assessment for damages shall be at a specific rate per day for each day of overrun in contract time; and the rate must be specified in the third party contract. Any liquidated damaged recovered shall be credited to the project account involved unless the FTA permits otherwise.

Liquidated damages may be applied if a contractor fails to achieve Disadvantaged Business Enterprise (DBE) goal established by SCT at time of contract award or later modified, the contract payments will be reduced as liquidated damage and not as a penalty by an amount equal to the mathematical dollar difference between the total contract amount multiplied by the DBE percentage goal and the actual dollar amount of documented DBE participation in the contract.

Use Of GSA Schedules And Excess Or Surplus Federal Property

SCT may use Federal supply schedules (FSS) of GSA for the procurement of certain goods and services. Price lists are available from participating GSA contractors and may include an administrative fee for GSA in the price of items on the schedule. SCT must contact GSA for guidance on using the GSA supply schedules.

SCT is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property, whenever such use is feasible and reduces project costs.

Intergovernmental Procurement Agreements

To foster greater economy and efficiency, SCT is encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services. The requirements and standards of this apply to procurements entered into under such agreements using FTA funds.

Cargo Preference--Use Of United Stated-Flag Vessels

SCT agrees to comply with U.S. Maritime Administration regulations, "Cargo Preference - U.S. Flag Vessels in FTA funded projects, to the extent those regulations apply to procurement of equipment, materials, or commodities suitable for transport by ocean vessel.

Preference For Recycled Products

To the extent practicable and economically feasible, SCT agrees to provide a competitive preference for recycled products in FTA funded projects pursuant to U.S. Environmental Protection Agency guidelines.

Use Of Value Engineering In Construction Contracts

SCT may use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lowest cost.

Awards To Lowest Responsive, Responsible Contractor

SCT will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, records of past performance, and financial and technical resources.

Advertisement of IFBs and RFPs

A notice of an Invitation For Bid or Request For Proposal will be prepared by the Purchasing Department and will be advertised as a public notice and mailed to an adequate number of known vendors listed in SCT's vendor file and other available directories.

Public notice must be published in a newspaper of general circulation in sufficient time prior to the date set for IFB/RFP closing. The notice must include the following minimum information:

- A general description of the service or goods to be purchased.
- The location of the bid forms and detailed specifications.
- Time and location of any Pre-Proposal or Pre-Bid Conference.
- The IFB/RFP submittal location and time and date.

CHAPTER VIII

ACQUISITION OF SPARE BUS PARTS

Acquisition Of Spare Bus Parts

The Urban Mass Transportation Act of 1964, as amended, defines associated capital maintenance items as "... any equipment, tires, tubes and materials, each of which costs no less than one-half (1/2) of one (1) percent of the current fair market value of rolling stock comparable to the rolling stock for which the equipment, tires, tubes, and materials are to be used". Under the Section 9 program, the acquisition of such items is a capital expense for which the Federal share is 80%, subject to the following provisions:

- A. Associated capital maintenance items relate to items for revenue rolling stock only and do not include facilities, facility equipment or non-revenue producing vehicles.
- B. This provision applies only to acquisition of items funded under Section 9. Items funded under the other capital assistance programs will continue to be acquired under procedures in use currently for acquisition of new rolling stock, although it is expected that most rolling stock will be purchased under Section 9 grants.
- C. The word "item" used herein refers to a specific unity which is customarily offered by a supplier such as an engine, transmission, generator, axle assembly, or compressor. This definition also includes repair or rebuild kits, and sets of like items such as seats or windows.
- D. In some instances, a grantee may have the personnel and facilities available to manufacture or reconstruct a replacement item in-house. Such activities are eligible for FTA capital assistance under the associated capital maintenance provisions provided that: manufacturing the item in-house, including the material, burden labor and overhead, is more cost effective than purchasing the item from a commercial source; or the required part is unavailable commercially or it has an excessively long lead time that cannot be tolerated by the grantee. Otherwise the acquisition of such items should be by contract.
- E. The cost of reconstruction or rebuilding of associated capital maintenance items is an eligible capital cost if the value of the item after reconstruction is at least 1/2 of one percent of the current value a comparable unit of rolling stock.

Under this provision, an eligible capital activity includes a grantees' rebuilding of any item of equipment, such as generators, starters, etc., for use on rolling stock provided that, after rebuild, the item meets the one-half of one percent threshold test.

- F. The threshold minimum cost of each item eligible for acquisition is one-half of one percent of the straight line depreciated value of the average fleet vehicle cost or the depreciated value of a comparable vehicle of the same age and type as the fleet average for which the equipment and material is being procured. This minimum threshold item cost principle applies equally to all rolling stock, either highway or rail vehicles.

For example, if a grantee desires to purchase associated capital maintenance items for a fleet of 40-foot, heavy duty transit buses with an average fleet age of six years, the cost of each item requested can be no less than one-half of one percent of the straight line depreciated value of an average fleet vehicle cost or comparable six-year-old bus.

Assuming that an average fleet bus or comparable six-year-old bus cost \$180,000 when new, then its depreciated value is \$90,000 ($6/12 \times \$180,000$) and the cost of each associated capital maintenance item must be equal to or exceed \$450 ($.005 \times \$90,000$).

- G. In order to simplify administration of this provision, it is reasonable to establish a value for each specific type of rolling stock based on recent average bid prices in the marketplace. The following table is offered by FTA as the baseline reference for this activity. These values may be revised in the future as prices change.

Threshold Value Tables

Transit Coaches
Approximate Recent

<u>Type</u>	<u>Bid Average*</u>	<u>½ of 1% Threshold Value</u>
35 - Ft. Length	\$ 250,000	\$ 1,250.00
40-Ft. Length	\$ 300,000	\$ 1,500.00
Articulated	\$ 400,000	\$ 2,000.00

*Or Current value of bus receiving part(s)

The same minimum threshold item cost principles apply to rail cars, whether rapid rail, light rail, or commuter rail, including specific models such as articulated light rail vehicles and double-deck commuter cars. The threshold is based on one-half of one percent of the total cost of a new rail car of the same type as that for which the associated capital maintenance item is being purchased. For many types of rail transit cars which currently cost about one million dollars, the one-half percent minimum threshold would be \$5,000.

- H. Repair, rebuild, or refurbishing kits that are readily available from suppliers are eligible for acquisition with FTA funding support under this provision if the cost of the complete kit meets one half of one per centum test.
- I. Acquisition of sets or groups of like items will be included under guidelines similar to those stipulated above for kits. Sets of seats, windows or other like items may be procured providing the total cost of the set meets the one half of one per centum test.
- J. Under the provisions of the STURRA, procurements of associated capital maintenance items may be initiated directly by a recipient of FTA funds through a sole source contract with the original supplier or manufacturer for the item to be replaced if the recipient certifies to FTA that: the manufacturer or supplier is the only source for the item; and the price of such items is no higher than the price of similar items. A certification of compliance with these provisions is contained in the Section 9 Certification.

CHAPTER IX

CONTRACT ADMINISTRATION

Role Of The RTA CFO/Director of Administration

The RTA CFO/Director of Administration/Administration shall be the authorized representative of SCT and shall assume the primary role for purposes of communicating with all vendors, suppliers, and contractors as to a commencement and progress of the contract. The Manager of Purchasing may, depending upon the peculiarities of the specific procurement, assign this responsibility to the Project Manager or any other appropriate SCT employee, hereafter referred to as the Designated Employee. This delegation of authority shall be made known to the vendor, supplier, or contractor involved.

The role of the RTA CFO/Director of Administration and Administration/Designated Employee in reference to contract administration can be divided into the following areas:

- A. Performance Monitoring – Ensure that the supplier provides the goods and services desired at the appropriate location and time.
- B. Financial Monitoring – Ensure that the supplier provides the product at the required price and component costs with all other financial considerations met.
- C. Compliance Monitoring – Ensure that the supplier complies with the terms and conditions of the agreement.
- D. Self Certification – Ensure that SCT “self certify” in the Annual Certification/Assurance Process.
- E. Master Agreement – Ensure that SCT refers to “Master Agreement” which contains a comprehensive list of the requirements applicable to the FTA program, including procurement.
- F. Forms Submittal – Ensure that the following forms are received before award of any contract over \$30,000.00:
 1. Debarment and Suspension – SCT will refrain from awarding any third party contract of any amount with a party included in the “U.S. General Services Administration’s (U.S. GSA) List of Parties Excluded from Federal Procurement or Non-procurement Programs”, implementing Executive Orders Nos. 12549 and 12689, “Debarment and Suspension”. Before entering into any sub-agreement with a sub-recipient, SCT agrees to obtain a debarment and suspension certification from each prospective sub-recipient containing information about the debarment and suspension status and other specific information about the sub-recipients and its “principals”. Before entering into any third party contract exceeding \$100,000.00, SCT agrees to obtain a debarment and suspension certification from each third party contractor containing information about the debarment and suspension status of that third party contractor and its “principals”. SCT will require each third party contractor to refrain from awarding any third party subcontract of any amount (at any tier) to a debarred or suspended subcontractor, and to obtain a similar certification from any third party subcontractor (at any tier) seeking a contract exceeding \$100,000.00.
Interest of Members of or Delegates to the United States Congress - SCT will not admit any member of or delegate to the United States Congress to any share or part of the Project or any benefit derived there from.
 2. Bonus or Commission – SCT will affirm that it has not paid, and agrees not to pay, any bonus or commission to obtain approval of its Federal assistance application for a project.
 3. Restrictions on Lobbying – SCT will not use Federal assistance funds to support lobbying. The FTA will not make any Federal assistance available to SCT until FTA has: (a) received

SCT's certification that SCT has not and will not use Federal appropriated funds to pay any person or organization to influence an officer or employee of any Federal department or agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal grant, cooperative agreement, or any other Federal award from which funding for the project in originally derived, and (b) SCT's statement disclosing any lobbying with non-Federal funds that has taken place in connection with obtaining any Federal financing ultimately supporting the project. SCT will provide FTA a copy of each lobbying disclosure statement with the accompanying lobbying certification provided by a prospective third party contractor at any tier or sub-recipient at any tier.

4. Buy America - SCT will comply with FTA's Buy America regulations 49 C.F.R. Part 661, and any amendments thereto, and any implementing guidance issued by FTA, with respect to each third party contract financed by the Grant Agreement or Cooperative Agreement.
5. Bidders List of Participating Firms – SCT will maintain a bidders list to count all firms that are participating in, or attempting to participate in all DOT assisted contracts as required in 49 CFR Part 26 §26.11.

Maintenance Of Procurement Records

The RTA Finance Department shall maintain a procurement contract file for each SCT contract. This file shall contain all records that sufficiently document the significant chronology of the contract, including all formal and informal communication between SCT and the vendor, supplier, or contractor. The file shall include but not be limited to the following records:

- A. Any and all documents evidencing the rationale for the method of procurement.
- B. Any and all documents relating to the selection of vendor, supplier, or contractor.
- C. Any rationale for selection of the contract type.
- D. The basis for the contract price.

Contract Amendments And Change Orders

- A. Contract Amendments. Contract amendments shall be used pursuant to any changed Article in the basic contract when it becomes necessary to change the contract cost and/or fee, Statement of Work, Period of Performance, or any other mutually agreeable change to the Contract. All Contract Amendments must be executed in writing by the authorized representative of the Contractor and SCT.

Additions and/or increases in the Scope of Work may constitute a new procurement and, as such, will be processed in the prescribed manner. Or the additional requirements may be formalized by Contract Amendment.

The Project Manager shall coordinate the requirement for a Contract Amendment as soon as the need is known and shall provide the necessary documentation to permit the Amendment to be processed in the most expeditious manner to prevent delays in the Project Schedule.

The minimum documentation required to formalize a Contract Amendment is as follows:

1. A properly executed Purchase Requisition (for changes to Contract Price).
2. A revised Statement of Work, is appropriate.

3. Technical Evaluation of Contractor's proposal.
 4. Procurement Summary with Cost and/or Price Analysis.
- B. Change Orders. Under certain unforeseeable conditions it may become necessary to redirect the Contractor's effort to prevent an adverse impact on the Project. In such instances, SCT may issue directions by a unilateral "Change Order." If such a direction causes an increase or decrease in the estimated cost and/or fee, a change in the Period of Performance, or affects any other provision of the Contract, the Change Order shall be incorporated into the Contract by formal Contract Amendment in the most expeditious manner possible.

Contract Closeout Procedures

- A. Non-Construction Contracts may include the following:
1. Insure that contract files are closed in a timely manner and the closeout actions are documented on the "CONTRACT CLOSEOUT CHECKLIST" (Appendix C).
 2. Prior to the contract completion date, contact the Project Manager to confirm that no contractor effort will be required after the specified contract completion date. Whenever possible, this action shall be initiated at least 60 days prior to the specified completion date. If the contract will be completed on schedule, proceed with contract closure, otherwise if necessary extend the contract.
 3. Upon completion of the work under the contract, send the "CONTRACTOR'S CLOSEOUT LETTER" (Appendix C), to the contractor. The contractor has 10 days after the receipt of the letter to respond.
 4. Upon return of the "CONTRACTOR'S CLOSEOUT LETTER" review for completeness and acceptability, if the documentation provided is not sufficient follow-up with the Contractor to obtain the required information.
 5. Cost and/or fees withheld in accordance with contract provisions shall not be released to the Contractor until the Contractor has completed the required closing documents, made final disposition of SCT property, and reached final agreement with SCT regarding the amount of final payment due. Withheld costs and/or fees shall be included in the final payment.
 6. Upon confirmation of pending contract completion, determination of whether a final contract audit is required. Final negotiations of indirect rates and disputed costs shall be based on the final audit.
- B. Construction Contract. SCT Project Manager (PM) shall assure the following:
- The date of substantial completion with the contractor shall be established at the contract signing.
1. The Architect/Engineer (A/E) PM, or Inspector of Record will be instructed by the SCT PM to prepare a Punch List. The Punch List will be transmitted to the SCT PM.
 2. SCT, PM reviews A/E Punch List and adds or deletes appropriate items.
 3. SCT PM indicates which items on the Punch List require completion before "Notice of Substantial Completion" will be recorded. The Punch List is then transmitted to the General Contractor (GC) for action.

5. A/E PM or Inspector of Record to verify all Punch List items that have been addressed. SCT, PM to review and approve.
6. Upon completion of the above referenced items, SCT PM shall prepare a record of "Notice of Substantial Completion." The contract time shall conclude as of this date and SCT may take occupancy of the premises.
7. The GC will complete administrative documents including items such as certified payrolls, as-builds, warranties, and lien releases. These documents will be transmitted to the A/E for review.
8. SCT PM to review the final change order, accounting data, administrative documents, completed Punch List prior to approval of final payment.
9. SCT PM to prepare and record "Notice of Final Acceptance."

Responsibility For Settlement of Contract Issues/Disputes

SCT alone will be responsible in accordance with good administrative practices and sound business judgment for the settlement of all contractual and administrative issues arising out of procurements.

These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve SCT of any contractual responsibility under its contracts.

Contract Termination

The performance of work under a contract may be terminated in part or in whole when SCT determines that such termination is in the best interests of SCT. Contracts may be terminated for convenience, i.e., a reduced need or in the best interests of SCT, or for default, i.e., the Contractor has failed to perform in accordance with the contractual requirements.

When the decision to terminate a contract is made, a "Notice of Termination" shall be sent to the Contractor by Certified Mail, Return Receipt Requested. The Notice of Termination shall specify the reason for the termination, the extent to which the performance of work is terminated, i.e., in whole or in part, and the day upon which such termination becomes effective.

After issuance of a Notice of Termination, pursuant to the Termination/Default Article(s) of the Contract, settlement of claims, etc. shall be accomplished as soon as possible to protect the interest of and minimize the liability of SCT.

Contract Period of Performance limitation

SCT will not enter into any contract with a period of performance exceeding five (5) years inclusive of options for any procurements of rolling stock without prior written FTA approval. The FTA has lifted the five (5) year limit for contracts when sound and defensible reasons that justify extending a contract beyond five (5) years.

Prohibition Against Geographic Preferences

SCT shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This does not preempt State licensing laws. However, geographic location may be a selection criterion in procurements for architectural and engineering (A & E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Contract Award Announcement

If SCT announces contract awards with respect to any procurement for goods and services (including construction services) using FTA funding having an aggregate value of \$500,000.00 or more, SCT will:

Specify the amount of Federal funds that will be used to finance the acquisition in any announcement of the contract award for such goods or services; and

Express the said amount as a percentage of the total costs of the planned acquisition.

Prompt Payment To Subcontractors

SCT will advise all Bidders/Proposers that they must pay all subcontractors for satisfactory performance of their contracts no later than 10 days from the receipt of payment made to them by SCT. Prompt return of retainage payments from the Bidder/Proposer to the subcontractor(s) will be made within 15 days after the subcontractor's work is satisfactorily completed.

Any delay or postponement of payment among the parties may take place only for good cause and with SCT's prior written approval. If the Bidder/Proposer determines the work of the subcontractor to be unsatisfactory, it must notify SCT immediately in writing and state the reasons. Failure to comply with this requirement will be construed to be a breach of contract and subject to contract termination.

CHAPTER X

BONDING REQUIREMENTS

Bonding

- A. Capital. For construction, and other contracts for less than \$100,000, the grantee is to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds. For contracts for more than \$100,000, however, FTA has established certain minimum bonding requirements. FTA may accept the bonding policy of the grantee as long as these minimum requirements are met:
1. A Bid Guarantee Bond from each bidder equal to 5 percent of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.
 2. A Performance bond for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.
 3. A Payment bond, Materials & Labor bond are incorporated in connection with a contract to assure payment, as required by law, of all persons supplying labor and material in the execution of the work provided for the contract. Payment bond amounts required from contractors are as follows:
 - a. 50% of the contract price if the contract price is not more than \$1 million;
 - b. 40% of the contract price if the contract price is more than \$1 million but not more than \$5 million;
 - c. \$2.5 million if the contract price is more than \$5 million.
 4. A cash deposit, certified check or other negotiable instrument may be accepted by SCT in lieu of performance and payment bonds, provided SCT has established a procedure to assure that the interest of FTA is adequately protected.
- B. Bonding/Non-Capital. SCT may ask for bonds, anytime it is in the best interest to do so.

Types Of Bonds

- A. Bid Guarantee. The “BID guarantee” shall consist of a firm commitment such as a bid bond, certified or cashier's check, or other negotiable instrument accompanying a bid as assurance the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified. As a general rule, the bidder's security is in the amount of 5% of the total bid.
- B. Performance Bond. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- C. Payment Bond and Materials & Labor Bond. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

CHAPTER XI

RECEIVING

General

The receipt of goods and materials ordered from vendors will be the responsibility of the Stores Department. Where appropriate, goods and materials will be delivered directly to Receiving for distribution to the department which originated the Purchase Requisition (PR).

PROCEDURES FOR RECEIVING GOODS AND MATERIALS

PRINTING A RECEIVING REPORT FOR A SINGLE PURCHASE

Use SCT receiving form with entering employee name, purchase order number, receipt date, receipt reference number or shipping notice number or invoice number. For each item received, accept or change the Quantity Received. If the quantity received is less than ordered, note remaining quantity and date.

Receiving Discrepancies

(Shortages and overages, wrong items and damaged and substandard receipts).

- A. Stores completes a Discrepancy Report and informs the Finance of discrepancy.
- B. Finance shall inform Originating Department, and Vendor, by phone and letter as necessary.
- C. Purchasing buyer shall hold all paper work until the discrepancy has been settled.

Forward paper work back to Stores for further processing.

- E. Copy of Discrepancy Report is sent to Accounts Payable if applicable.

CHAPTER XII

BID PROTEST PROCEDURES / BEFORE BID

Bid Protest Procedures/Policy Before Bid Opening

Each bid proposal shall set a timetable for filing a protest before a bid opening, (10 working days).

The most common types of protest that might be filed before a bid opening would include one based upon restrictive specifications, or alleged improprieties in any type of solicitation that is apparent prior to the scheduled bid opening.

SCT will grant the protesting firm a fair review, and allow up to 10 working days to review or appeal a decision provided no state or federal law or regulation has been violated.

It is the intent of SCT to resolve all protests at the local level.

When a protest is filed before a scheduled bid opening certain steps must be followed:

- A. The protest must be submitted in writing within the specified time frame and sent to the SCT Administrator for determination. (10 working days)

South County Transit
179 Cross Street Suite A
San Luis Obispo, CA 93401

- B. The protest must contain the reason(s) for the protest and should recommend a remedy.
- C. Where appropriate, SCT will hold an informal conference on the merits of a protest with all interested parties allowed to attend. Interested parties may include all bidders/offerors and subcontractors or suppliers provided they have a substantial economic interest in a portion of the IFB or RFP.
- D. All potential bidders will be advised of a pending protest.
- E. SCT shall not open bids prior to the resolution of the protest, unless it is determined that:

The items to be procured are urgently required, or;
Delivery or performance will be unduly delayed by failure to make the award promptly, or;
Failure to make prompt award will otherwise cause undue harm to SCT or the Federal Government.
- F. SCT will respond in writing within 10 working days after receipt of a properly filed protest. The response will be provided by the Finance Department and will include a response to each substantive issue raised in the protest.
- G. After the exhaustion of administrative remedies the protesting party will be given our final decision. The RTA CFO/Director of Administration/Admin has the authority to make the final determination regarding all protests. If the protest is not resolved, and if FTA funded, a protest may then be filed with FTA within 5 working days after receipt of our final decision.

Note that FTA will only entertain a protest that the grantee failed to have or follow their protest procedures. A protest to FTA must be filed in accordance with FTA Circular C4220.1F.

BID PROTEST PROCEDURES / AFTER BID

Bid Protest Procedures/Policy After Bid Opening/Post Award

A protest filed after a bid opening or post award must be filed within 5 working days after the bid opening or notice of award.

The types of protests most commonly filed after bid openings are varied, e.g., one in which the award is made to other than the low bidder, changes to the criteria during bid evaluation, bid compliance, etc.

SCT will grant the protesting firm a fair review, and allow up to 10 working days to review or appeal a decision provided no state or federal law has been violated.

It is the intent of SCT to resolve all protests at the local level.

All protests, including FTA funded projects, must follow certain guidelines.

- A. The protest must be submitted in writing within the specified time frame and sent to the SCT for determination. (5 working days)

SCT Administrator
South County Transit
179 Cross Street Suite A
San Luis Obispo, CA 93401

- B. The protest must contain the reason(s) for the protest and recommend a remedy.
- C. Where appropriate, SCT will hold an informal conference on the merits of a protest with all interested parties allowed to attend. Interested parties may include all bidders/offerors and subcontractors or suppliers provided they have a substantial economic interest in a portion of the IFB or RFP.
- D. SCT will respond in writing within 10 working days after receipt of the protest. The response will be provided by the RTA CFO/Director of Administration and will include a response to each substantive issue raised in the protest.
- E. After exhaustion of administrative remedies the protesting party will be given our final decision. The SCT Administrator has the authority to make the final determination regarding all protests. If the protest is not resolved, and if FTA funded, a protest may then be filed with FTA within 5 working days after receipt of our final decision.
- F. SCT will allow for a request for reconsideration (if data becomes available that was not previously known, or there has been an error of law or regulation).

Note that FTA will only entertain a protest that the grantee failed to have or follow their protest procedures. A protest to FTA must be filed in accordance with FTA Circular C4220.1F.

After a protest that has been rejected by the FTA the protesting firm may file with the Superior Court of the State of California, San Luis Obispo County, 1050 Monterey St, San Luis Obispo, CA 93408.

CHAPTER XIII

DEFINITIONS

ACCEPTANCE: The formal written acceptance by SCT.

ADDENDA: Written interpretations or revisions to Invitations for Bids or Requests for Proposals issued by SCT before the bid or proposal opening.

BID: Offer of the Bidder for the work when submitted on the prescribed Bid Form, properly signed and guaranteed, including the schedule of bid items.

BID DOCUMENTS AND SPECIFICATIONS: A set of documents issued by SCT for the intended work, which includes but is not limited to the Advertisement of Invitation for Bids; Instructions to Bidders; Bid Form; Contractor's Certification; Contract Form; Index to Contract Drawings; Prevailing Rate Schedule; Project Labor Agreement; General Conditions; Contract Drawings; Technical Specifications; and Addenda.

BID SAMPLES: Sample required by SCT to be furnished by a Bidder as part of its bid showing the characteristics of a product offered in its bid in order to assure procurement of an acceptable product. These samples are required only when there are certain characteristics of the product which cannot adequately be described in the Specifications.

BID SECURITY: The certified check of Bidder's Bond accompanying the bid submitted by the bidder, as a guarantee that the Bidder will enter into a contract with SCT for the performance of work and that it will file the required bonds and insurance if the Contract is awarded to the Bidder.

BIDDER: Any individual, firm, partnership, corporation, or combination thereof, submitting a bid for the work contemplated, acting directly or through a duly authorized representative.

BIDDER'S FILES: A compilation by SCT of prospective Bidders, the names and addresses of which are recorded according to subject matter, obtained from request for inclusion in the Bidder's Files, listing of bid package holders and bidders of previous procurements, Disadvantaged Business Directories, yellow pages, and sources suggested by technical staff and consultants.

BLANKET PURCHASE ORDER: A Purchase Order covering an extended period of time from one vendor.

BOARD OF DIRECTORS: The governing body of SCT consisting of seven directors who exercise and perform all powers, duties, functions, rights, and privileges vested in them pursuant to the Articles of Incorporation and By-Laws of the SCT.

BRAND-NAME PRODUCT: A commercial product described by brand name and make, model number, or other appropriate nomenclature by which the product is offered for sale to the public by the particular manufacturer, producer, or distributor. The brand name is used by SCT only for the purpose of establishing identification and a general description of the item.

CHANGE NOTICE: A notice issued to the Contractor specifying a proposed change to the Contract Documents. (Construction Contracts only)

CHANGE ORDER: A written unilateral document authorized by SCT and issued to the Contractor amending the Contract Documents. (It is a bilateral document for Construction Contracts)

CONTRACT: Establishment of a bidding legal relationship obligating the seller to furnish property or services (including construction) and the buyer to pay therefore. It includes all types of commitments which obligate SCT to an expenditure of funds and which are in writing. It includes all actions resulting from acceptance of offers by awards, notices of award and purchase orders. The Contract becomes effective by written acceptance or performance.

CONTRACT ADMINISTRATION: A system for ensuring that Contractors conform within the terms, conditions, and specifications of the Contract and for assuring adequate and timely follow-up.

CONTRACT MODIFICATIONS: Any written alteration in the specifications, delivery point, rate of delivery, contract period, price quantity, or other contract provision of an existing contract, whether accomplished by unilateral action in accordance with a contract provision or by a mutual action of the parties to the contract. It includes: (a) bilateral actions, such as amendments and change orders, and (b) unilateral actions such as change notices, notices of termination, and notices of the exercise of an option.

CONTRACT DRAWINGS: The official plans, profiles, typical cross-sections, general cross-sections, elevations, and details listed or referenced in the Specifications or amendments thereto; and supplemental drawings approved by SCT, which show the locations, character, dimensions, and details of the work to be performed.

CONTRACT SCOPE: Brief narrative of the objectives of the contract.

CONTRACTING OFFICER: The “Contracting Officer” is the SCT Administrator of SCT or such person(s) as he shall designate to act in his behalf in writing. Whenever the term “Contracting Officer” shall appear in this document, the term shall also include his designate(s).

CONTRACTOR: The “Contractor” is the person or organization identified as such in the Contract Documents and is singular in number. The term “Contractor” means the Contractor or its authorized representative. The term “Contractor” also means the “third party” for purposes of these procedures which involve Federal Grant Contracts.

COST ANALYSIS: Review and evaluation of a Contractor's cost or pricing data and of the judgmental factors applied in projecting from the data to the estimated costs. A cost analysis is performed in order to form an opinion of the degree to which Contractor's proposed costs represent what performance of the Contract should cost.

COST LIMITATION: The total amount paid to the Contractor/Architect/Engineer for producing and delivering standard services, including designs, plans, drawings and specifications for a project should not exceed six percent (6%) of the independent estimate of the construction costs of the project.

DBE OFFICER: The DBE program shall be administered by the Company's DBE Officer. The DBE Officer shall develop a referral system on managerial and technical assistance for interested DBE's as well as disseminate information on available business opportunities to the disadvantaged business community to facilitate DBE bidding on company projects. The DBE Officer will work closely with other departments, consultants and others who are responsible for making management and other decisions relative to the Company's procurement and construction contracts. This officer shall offer guidance to Company personnel regarding their DBE responsibilities.

DESCRIPTIVE LITERATURE: Information such as catalog cuts, illustrations, drawings, and brochures which show the characteristics or construction of a product or explain its operation, furnished by a Bidder as part of its Bid to describe the products offered in its Bid and required only when SCT deems such literature is needed to enable it to determine whether the products offered meet the specifications and to establish exactly what the Bidder proposes to furnish.

DETERMINATION AND FINDINGS (D&F): A document created for the Contract file to record all the facts that form the basis for an important decision affecting a procurement or contract action.

DISADVANTAGED BUSINESS ENTERPRISE (DBE): A disadvantaged business enterprise is a small business concern which is at least 51% owned and controlled by one or more socially and economically disadvantaged individuals. Socially and economically disadvantaged individuals are those individuals who are citizens of the United States who are Black Americans, Hispanic Americans, Native Americans, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians, Asian-Pacific Americans, which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea, Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia, Hong Kong, Subcontinent Asian Americans, which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, Sri Lanka, women, regardless of ethnicity or race any other minorities or individuals found to be disadvantaged by the Small Business Administration (SBA) pursuant to Section 8(a) of the SBA.

EVALUATION CRITERIA: Measurable skills, expertise and conditions used to equate Requests for Proposals.

EVALUATION FORM: A form used by the Evaluation Team to measure the Evaluation Criteria defined in the Request for Proposal.

EVALUATION TEAM: A group of individuals headed by SCT Finance Department and comprised of SCT staff and outside consultants as needed for evaluating a Request for Proposal.

FTA: Federal Transit Administration.

FINAL ACCEPTANCE: Final Acceptance of the Work occurs when the Work is fully, completely, and finally accomplished in full, absolute, and strict compliance with the Contract Documents to the satisfaction of SCT.

GENERAL TERMS AND CONDITIONS: A part of the Contract Documents. These clauses set forth the rights and responsibilities of the contracting parties.

INVITATION FOR BIDS (IFB): The complete assembly of related documents furnished to prospective Bidders for the purpose of bidding, based on a clear and accurate description of the technical requirements for the material, product, or service to be procured.

LABOR AND MATERIAL PAYMENT BOND: A bond assuring payment as required by law of all persons supplying labor and material in the execution of the Work provided for under a contract.

LEGAL COUNSEL: (Used as required.)

LIQUIDATED DAMAGES: An amount assessed a Contractor when it fails to complete delivery, installation, services, or the work specified in a contract within the contract period of performance or schedule which causes increased costs to SCT or FTA, the extent of which actual damages would be difficult or impossible to assess, or fails to achieve level of DBE participation contractually agreed upon

South County Transit: SCT.

NOTICE OF FINAL SETTLEMENT: A public notice required by State Law that final payment of a construction or construction-related contract is to be made, requesting that claims be filed by subcontractors or suppliers who have not been paid for work or materials provided to the contractor relating to the specific contract.

NOTICE TO PROCEED: Written direction to commence delivery, installation, services, or the Work provided for in the Contract.

OVERHEAD OR INDIRECT COSTS: The necessary costs which cannot be specifically identified by a Contractor as directly attributable to Contract work, usually the general costs of running the business.

OWNER: The “Owner” is the SCT or its authorized representative.

PERFORMANCE BOND: A bond securing fulfillment of all the Contractor's obligations under a Contract.

PERIOD OF PERFORMANCE: The period of performance is the period of time allowed in the Contract Documents for completion of the Work from effective date through final date.

PREBID CONFERENCE/MEETING: A meeting of SCT and perspective bidders held before a bid opening to discuss any questions or clarifications in Invitation For Bid. This conference is not mandatory.

PRECONSTRUCTION MEETING: For a construction project, a meeting with representatives of the Contractor and the Owner before beginning the construction work.

PREPROPOSAL CONFERENCE/MEETING: A meeting of SCT and perspective proposers held before Request for Proposals are due to discuss any questions or clarifications. This conference is not mandatory.

PRICE ANALYSIS: Process of examining and evaluating the reasonableness of a bidder's or proposer's price without evaluation of the separate cost elements and proposed profit of the bidder/proposer.

PRIME CONTRACTOR PARTICIPATION: The minimum amount of work to be performed by the Contractor on site with its own staff.

PROCUREMENT DEPARTMENT: PD, Procurement or Purchasing.

PROGRESS PAYMENTS: Reimbursement to a Contractor for costs incurred by it at a percentage or stage of completion of the Contract Work when the Contract requires long time periods for completion of Contract performance.

PROGRESS REPORTS: Periodic reporting of progress. Specific requirements are set forth in the contract document.

PURCHASE ORDER: A legal, contractual document used as a written confirmation factually describing all aspects of an agreement reached between the buyer SCT and seller. The end product of a Purchase Order is an item purchase or a rental, maintenance, or office support agreement, or purchase of services.

PURCHASE REQUISITION: A form used to initiate procurement action for materials, supplies and/or services.

RESPONSIBLE BIDDER/PROPOSER: A bidder having the financial resources, judgment, skill, integrity and ability to fulfill successfully the requirements of the Contract.

RESPONSIVE BID: A bid, which conforms to all technical and legal requirements of the Bid Document.

SMALL DISADVANTAGED BUSINESS CONCERN: A small disadvantaged business “concern” shall mean an enterprise which is independently owned and operated which is not dominant in its field of

operation and which further meets the criteria established by the Small Business Act (15 U.S.C.A. S632) and the implementing regulations (13 CFR 121) and FTA Regulations.

“Owned and Controlled” means a small business concern whose management and daily business operations are controlled by disadvantaged individuals and which is:

A sole proprietorship legitimately owned by an individual/individuals who are disadvantaged;

a partnership or joint venture in which at least 51% of the beneficial ownership interest is legitimately held by disadvantaged individuals;

a corporation or other entity, including a publicly-owned business, in which at least 51% of the beneficial ownership interest (i.e., stock) legitimately are held and owned by disadvantaged individuals.

STATEMENT OF WORK (Or Scope of Work): Detailed description of project and performance requirements as defined in a Request for Proposal.

STURAA: The Surface Transportation and Uniform Relocation Assistance Act of 1987.

TECHNICAL SPECIFICATIONS: Detailed description of equipment specifications and project requirements as defined in Invitation for Bid.

CHAPTER XIV

LIST OF FTA CLAUSES

CLAUSES REQUIRED IN ALL THIRD PARTY CONTRACTS AND SUB-AGREEMENTS

FTA CLAUSES	COMMENTS
Drug and Alcohol Testing	Operational Service Contracts/Safety-Sensitive Functions
Cargo Preference	Equipment and Materials Transported by Ocean Vessels
Seismic Safety	Construction Only
Energy Conservation	
Bus Testing	Rolling Stock/Turnkey Only
Pre-Award and Post Award Delivery Audits	Rolling Stock/Turnkey Only
Lobbying	Construction/Architectural & Engineering/ Acquisition of Rolling Stock/Professional Service Contracts/Operational Service Contracts/Turnkey Contracts
Access To Records and Reports	
Federal Changes	
Davis-Bacon Act	All Construction Contracts Over \$2,000.00
Contract Work Hours and Safety Standards	All Construction Contracts Over \$2,000.00
Copeland Anti-Kickback Act	All Construction Contracts Over \$2,000.00
No Government Obligation To Third Parties	
Program Fraud and False Or Fraudulent Statements	
Termination	Most Contracts Over \$10,000.00
Privacy Act	Only When Files Are Maintained
Civil Rights Requirements	
Patent and Rights in Data	Only Research Projects
Transit Employee Protective Agreements	Contracts For Transit Operations By Employees Of Transit Operators
Disadvantaged Business Enterprise	(see Regional Transit Authority DBE Program)
State and Local Law Disclaimer	
Incorporation Of Federal Transit administration (FTA) Terms	

CLAUSES REQUIRED IN ALL THIRD PARTY CONTRACTS AND SUB-AGREEMENTS OVER \$100,000.00

Buy America	
Clean Water	
Bonding Requirements	
Clean Air	
Recycled Products	
Government-Wide Debarment and Suspension	
Breaches and Dispute Resolution	

CHAPTER XV

FORMS

DRAFT

**CERTIFICATION OF PRIMARY PARTICIPANT
Regarding Debarment, Suspension and Other Responsibility Matters**

The _____ certifies to the best of its knowledge and
(firm name/principal)
belief, that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

If unable to certify to any of the statements in this certification, the participant shall attach an explanation to this certification.

The primary participant, _____ certifies or
(firm name/principal)
affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification and understands that the provisions of 31 U.S.C. sections 3801 et seq. are applicable thereto.

Signature and Title of Authorized Official

The undersigned chief legal counsel for the _____ hereby certifies that the _____ has authority under State and local law to comply with the subject assurances that the certification above has been legally made.

Signature of Attorney

Date

CERTIFICATION OF LOWER-TIER PARTICIPANTS
Regarding Debarment, Suspension and Other Ineligibility and Voluntary Exclusion

The _____
(firm name/principal)

certifies by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participant in this transaction by any Federal department or agency.

If unable to certify to any of the statements in this certification, such participant shall attach an explanation to this proposal.

The _____
(firm name/principal)

certifies or affirms the truthfulness and accuracy of the statements submitted on or with this certification and understands that the provisions of 31 U.S.C. sections 3801 et seq. are applicable thereto.

Signature and Title of Authorized Official

The undersigned chief legal counsel for the _____ hereby certifies that the _____ has authority under State and local law to comply with the subject assurances and that the certification above has been legally made.

Signature of Attorney

Date

**CERTIFICATION
OF
RESTRICTIONS ON LOBBYING**

I, _____, hereby certify on behalf (name of proposer) of
_____ that:
(name of company)

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds, other than Federal appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in all subcontracts, and that all subcontractors shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance is placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Executed this _____ day of _____, 20_____

By _____
(signature of authorized official)

(title of authorized official)

CERTIFICATION OF DRUG FREE WORKPLACE

I, _____, hereby certify on behalf of
(name of authorized official)

_____ that
(name of company)

The CONTRACTOR named above, and all Sub-Contractors working on this contract, will comply with Government Code Section 8355 in matters relating to providing a drug-free workplace. The CONTRACTOR and all Sub-Contractors will therefore:

Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance are prohibited, and that specified actions will be taken against employees for violation of these prohibitions, as required by Government Code Section 8355(a).

Establish a Drug-free Awareness Program, as required by Government Code Section 8355(b), to inform employees all of the following:

- The dangers of drug abuse in the workplace.
- The firm's policy of maintaining a drug-free workplace.
- Any available counseling, rehabilitation and employee assistance programs, and
- Penalties that may be imposed upon employees for drug abuse violations, including that no employee who tests positive for use of a controlled substance shall be permitted to work on this contract.

Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed contract:

- Will receive a copy of the firm's drug-free policy statement, and
- Will agree to abide by the terms of the firm's statement as a condition of employment on the contract.

CERTIFICATION:

I, _____, hereby certify that the above-named company, which I am duly authorized to represent, will comply with the Drug Free Workplace requirements of this contract. I understand that this certification is made under penalty of perjury, under the laws of the State of California.

Executed this _____ day of _____, 20 _____

By _____
(signature of authorized official)

(title of authorized official)

“BUY AMERICA” PROVISION

This procurement is subject to the Federal Transit Administration “Buy America” Requirements in 49 CFR Part 66a, as amended.

A “Buy America” Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A waiver for the “Buy America” Provision may be sought by _____ if grounds for the waiver exist.

Section 165a of the Surface Transportation Assistance (STA) Act of 1982 permits FTA participation on this contract only if steel, iron, cement, and manufactured products used in the contract are produced in the United States.

“BUY AMERICA CERTIFICATE”

The bidder hereby certifies that it will comply with the requirements of Section 165a of the Surface Transportation Act of 1982 and the regulations in 49 CFR 661.

Signature _____

Title _____

Date _____

or

The bidder hereby certifies that it cannot comply with the requirements of Section 165a of the Surface Transportation Assistance Act of 1982, but may qualify for an exemption to the requirement pursuant to Section 165b of the STA Act and regulations in 49 CFR 661.7, as amended

Signature _____

Title _____

Date _____

DBE PARTICIPATION

The following stated dollar (\$) amount will be the compensation paid to DBE Firms certifiable or certified under the provisions of the "Regional Transit Authority Disadvantaged Business Enterprise Program".

\$ _____ Firm Name: _____

Firm Address: _____

Description of Work _____

\$ _____ Firm Name: _____

Firm Address: _____

Description of Work _____

\$ _____ Firm Name: _____

Firm Address: _____

Description of Work _____

Total DBE percentage participation _____ %

Total dollar value of DBE participation \$ _____

The undersigned hereby certifies that the foregoing statements and information are true and correct.

Name of Bidder: _____

Company Name: _____

OFFERORS LIST OF PARTICIPATING FIRMS

Bidder/Proposer must submit with bid/proposal the following information for all participating firms:

Prime Contractor Information

Company Name _____

Age of Firm _____

Address _____

Annual Gross Receipts \$ _____

DBE Certified? _____, if yes: Date Certified: _____

Phone _____ Dollar amount of subcontract \$ _____ By (Agency) _____

Describe work _____

Subcontractor Information

Company Name _____

Age of Firm _____

Address _____

Annual Gross Receipts \$ _____

DBE Certified? _____, if yes: Date Certified: _____

Phone _____ Dollar amount of subcontract \$ _____ By (Agency) _____

Describe work _____

Company Name _____

Age of Firm _____

Address _____

Annual Gross Receipts \$ _____

DBE Certified? _____, if yes: Date Certified: _____

Phone _____ Dollar amount of subcontract \$ _____ By (Agency) _____

Describe work _____

(Copy for additional Subcontractors as needed)

SOUTH COUNTY TRANSIT

October 22, 2014

STAFF REPORT

AGENDA ITEM: C-3

TOPIC: Resolution Authorizing SCT to Use Prop 1B Funds to Partially Purchase 2015 Gillig Bus

ACTION: Approve

PRESENTED BY: Geoff Straw – SCT Administrator

STAFF RECOMMENDATION: Adopt Resolution

EXECUTIVE COMMITTEE RECOMMENDATION:

BACKGROUND/DISCUSSION:

Staff is recommending that the SCT Board authorize the SCT Administrator to accept and use \$22,000 in Proposition 1B funds to partially provide the local match needed to purchase a replacement 2015 Gillig low-floor bus. This amount is leftover funds that were originally allocated to RTA for its operations facility land purchase, which came in slightly under budget. Both the RTA and SLOCOG Boards of Directors have authorized the shift of these leftover Prop 1B funds to SCT at their respective September 10, 2014 meetings.

The Public Transportation Modernization, Improvement, and Service Enhancement Account program was created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion available to Transportation, \$3.6 billion dollars was allocated to Prop 1B to be available to transit operators over a ten-year period. Prop 1B funds may be used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or rolling stock procurement, rehabilitation or replacement. Eligible projects must be consistent with the project sponsor's most recently adopted short range transit plan; SCT's bus replacement project meets this criteria.

Staff Recommendation

Staff is requesting authorization to accept \$22,000 in Prop 1B funds for the partial purchase of a replacement bus.

SOUTH COUNTY TRANSIT

October 22, 2014

STAFF REPORT

AGENDA ITEM: C-4

TOPIC: Resolution Authorizing Administrator to Submit Application on behalf of SCT for State Proposition 1B Funds

ACTION: Approve

PRESENTED BY: Geoff Straw, SCT Administrator

STAFF RECOMMENDATION: Adopt Resolution

California Proposition 1B was passed by voters in November 2006. Staff estimates that up to \$2.1 million will be apportioned San Luis Obispo County for transit-related capital projects over the next two years for general capital-related projects, and up to \$213,000 for safety/security projects. SCT is an eligible recipient for both of these funding sources.

Besides SCT, eligible recipients of the Proposition 1B funds include RTA, the City of Morro Bay, the City of San Luis Obispo, the City of Atascadero, the City of Paso Robles and San Luis Obispo County. Grants will be due to the San Luis Obispo Council of Governments by February 1, 2015. Projects must be transit-related capital projects and have a minimum life span of 10 years.

Staff Recommendation

Approve the attached resolution authorizing the SCT Administrator to submit a Proposition 1B grant application of up to \$2.1 million for potential capital projects and up to \$213,000 for potential Safety and Security Capital projects for the fiscal years 2014/15 and 2015/16 apportionments. Please note that these amounts are subject to a competitive application process for the entire region.

SOUTH COUNTY TRANSIT
RESOLUTION NO. 14-_____

A RESOLUTION OF THE SOUTH COUNTY TRANSIT BOARD OF DIRECTORS,
AUTHORIZING SUBMITTAL OF A GRANT APPLICATION TO THE
SAN LUIS OBISPO COUNCIL OF GOVERNMENTS FOR
CALIFORNIA PROPOSITION 1B PROGRAM FUNDS

WHEREAS, South County Transit is under contract to fully administer transit services for the Cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as the community of Oceano, in the southern part of San Luis Obispo County; and

WHEREAS, South County Transit is an eligible applicant for California Proposition 1B Program funds; and,

WHEREAS, South County Transit is in need of various capital-related materials, supplies, and equipment, all of which are eligible for purchase under the California Proposition 1B Fund Program; and

WHEREAS, South County Transit will continue to provide public transportation services in the southern part of San Luis Obispo County; and

WHEREAS, South County Transit is seeking grant funding to optimize the use of Transportation Development Act funds provided by the various jurisdictions included in the Joint Powers Agency Agreement; and

WHEREAS, South County Transit is requesting up to \$2,300,000 for the FY14/15 funding year cycle from the Proposition 1B Fund Program for the purchase of various materials, supplies and equipment including transit vehicle replacement.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the South County Transit Board of Directors authorizes the Administrator or his designee to submit a proposal to the San Luis Obispo Council of Governments from the California Proposition 1B Fund Program of up to \$2,100,000 for general capital projects and up to \$213,000 for Safety and Security capital projects for the upcoming funding cycle.

BE IT FURTHER RESOLVED, that the President of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

BE IT FURTHER RESOLVED, that the Administrator or his designee is hereby authorized to submit said funding requests.

Upon motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:
NOES:
ABSENT:
ABSTAINING:

The foregoing resolution is hereby adopted this 22nd day of October 2014.

Jim Guthrie, Chairperson
South County Transit

ATTEST:

Geoff Straw, Administrator
South County Transit

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
Timothy McNulty
SCT Counsel

Date: _____