



Pierce Transit Administration Building
3701 96th ST SW, Lakewood, WA
Grand Conference Room

Executive Finance Committee
January 25, 2018, 3:00 p.m.

AGENDA

CALL TO ORDER

APPROVAL OF MINUTES: October 26, 2017

ACTION AGENDA:

1. FS 18-006, Authority to Execute a Contract with MB Electric, LLC., for the Construction of Three Electric Bus Charging Stations; **approve contract** Monica Adams, Project Manager
2. FS 18-007, Authority to Execute a Contract for Legal Services with K&L Gates; **approve contract** Dana Henderson, General Counsel
3. FS 18-008, Authority to Execute a Contract for Legal Services with Pacifica Law Group; **approve contract** Dana Henderson, General Counsel
4. FS 18-009, Authority to Execute a Contract for Legal Services with Eisenhower Carlson; **approve contract** Dana Henderson, General Counsel
5. FS 18-010, Proposed Housekeeping Amendments of Pierce Transit Code Sections 3.12 through 3.13; **refer to full Board for approval** Brett Freshwaters, E.D of Finance/CFO

COMMISSIONER COMMENTS

EXECUTIVE SESSION

ADJOURNMENT

**PIERCE TRANSIT
EXECUTIVE FINANCE COMMITTEE MEETING
3701 96th STREET SW, LAKEWOOD, WA
GRAND CONFERENCE ROOM**

October 26, 2017

MINUTES

CALL TO ORDER

Vice Chair Eidinger called the meeting to order at 3:03 p.m. (*Chair Talbert arrived at 3:04 p.m. and resumed the role of chair*).

ATTENDANCE

Executive Finance Committee Commissioners present:

Daryl Eidinger, Vice Chair, City of Edgewood Mayor
Don Anderson, City of Lakewood Mayor
Nancy Henderson, Vice Chair of the Board, Town of Steilacoom Councilmember
(*representing Auburn/Gig Harbor/Fircrest/Pacific/Ruston/Steilacoom*)
Rick Talbert, Chair, Pierce County Councilmember (*arrived at 3:04 p.m.*)

Staff present:

Sue Dreier, Chief Executive Officer
Deanne Jacobson, Assistant to the CEO/Clerk of the Board
Kristol Bias, Records Coordinator/Deputy Clerk of the Board
Dana Henderson, General Counsel
Alexandra Mather, Government & Community Relations Officer
Shaney Edington, Assistant Manager of Network & Security
Brett Freshwaters, Executive Director of Finance
Vivienne Kamphaus, Executive Director of Administration
Mike Griffus, Executive Director of Service Support & Delivery
Skip Huck, Executive Director of Maintenance
Jay Peterson, Transit Development Manager
Heidi Soule, Project Management Office Manager
Kathy Sullivant, Finance Manager
Kelli Dion, Budget Assistant Manager
Caron Sanderson, Budget Coordinator
Penny Grellier, Business Partnership Administrator

APPROVAL OF MINUTES

Commissioners Anderson and Henderson **moved** and seconded to approve the September 28, 2017 meeting minutes as presented.

Motion **carried**, 4-0.

ACTION AGENDA

1. FS 17-073, Authority to Execute a Four-Year Contract for Telephone System Managed Services with Cerium Networks, Inc.

Assistant Manager of Network & Security Shaney Edington presented on the item, noting that the contract is needed due to problems experienced with the agency's phone system during the initial deployment.

After fully considering options, agency staff selected to keep the current telephone system and contract with a vendor with the expertise and skills to conduct the system assessment, correct any issues and assume managed support of the telephone system. Upon completion of the assessment and mitigation of identified issues, Cerium Networks, Inc. will take over the responsibility of managing the agency's telephone system. Staff conducted a price comparison with other Cerium Networks users and other vendors, and found that the price proposed for the assessment and managed services is fair and reasonable.

Commissioners Anderson and Henderson **moved** and seconded to authorize the Chief Executive Officer to enter into and execute a four-year contract for Telephone System Managed Services with Cerium Networks, Inc. for a current Voice over IP telephone system.

Motion **carried**, 4-0.

DISCUSSION/UPDATE

Review of Proposed 2018 Federal Legislative Agenda

Government & Community Relations Officer Alexandra Mather presented on the item, which will also be presented to the full Board of Commissioners for consideration in November.

Suggested priorities include engaging with new federal agency leaders to ensure they know about PT's needs, partnering with other agencies and organizations to protect and preserve federal transit funding programs, and preserving transit-related credits and benefits.

Review of Proposed 2018 Budget

Executive Director of Finance Brett Freshwaters presented on the item, along with comments from Chief Executive Officer Sue Dreier and various Executive Directors with respect to items related to their departments.

It was noted that one of the major goals in this budget is for the agency to continue its multi-year effort to restore and replace aging infrastructure. Many new projects that were started in 2017 will carry over to 2018, such as the Tacoma Dome Station refurbishment planning and work. *(Commissioner Anderson left the meeting at 4:07 p.m.)*

It was also noted that a major challenge for 2018 and beyond will be implanting the Base Master Plan. The first phase of that plan, expanding the bus lot to behind what the agency calls “Building 4” and widening bus paring lanes for safety, will get underway in 2018.

The full Board of Commissioners will hold a study session on the 2018 budget before its regular Board meeting on November 13, 2017, followed by a public hearing at the meeting. The Board is expected to adopt the budget in December 2017.

COMMISSIONER COMMENTS

The Commissioners had no comments to report.

Clerk of the Board Deanne Jacobson noted that the next scheduled Executive Finance Committee Meeting falls on Thanksgiving and asked that the Commissioners keep this in mind as a decision will need to be made with regards to rescheduling or cancelling the meeting.

EXECUTIVE SESSION

At 4:29 p.m. the regular meeting was recessed into Executive Session for approximately 10 minutes, pursuant to RCW 42.30.110 (1)(iii), for purposes of discussing legal risks of proposed action where public discussion could result in adverse legal or financial consequences to the Agency. It was noted that formal action would not occur in open session following the executive session.

At 4:39 p.m. Chair Talbert extended the executive session 5 minutes. The extension was announced to attendees.

RECONVENE/ADJOURNMENT

At 4:44 p.m. the regular meeting was reconvened. With there being no further business, Chair Talbert adjourned the meeting at 4:45 p.m.

Kristol Bias
Records Coordinator/Deputy Clerk of the Board

Rick Talbert, Chair
Board Executive Finance Committee



TITLE: Authority to Execute a Contract with MB Electric, LLC, for the Construction of Three Electric Bus Charging Stations

DIVISION: Finance

SUBMITTED BY: Monica Adams, Project Manager

RELATED ACTION:

FS 17-023, Authority to Execute Task Order No. 9 with Gray & Osborne for Architectural and Engineering Services for the Electric Bus Deployment Project.

FS 17-054, Authority to Purchase Three (3) Forty-Foot Electric Catalyst Transit Vehicle Replacement Coaches from Proterra, Inc., Pursuant to Washington State Heavy-Duty Mass Transit Vehicles Department of Enterprise Services (DES) Contract No. 09214/

ATTACHMENTS: N/A

RELATION TO STRATEGIC PLAN: Financial

BUDGET INFORMATION

Is it Budgeted? Yes / No

Project Name or Number: Electric Bus Deployment

Operating Budget

Capital Budget

FUNDING SOURCE:		EXPLANATION:
Local Amount	\$ 298,884 – contract amount \$59,776 – 20% contingency	This funding is part of the total budget for the Electric Bus Project.
Grant/Other Amounts	\$ 0	
Total Expenditure	\$ 358,660	

BACKGROUND:

Pierce Transit has received a Low-No Emission grant from the FTA in the amount of \$2,550,078. Pierce Transit is contributing \$1,734,286 in local funds to purchase three electric buses and charging stations. The buses have been ordered from Proterra, and are expected to arrive this summer. The charging stations are required to charge the vehicles each night. Pierce Transit conducted a public procurement process for the construction/installation of the electric charging stations, and received one bid. MB Electric, LLC., was the only responsive bidder. The chargers will be installed at Pierce Transit Headquarters, in the bus parking lot. Construction should begin first quarter of 2018 with an estimated six-month duration, which includes long lead time items.

STAFF RECOMMENDATION:

MB Electric, LLC, was under the budgeted amount and within reasonable range of the Engineer's Estimate. Staff recommends approval of the contract in the amount of \$298,884 and a contingency amount of \$59,776 for the construction of the Electric Bus Charging Stations.

ALTERNATIVES:

1. Do not authorize entering into a contract with MB Electric, LLC. This is not recommended because there is no suitable alternative means to charge the buses; or
2. Rebid the project. This is not recommended because the low bidder was within the project budget and the Engineer's estimate. Rebidding would cause a significant delay and negatively impact the project schedule.

PROPOSED MOTION:

Move to authorize the CEO to enter into and execute a contract with MB Electric, LLC, for the construction of three electric bus charging stations in an amount not to exceed \$358,660.



TITLE: Authority to Execute a Contract for Legal Services with K&L Gates

DIVISION: Executive

SUBMITTED BY: Dana Henderson, General Counsel

RELATED ACTION:

FS 17-020, EFC Approval of Contract Extension with K&L Gates

ATTACHMENTS: Exhibit A, Rates for Services

RELATION TO STRATEGIC PLAN: Financial

BUDGET INFORMATION

Is it Budgeted? Yes / No

Project Name or Number: N/A

Operating Budget

Capital Budget

FUNDING SOURCE:		EXPLANATION:
Local Amount	\$ 450,000	Pierce Transit's annual budget for legal services, inclusive of the cost of outside investigations, if needed, is \$140,000. This is a two-year contract with three one-year options. The contract will be drafted so as not to exceed \$450,000 over 5 years. The contract amount is higher than what is expected and budgeted in the event that the Agency is faced with a non-covered claim or other unexpected legal or investigatory needs.
Grant/Other Amounts	\$	
Total Expenditure	\$ 450,000	

BACKGROUND:

K&L Gates has been providing a broad range of general legal services to Pierce Transit for many years, including acting as outside General Counsel until August 2013, when the Agency brought that function in-house. Prior to hiring in-house counsel, K&L Gates handled almost all the Agency's legal matters with the exception of defense counsel in tort cases handled by the Washington State Transit Insurance Pool and labor counsel in union contract negotiations.

In 2017, the Agency issued a comprehensive Request for Proposal (RFP) in a handful of areas of legal specialization to award multiple contracts for on-call legal services. The intent of such a structure was to allow Pierce Transit to hire a specific lawyer for an issue as opposed to sending all work to just one firm. It should be noted that a RFP was issued to allow for a competitive procurement and to evaluate other firms for this work, not out of any sort of concern about the quality, responsiveness, or value of K&L Gates' prior legal work for Pierce Transit.

The areas of specialization that were addressed in the RFP include:

- A. Employment law involving public sector employees
- B. Public entity law with specific assistance on issues facing public transportation benefit area corporations (PTBAs)
- C. Public entity procurement and contracting including public works
- D. Financing
- E. Taxation
- F. Real Estate
- G. Civil Rights
- H. Bankruptcy

After the competitive procurement process, K&L Gates was selected by the committee for the following areas: employment law involving public sector employees; public entity law with specific assistance on issues facing public transportation benefit area corporations; and real estate. The lawyers who have been proposed to do this work are exceptionally well-qualified in these areas, and their rate structure is attached hereto as Exhibit A, with the rates of the selected counsel highlighted. K&L Gates' institutional relationship with Pierce Transit, understanding of unique issues facing PTBAs and knowledge of existing employment and real estate matters will serve the agency well in this proposed contract term. As a full-service firm, K&L Gates will be able to staff unusual or complex matters in these subject areas.

The 2018 rates are discounted from the firm's usual rates by a negotiated 12% for government clients. The contract will provide for fixed rates for the first two years and up to a 3% increase per year thereafter, tied to the CPI. On the whole, the firm's rates are reasonable for each specialization.

STAFF RECOMMENDATION:

Approval of this agreement.

ALTERNATIVES:

Do not authorize this contract. This is not recommended as these services were thoroughly and fairly evaluated in the RFP process, and K&L Gates was deemed to be the most qualified proposer in the subject areas for which they were selected. Additionally, Pierce Transit has pending matters with the firm, and that work would have to either be delayed or transitioned elsewhere, resulting in added expense of new counsel having to familiarize themselves with Pierce Transit's work.

PROPOSED MOTION:

Move to Authorize the CEO to enter into and execute a multi-year agreement with K&L Gates in an amount not to exceed \$450,000.

J. Fee Schedule

We understand that prices are fixed for the first two years of the contract. We also understand that for the three optional extension years the hourly rates will increase or decrease equal to the Consumer Price Index for a maximum of 3% per year. As part of our ongoing relationship with and commitment to Pierce Transit, we are proposing a percent discount to our standard hourly rates equivalent to the discount in our current agreement. For work performed from the start of the contract through the duration we would offer a 12% discount of our standard rates. This 12% discount would also apply to the three optional one-year extensions. This discount would apply to the hourly rates of all service lawyers. The chart below outlines our rates for 2018.

Lawyers	Role	Hourly Rate	Discounted Pierce Transit Rate
Tom Wolfendale	Lead Lawyer	\$505	\$444
Aaron Millstein	Primary Support	\$340	\$299
Suzanne Thomas	Employment Law Contact	\$475	\$418
Raina Wagner	Public Entity Law and Public Contracting Contact	\$340	\$299
Cynthia Weed	Financing Contact	\$515	\$453
Rob Starin	Taxation Contact	\$670	\$590
Rhys Hefta	Primary Real Estate Contact	\$480	\$422
Chuck Royce	Real Estate Contact	\$500	\$440
Bart Freedman	Condemnation Contact	\$605	\$532
Rob Mitchell	Primary Civil Rights Contact	\$650	\$572
Ryan Redekopp	Americans with Disabilities Act Contact	\$400	\$352
Mike Gearin	Bankruptcy Contact	\$540	\$475



TITLE: Authority to Execute a Contract for Legal Services with Pacifica Law Group

DIVISION: Executive

SUBMITTED BY: Dana Henderson, General Counsel

RELATED ACTION: N/A

ATTACHMENTS: Exhibit A, Rates for Services

RELATION TO STRATEGIC PLAN: Financial

BUDGET INFORMATION

Is it Budgeted? Yes / No

Project Name or Number: N/A

Operating Budget

Capital Budget

FUNDING SOURCE:		EXPLANATION:
Local Amount	\$ 450,000	Pierce Transit's annual budget for legal services, inclusive of the cost of outside investigations, if needed, is \$140,000. This is a two-year contract with three one-year options. The contract will be drafted so as not to exceed \$450,000 over 5 years. The contract amount is higher than what is expected and budgeted in the event that the Agency is faced with a non-covered claim or other unexpected legal or investigatory needs.
Grant/Other Amounts	\$	
Total Expenditure	\$ 450,000	

BACKGROUND:

In 2017, the Agency issued a comprehensive Request for Proposal (RFP) in a handful of areas of legal specialization to award multiple contracts for on-call legal services. The intent of such a structure was to allow Pierce Transit to hire a specific lawyer for an issue as opposed to sending all work to just one firm. As a result of this RFP process, two new law firms were identified as the most experienced and well-qualified firms to provide services in certain areas of legal specialization. The areas of specialization that were addressed in the RFP include:

- A. Employment law involving public sector employees
- B. Public entity law with specific assistance on issues facing public transportation benefit area corporations (PTBAs)
- C. Public entity procurement and contracting including public works
- D. Financing

- E. Taxation
- F. Real Estate
- G. Civil Rights
- H. Bankruptcy

After the competitive procurement process, Pacifica Law Group was selected by the committee for the following areas: public entity procurement and contracting including public works; public financing; and civil rights. Pacifica Law Group serves many public entities, and their background and experience in these specialties will be valuable to Pierce Transit. The legal team proposed to do this work is exceptionally well-qualified in these areas, and the firm has proposed a deep bench to be available to Pierce Transit depending on the need.

The firm's rate structure is attached hereto as Exhibit A, with the rates of selected counsel highlighted. The contract will provide for fixed rates for the first two years and up to a 3% increase per option year thereafter, tied to the CPI. These rates are fair and in line with or lower than rates that Pierce Transit has paid for similar work in the past. The firm's rates are reasonable for each specialization.

STAFF RECOMMENDATION:

Approval of this agreement.

ALTERNATIVES:

Do not authorize this contract. This is not recommended as these services were thoroughly and fairly evaluated in the RFP process, and Pacifica was deemed to be the most qualified proposer in the subject areas for which they were selected.

PROPOSED MOTION:

Move to Authorize the CEO to enter into and execute a multi-year agreement with Pacifica Law Group in an amount not to exceed \$450,000.

Appendix C

Fee Schedule

The following shows proposed hourly rates for members of our team. These rates are discounted to reflect that Pierce Transit is a public entity. We would propose to amend these rates on an annual basis, only with Pierce Transit's consent.

2017 Discounted Hourly Rates

Attorney/Staff	Rate
Deanna Gregory, Partner	\$325
Jessica Skelton, Partner	\$315
Matt Segal, Partner	\$375
Ian Taylor, Partner	\$410
Denise Stiffarm, Partner	\$375
Zak Tomlinson, Partner	\$365
Kymerly Evanson, Partner	\$285
Sarah Washburn, Associate	\$235
Nicole DeNamur, Discovery Attorney	\$235
Katie Dillon, Paralegal	\$135
Sydney Henderson, Legal Assistant	N/A



TITLE: Authority to Execute a Contract for Legal Services with Eisenhower Carlson

DIVISION: Executive

SUBMITTED BY: Dana Henderson, General Counsel

RELATED ACTION: N/A

ATTACHMENTS: Exhibit A., Rates for Services

RELATION TO STRATEGIC PLAN: Financial

BUDGET INFORMATION

Is it Budgeted? Yes / No

Project Name or Number: N/A

Operating Budget

Capital Budget

FUNDING SOURCE:		EXPLANATION:
Local Amount	\$ 50,000	Pierce Transit's annual budget for legal services, inclusive of the cost of outside investigations, if needed, is \$140,000. This is a two-year contract with three one-year options. The contract will be drafted so as not to exceed \$50,000 over 5 years. The contract amount is higher than what is expected and budgeted in the event that the Agency is faced with a non-covered claim or other unexpected legal or investigatory needs.
Grant/Other Amounts	\$	
Total Expenditure	\$ 50,000	

BACKGROUND:

In 2017, the Agency issued a comprehensive Request for Proposal (RFP) in a handful of areas of legal specialization to award multiple contracts for on-call legal services. The intent of such a structure was to allow Pierce Transit to hire a specific lawyer for an issue as opposed to sending all work to just one firm. As a result of this RFP process, two new law firms were identified as the most experienced and well-qualified firms to provide services in certain areas of legal specialization. The areas of specialization that were addressed in the RFP include:

- A. Employment law involving public sector employees
- B. Public entity law with specific assistance on issues facing public transportation benefit area corporations (PTBAs)
- C. Public entity procurement and contracting including public works
- D. Financing

- E. Taxation
- F. Real Estate
- G. Civil Rights
- H. Bankruptcy

After the competitive procurement process, the Tacoma firm of Eisenhower Carlson was selected by the committee for the following areas: taxation and bankruptcy. The legal team proposed to do this work is exceptionally qualified. The lawyer proposed for taxation has a wealth of experience in local and state taxation issues, and was formerly associated with the Washington Department of Revenue in the Interpretation and Appeals Division. Counsel proposed for bankruptcy work is well-equipped to handle any bankruptcy claim that Pierce Transit may seek to make, and will provide expert advice in shoring Pierce Transit's position in its contractual relationships.

The firm's rate structure is attached hereto as Exhibit A, with the rates of the selected counsel highlighted. The contract will provide for fixed rates for the first two years and up to a 3% increase per option year thereafter, tied to the CPI. These rates are fair and in line with or lower than rates that Pierce Transit has paid for similar work in the past. The firm's rates are reasonable for each specialization.

STAFF RECOMMENDATION: Approval of this agreement.

ALTERNATIVES:

Do not authorize this contract. This is not recommended as these services were thoroughly and fairly evaluated in the RFP process, and the lawyers at Eisenhower Carlson were deemed to be the most qualified in the subject areas for which they were selected.

PROPOSED MOTION:

Move to Authorize the CEO to enter into and execute a multi-year agreement with Eisenhower Carlson in an amount not to exceed \$50,000.

Addendum 1
Proposal Price Form
Eisenhower Carlson PLLC
List of Attorney Regular Rates
January 2017

Timekeeper	2017
Baker, Elizabeth	350.00
Dial, Neil A.	415.00
Donahue, Terrence J.	425.00
Fujita, Garry G.	420.00
Hushagen, James M.	375.00
Kleinberg, Alexander S.	350.00
Krattli, Darren R.	340.00
Lewis, Amy C.	350.00
Marques, Evan W.	325.00
Peterson, Carl R.	430.00
Petrich, David B.	350.00
Casey, Robert G.	390.00
Sternal, Guy J.	360.00
Blodgett, Todd M.	305.00
Jackowski, Hannah J.	260.00
Royse, Michael J.	260.00
DeLong, Arthur	260.00
Paralegal	165.00
Interns	150.00



Executive Finance Committee
Fact Sheet No.: 2018-010
Date: January 25, 2018

TITLE: A Resolution Removing Chapter 3.12 – Purchasing Procedures from the Pierce Transit Code; Amending Chapter 3.13 – Delegated Authority and Procedures for Procurement of Materials, Work, and Services and for the Acquisition and Use of Property and Property Rights to Add Language Clarity and Repealing Resolution Nos. 84-005, 94-072, 00-019, 03-044, 08,018 14-035, 14-062 Section 1 (Exhibit A), and 16-019

DIVISION: Finance

SUBMITTED BY: Brett Freshwaters, Executive Director of Finance

RELATED ACTION:

Resolution No. 84-005, Establishing Procedures for the Procurement of Goods and Services by Repealing Chapter 3.12 bidding Procedures and Chapter 3.16 Purchase Order Requirements and Adding a New Chapter 3.12, Titled Purchasing Procedures;

Resolution No. 94-072, Authorizing Revision of Purchasing Policies and Procedures

Resolution No. 00-019, Authorizing the Revision of the Listing of Non-Representative Class Titles, January 1, 2000

Resolution No. 03-044, Authorizing Revision of Agency Purchasing Policies and Procedures

Resolution No. 08-018, Establishing Revised Delegated Authority and Procedures for the Procurement of Materials, Work and Services, and for the Acquisition and Use of Property and Property Rights and Rescinding All Previous Procurement Resolutions

Resolution No. 14-035, Authorizing Amendments to Sections 3.12.030 Goods and Services; 3.13.010 Delegated Authority; 3.13.020 Procurement and Contracting Procedures and 3.13.110 Real Property Acquisition and Disposition

Resolution No. 14-062 (Section 1, Exhibit A) Removing the Purchasing Credit Card Program from Pierce Transit Code Section 3.28.100 and Revising it Under New Pierce Transit Code Section 3.13.210 – Purchasing Credit Card Program

Resolution No. 16-019, Revising Pierce Transit Code Section 3.12.030 – Goods and Services and Increasing Bid Limits

ATTACHMENTS: Proposed Resolution
Exhibit A, Proposed Amendments
Exhibit B, Clean Version

RELATION TO STRATEGIC PLAN: Internal

BUDGET INFORMATION: N/A

BACKGROUND:

Staff are undertaking a comprehensive review of the Pierce Transit Code, which is where Board of Commissioners' policy statements and directives are held. Many of the Code chapters and sections are obsolete or require revision due to changed operations. Additionally, many sections are also strictly procedural in nature and should be removed from the Code and instead held in the Purchasing Manual, a procedural document.

Chapters 3.12 and 3.13 of the Code establish various Purchasing Procedures and Policies. The various sections delegate certain authority to the CEO to establish purchasing policies, while at the same time detailing the specific procedures that are delegated. Rather than reside in the Code, the procedural language should (and currently does) reside in the administrative Purchasing Manual. Most of the proposed revisions to the Code sections entail removing the procedural language. There are no substantive policy changes in the recommended revisions. Some of the sections are also revised to add clarity or provide minor grammar corrections.

The changes proposed to the chapters are summarized as follows:

1. Removing procedural and/or duplicative language: Sections 3.12, 3.13.030-050, 3.13.070, 3.13.110-120, 13.13.150.
2. New wording and rearranging sections to clarify intent: Sections 3.13.010-020, 3.13.06, 3.13.090-100, 13.13.170-190, 13.13.210.

STAFF RECOMMENDATION:

Approve Resolution No. 18-006, authorizing amendments to Chapters 3.12 and 3.13 of the Pierce Transit Code and Repealing Resolution Nos. 84,005, 94-072, 00-019, 03-044, 08,018 14-035, 14-062 Section 1 (Exhibit A), and 16-019.

ALTERNATIVES:

Make no changes to the current Chapters 3.12 and 3.13, which means that many administrative procedures would remain in the Code, thereby limiting staff ability to revise procedures to reflect current operations.

PROPOSED EFC MOTION:

Refer Resolution No. 18-006 to the February 12, 2018 Board of Commissioners meeting with recommendation to approve Amendments to Chapters 3.12 and 3.13 of the Pierce Transit Code as presented in Exhibit A.

RESOLUTION NO. 18-006

1 A RESOLUTION of the Board of Commissioners of Pierce Transit Removing Chapter 3.12 – Purchasing
2 Procedures from the Pierce Transit Code; Amending Chapter 3.13 – Delegated Authority and Procedures for
3 Procurement of Materials, Work, and Services and for the Acquisition and Use of Property and Property Rights
4 to Add Language Clarity and Repealing Resolution Nos. 84,005, 94-072, 00-019, 03-044, 08,018 14-035,
5 14-062 Section 1 (Exhibit A), and 16-019
6

7 WHEREAS, Pierce Transit staff perform periodic reviews of the Pierce Transit Code to maintain
8 relevancy and applicability to policy, procedures and current operations; and

9 WHEREAS, said code review has determined that several revisions are necessary for the chapters
10 establishing parameters for effective and efficient procurement; and

11 WHEREAS, the revisions detailed in Exhibit A will remove procedural language and provide better
12 clarity; and

13 NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

14 Section 1. Remove Chapter 3.12 – Purchasing Procedures in its Entirety from the Pierce Transit
15 Code as described in Exhibit A; and

16 Section 2. Amend Chapter 3.13 – Delegated Authority and Procedures for Procurement of
17 Materials, Work, and Services and for the Acquisition and use of Property and Property Rights to Add
18 Language Clarity and described in Exhibit A; and

19 Section 3. Repeal Resolution Nos. 84-005, 94-072, 00-019, 03-044, 08-018, 14-035, 14-062
20 Section 1 (Exhibit A) and 16-019.

21 Amend Pierce Transit Municipal Code Chapters 3.12 through 3.13 as detailed in Exhibits A and B.

22 ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on
23 the 9th day of October 2017.

24 PIERCE TRANSIT

25 _____
26 Kent Keel, Chair
27 Board of Commissioners

28 ATTEST/AUTHENTICATED

29 _____
30 Deanne Jacobson, CMC
31 Clerk of the Board

Chapter 3.12—PURCHASING PROCEDURES

Sections:

~~3.12.010—Contracts for purchase of goods.~~

~~Contracts for the purchase of goods shall be awarded by the board of commissioners of Pierce Transit.~~

~~(Res. 84-005 §2(part))~~

~~3.12.020—Delegation of certain responsibilities to chief executive officer.~~

~~To insure efficient and economic procurement of goods and services, certain responsibilities are delegated to the chief executive officer.~~

~~(Res. 84-005 §2(part); Res. 00-019 §1)~~

~~3.12.030—Goods and services.~~

~~A.—The "no bid" amount is increased to \$3,000.00.~~

~~B.—Three verbal quotes are required for purchases between \$3,001.00 and \$10,000.00.~~

~~C.—Three written quotes are required for purchases between \$10,001.00 and \$35,000.00.~~

~~D.—The formal advertising threshold is increased to \$35,001.00.~~

~~E.—The chief executive officer is authorized to execute contracts up to \$200,000.00.~~

~~F.—The chief financial officer along with the procurement manager is authorized to execute contracts up to \$5,000.00.~~

~~(Res. 84-005 § 2(part); Res. 94-072 §§ 1—5(part); Res. 00-019 § 1; Res. 03-044 §§ 1—8; Res. No. 14-035, § 1(Exh. A), 7-14-2014; Res. No. 16-019, § 3, 6-13-2016)~~

~~3.12.040—Reserved.~~

~~**Editor's note**—Res. No. 14-010, § 1, adopted March 10, 2014, repealed § 3.12.040, which pertained to change orders. See Code Comparative Table for complete derivation.~~

~~3.12.050—Intergovernmental cooperative purchases.~~

~~The chief executive officer of Pierce Transit is authorized to participate in intergovernmental cooperative purchases to include procurements from contracts entered into by the state of Washington.~~

~~(Res. 84-005 § 2(part); Res. 00-019 § 1)~~

~~3.12.060—Conditions under which board of commissioners may authorize chief executive officer to purchase goods and services.~~

~~The board of commissioners of Pierce Transit, under special circumstances, may authorize the chief executive officer to purchase goods and services in any manner deemed appropriate including the purchase of goods and services where there is only one available source capable of supplying a specific good or service; purchases made or contracts entered into for public works, pursuant to a resolution by the board of commissioners of Pierce Transit declaring an emergency to exist; and for contracts for personal or professional services involving a particular or peculiar skill or ability where the performance of the contract depends on the skill and ability of the persons or company rendering the service.~~

~~(Res. 84-005 §2(part); Res. 00-019 §1)~~

Chapter 3.13 - DELEGATED AUTHORITY ~~AND PROCEDURES~~ FOR PROCUREMENT OF MATERIALS, WORK AND SERVICES AND FOR THE ACQUISITION AND USE OF PROPERTY AND PROPERTY RIGHTS⁽¹⁾

Sections:

Footnotes:

~~(1)~~

~~Editor's note — Res. No. 08-018, § 21, adopted Apr. 14, 2008 stated "Section 21. Supersession of Previous Procurement Resolutions. All previous resolutions establishing procurement policy and procedures are herewith rescinded."~~

3.13.010 - Delegated authority.

- A. The board has retained a chief executive officer to implement the mission, goals, objectives and policy guidelines of the board of commissioners of Pierce Transit pursuant to ~~procedures-policies~~ to be established by the board. The chief executive officer derives authority from the board acting as the governing body of Pierce Transit and as permitted by law. The following ~~procedures-policies~~ are adopted by the board ~~for the purpose of to~~ establishing the ~~administerial-administrative~~ authority of the chief executive officer.
- B. The chief executive officer shall be responsible for ~~the overall management and conduct of operations at Pierce Transit, subject to board policies set forth in this Code or by other board action or direction. The chief executive officer is responsible for normal Pierce Transit operations. The phrase "normal Pierce Transit operations" as used herein means the regular day-to-day business transactions of the agency involving personnel, finances, payments of vouchers, facilities, real and personal property, and other assets. The chief executive officer is authorized to shall retain professional staff, which shall to operate and manage according to directives and policy from the chief executive officer subject to review by the board policies and direction.~~ The chief executive officer shall regularly inform and consult with the chair of the board, the board's standing committees, and the board as a whole regarding significant information, business transactions and policies through methods mutually agreeable to the board and the chief executive officer. ~~The chief executive officer shall be responsible for the day-to-day direction and conduct of business transactions of Pierce Transit subject to the policies, limitations and procedures set forth in this resolution.~~
- C. As permitted by law, the chief executive officer may delegate to appropriate Pierce Transit staff such of his or her administrative authority or reporting requirements herein established as, in his or her discretion, is necessary and advisable for the efficient exercise of such authority. To implement delegations ~~of to~~ Pierce Transit staff, the chief executive officer may issue such policies and procedures, monetary delegations, authority to execute contracts and other documents to guide

agency administration such as employee position descriptions, affirmative action plans, office manuals, etc., which shall include such delegations as may be appropriate. Directives or initiatives by the board shall be implemented through the chief executive officer unless otherwise provided in the board's directive or initiative. Except in the event of emergencies, directives or initiatives shall be approved by the full Board of Pierce Transit acting as a body, or by a motion of a standing committee of the board. The board, acting as a body, may at any time rescind or suspend all or any portion of the delegated authority conferred upon the chief executive officer ~~under this resolution~~ by further resolution or motion acted on in a public meeting.

D. As permitted by law, the board's executive-finance committee is hereby authorized to approve all contracts proposed for award and all contracts for Pierce Transit to acquire or use property of others or to allow the use of Pierce Transit property by others which exceed the chief executive officer's award authority up to a maximum amount of one million dollars or as otherwise required by law. Such approval shall be by motion based on written facts provided by the chief executive officer.

~~E. As permitted by law, the chief executive officer may award all contracts and purchases that do not exceed two hundred thousand dollars in aggregate amount over the term of the contract (including options), pursuant to such procedures as the chief executive officer deems reasonable and in the best interests of Pierce Transit; provided, that such contracts or purchases are within current budget authorizations.~~

(Res. No. 08-018, § 1, 4-14-2008; Res. No. 14-035, 1(Exh. A), 7-14-2014)

3.13.020 - Procurement and contracting ~~procedures~~ policy.

A. The chief executive officer shall ensure that equipment, materials, supplies, ~~and~~ services and public work are procured efficiently and economically by Pierce Transit with maximum practicable competition and in compliance with ~~the procedures established by this resolution,~~ applicable state and federal laws and regulations, ~~and~~ adopted board policies, and applicable procedures.

~~B. Contracts for equipment, materials, supplies, leases, and non-professional and professional services purchased or work-ordered for Pierce Transit, the estimated cost of which is not more than two hundred thousand dollars, may be awarded by the chief executive officer pursuant to such procedures as the chief executive officer deems reasonable and in the best interests of Pierce Transit; provided, that such purchases or orders are within current budget authorizations. Contracts in excess of the chief executive officer's award authority but less than one million dollars may be approved for award by the board's executive-finance committee. B. Reporting. The chief executive officer (or delegate) shall provide a report(s) to the board, not less frequently than quarterly, of the following items: All contracts for services purchased or work-ordered, pursuant to this subsection, which exceed one hundred thousand dollars shall be reported to the board by the chief executive officer on a periodic basis not less frequently than quarterly. All contracts for sole source procurements awarded by the chief executive officer which exceed ten thousand dollars shall be included in such reports.~~

1. All contracts and purchases exceeding one hundred thousand dollars.
2. All sole source awards exceeding ten thousand dollars, except purchase of insurance or bonds and those items that are legally limited to one source by a government authority, such as utilities and building permits.
3. The progress and status of major (as determined by the CEO) capital projects.

~~C. Except as provided otherwise by the board, for all contracts for which board approval has been obtained, (either on a project-wide or individual contract basis), or for which the chief executive officer is authorized to contract without prior board approval, the chief executive officer is authorized to take all further steps necessary for completion of the work, including but not limited to: publication of notice calling for bids or proposals; rejection of bids or proposals or award of contract; canceling or delaying bid or proposal openings; administration of contracts (including execution of contract change orders);~~

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~~acceptance or rejection of work; termination of contract; contract close-out; and claims negotiations and settlements. Such actions shall be consistent with applicable legal requirements and Pierce Transit policies.~~

~~(Res. No. 08-018, § 2, 4-14-2008; Res. No. 14-035, § 1(Exh. A), 7-14-2014)~~

~~3.13.030 Competitive bidding.~~

~~The competitive bidding procedures of Pierce Transit shall be as follows:~~

~~A. Contracts for equipment, materials, supplies, and non-professional services or work, the estimated cost of which is in excess of thirty-five thousand dollars, shall be awarded pursuant to competitive sealed bidding as provided in this section and under the following conditions:~~

- ~~1. Time permits the solicitation, submission and evaluation of sealed bids; and~~
- ~~2. Award will be made on the basis of price and other price-related factors; and~~
- ~~3. It is not necessary to conduct discussions with the responding bidders about their bids; and~~
- ~~4. There is reasonable expectation of receiving more than one sealed bid.~~

~~B. The chief executive officer shall cause a notice inviting sealed bids to be published in appropriate newspapers within Pierce and King Counties at least once, the publication of which shall be not less than ten business days before accepting bids for such contract or as required by law. The plans and specification for such work or equipment, materials, supplies or non-professional services or work must be on file with the chief executive officer and open to public inspection at the time of publication of such notice. The notice shall state generally the equipment, materials, supplies or non-professional services or work to be purchased or work to be done and shall call for bids for doing the same to be sealed and filed with Pierce Transit on or before the day and hour specified. The notice may be published in such additional newspapers or magazines and for such additional period of time as the chief executive officer shall deem to be in the best interest of Pierce Transit.~~

~~C. Any responsive and responsible bids received shall be considered as offers to contract with Pierce Transit. At the time and place named, bids received by Pierce Transit shall be publicly opened and read. The chief executive officer shall require the bids to be retained and analyzed and make his/her recommendation as to the best bid. The chief executive officer may reject any or all bids or cancel or modify bid solicitations if the chief executive officer deems such actions to be in the best interests of Pierce Transit. Minor informalities and irregularities in bid form may be waived.~~

~~D. Contracts shall be awarded on the basis of the best bid. Any bid or any portion of any bid or all bids may be rejected by the chief executive officer. In determining "best bid," the following elements shall be given consideration in addition to price:~~

- ~~1. Bidder responsibility in accordance with RCW 39.04.350;~~
- ~~2. The ability, capacity and skill of the bidder to perform the contract or provide the service or work required;~~
- ~~3. The character, integrity, reputation, judgment, and efficiency of the bidder;~~
- ~~4. The quality and timeliness of performance by the bidder of previous contracts with Pierce Transit, other local governments and state and federal agencies, including but not limited to, the relative costs, burdens, time and effort necessarily expended by Pierce Transit or such governments and agencies in securing satisfactory performance and resolving claims;~~
- ~~5. The previous and existing compliance by the bidder with laws relating to public contracts including, but not limited to, disadvantaged business enterprise and equal employment opportunity requirements;~~

~~6. Such other information as may be secured having a bearing on whether the bidder is responsible and has submitted a responsive bid.~~

~~(Res. No. 08-018, § 3, 4-14-2008)~~

~~3.13.040 Competitive proposals.~~

~~If soliciting competitive sealed bids is not appropriate under the conditions described in Section 3.13.030, then equipment, materials, supplies, professional and non-professional services or work purchased and ordered, the estimated cost of which is in excess of thirty-five thousand dollars may be let by contract under the following competitive sealed proposals procedures to include alternative procurement methods in accordance with RCW 39.10:~~

- ~~A. The chief executive officer shall cause a notice inviting statements of qualifications and/or proposals to be published in appropriate newspapers in Pierce and King Counties at least once, the publication of which shall be not less than ten business days before accepting proposals for such contract. The notice shall state generally the work to be done or equipment, materials, supplies or non-professional services or work to be purchased and shall call for statements of qualifications and/or proposals to be submitted to Pierce Transit on or before the day and hour named therein. The notice may be published in such additional newspapers or magazines and for such additional period of time as the chief executive officer shall deem to be in the best interest of Pierce Transit. The request for statements of qualifications and/or proposals shall state the relative importance of price and other evaluation factors, including but not limited to, the elements listed in Section 3.13.020 for evaluating competitive sealed bids.~~
- ~~B. After review of the proposals, Pierce Transit may award the contract on the basis of the proposals submitted or after conducting interviews with selected offerors as provided in Section 3.13.020 of this resolution, or Pierce Transit may conduct discussions with selected offerors to determine which proposals should be evaluated in more detail and/or whether it is necessary for offerors to submit best and final offers for evaluation. Pierce Transit may request clarifications and consider minor adjustments in the proposals in order to better understand the proposals and to qualify them for further consideration; provided, that information discussed or obtained from one offeror shall not be disclosed to competing offerors during the discussions and negotiations. Except to the extent protected by state or federal laws, proposals shall be considered public documents and available for review and copying by the public after an award of contract recommendation is made.~~
- ~~C. If Pierce Transit determines to award a contract, the award shall be made to a responsible offeror whose proposal is determined to be the most advantageous to Pierce Transit, taking into consideration price and the other established evaluation factors.~~

~~(Res. No. 08-018, § 4, 4-14-2008)~~

~~3.13.050 Prequalification.~~

~~The chief executive officer is hereby authorized to establish procedures for qualifying equipment, materials, supplies and consulting and contracting firms to perform or provide services and work prior to procurement of such items, services or work when special qualifications, experience, capability or performance characteristics are required for the success of a project. Under such procedures, only equipment, materials, supplies and contractors or consultants providing services and work that are determined to meet the qualifying criteria of Pierce Transit will be acceptable to bid or to propose in the subsequent procurement.~~

~~(Res. No. 08-018, § 5, 4-14-2008)~~

3.13.060 - Sole source procurements.

~~The chief executive officer shall establish specific sole source award criteria in accord with RCW 39.04.280(2)(a) as may be amended from time to time. Notwithstanding any other provisions of this resolution, upon determination in writing by the chief executive officer that one or more of the administratively approved sole source award criteria have been met there is only one source available for that which is to be procured, a contract may be negotiated and awarded to that source without being competitively procured. The chief executive officer shall report to the board all contracts for sole source procurements which exceed ten thousand dollars on a periodic basis, not less frequently than quarterly. The chief executive officer may award contracts and purchases for sole source procurements up to not to exceed one hundred thousand dollars, may be awarded by the chief executive officer. Contracts for sole source procurements exceeding one hundred thousand dollars shall be approved by the board for award. The resolution approving the contract, if required under the procedures established by this resolution, shall also indicate the reasons for the sole source procurement.~~

~~(Res. No. 08-018, § 6, 4-14-2008)~~

~~3.13.070 - Proprietary and nondiscretionary items.~~

- ~~A. Spare parts, replacement parts and maintenance contracts for existing equipment and systems where only proprietary items and services are compatible with the existing equipment and systems and where such items and services can be acquired only from the manufacturer or from a single distributor or licensee up to two hundred thousand dollars may be acquired, ordered or paid in the best interests of Pierce Transit by the chief executive officer within budget appropriations or other board authorization therefor.~~
- ~~B. Routine expenses of government, such as utilities charges, governmental taxes, publication and meeting expenses, and governmental fees for licenses and permits may be acquired, ordered or paid in the best interests of Pierce Transit by the chief executive officer within budget appropriations or other board authorization therefor.~~

~~(Res. No. 08-018, § 7, 4-14-2008)~~

3.13.080 - Emergency.

When any emergency shall require the immediate execution of a contract for work or services, or any immediate purchases of materials, equipment supplies, services or construction items, the chief executive officer is authorized to make a finding of the existence of such emergency and execute any contracts or purchases necessary to respond to the existing emergency, provided that the chief executive officer shall, at the first board meeting following the chief executive officer's finding of the existence of an emergency, request board ratification of the finding of emergency and any purchases or contracts awarded and/or executed pursuant to that finding. The chief executive officer shall keep the Pierce Transit Board informed of the development of the emergency situation and the progress of any contracts or purchases executed to remedy the emergency.

(Res. No. 08-018, § 8, 4-14-2008)

3.13.090 - ~~Capital contract administration~~ Change Order Administration.

~~The following procedures and practices shall be utilized by the chief executive officer to initiate and report on the status of capital projects.~~

- A. Construction Contracts (Public Work) and capital equipment purchases: The chief executive officer may execute change orders in any amount, up to his/her purchasing authority, so long as the

~~cumulative change order amount does not exceed the approved project contingency. Change orders exceeding \$200,000 and up to \$1,000,000 may be approved by the Executive Finance Committee. Change orders exceeding \$1,000,000 and any change order requiring a budget amendment must be approved by the Board. Unless Pierce Transit Board requests more frequent reporting, the chief executive officer shall report quarterly to Pierce Transit Board on the progress and status of major capital projects.~~

- B. ~~Professional Services Contracts: The chief executive officer may execute change orders in any amount, so long as the cumulative change order amount plus the original contract amount does not exceed his/her purchasing authority. Change orders exceeding \$200,000 and up to \$1,000,000 may be approved by the Executive Finance Committee. Change orders exceeding \$1,000,000 and any change order requiring a budget amendment must be approved by the Board. Unless Pierce Transit Board requests more frequent reporting, the chief executive officer shall report quarterly to Pierce Transit Board on the progress and status of major capital projects.~~

~~Where contracts for the performance of work have been individually awarded by the board and work is in progress, and changes in plans and/or specifications are necessitated in order to properly accomplish the work, the executive director of finance or the procurement manager may approve and execute change orders valued up to \$50,000.00 and the chief executive officer may execute change orders in any amount. Regardless of value, change orders may only be authorized provided that all of the following conditions are met:~~

- ~~1. The estimated cost of the change order will not exceed funds available in the approved contingency for the work. When an individual change order exceeds the available approved contingency, the change order shall not be issued without prior board approval; and~~
- ~~2. The contract provides for issuance of change orders and the change order is consistent with the terms and provisions of the contract; and~~
- ~~3. The individual change order has been approved and/or certified by the project architect or engineer as being appropriate.~~

~~(Res. No. 08-018, § 9, 4-14-2008; Res. No. 16-020, § 2, 6-13-2016)~~

3.13.100 - Professional services.

A. ~~Professional services estimated to cost more than thirty five thousand dollars may be performed by contract when the following circumstances are present; to be performed for Pierce Transit by other than employees, including but not limited to engineering, financial, marketing, appraisal and other specialized or professional services, the estimated cost of which exceeds thirty five thousand dollars, shall be procured consistent with the following procedures.~~

A. ~~The chief executive officer may initiate the procurement of professional services in the following circumstances:~~

- ~~1. When the services cannot be performed on a timely basis by employees of Pierce Transit; or~~
- ~~2. The services are not part of the routine assignment for such employees; or~~
- ~~3. The services require specialized professional or technical expertise not available from such employees.~~

B. ~~Such services shall be procured using an RFP/RFQ process using procedures consistent with state and federal requirements and approved by the chief executive officer. The chief executive officer shall cause a notice inviting statements of qualifications and/or proposals to be published in appropriate newspapers in Pierce and King Counties at least ten business days before the date for submitting such statements of qualifications and/or proposals. The request for statements of qualifications and/or proposals published or provided to interested parties shall describe the services required, list the types of information and data required of each proposal, identify applicable minority/women/disadvantaged business enterprise and equal employment opportunity requirements, describe the evaluation criteria and state the relative importance of the criteria.~~

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~~C. The chief executive officer shall establish a selection board to review and evaluate statements of qualifications and/or proposals and, if appropriate, hear oral presentations by proposers. After consultation with the board, the chief executive officer may request that one or more board members serve on the selection board. The selection board shall select and rank the most qualified proposers. In selecting and ranking such proposers, the selection board shall consider the published evaluation criteria and may consider such other information as may be secured during the evaluation process related to a proposer's qualifications and experience. The ranking of proposers shall be subject to approval by the chief executive officer. If the chief executive officer approves the ranking, the chief executive officer may authorize contract negotiations with the top ranked proposer or proposers. Negotiations may be conducted concurrently or sequentially.~~

~~D. Contracts for architectural and engineering services shall be procured in accordance with Chapter 39.80 RCW.~~

(Res. No. 08-018, § 10, 4-14-2008)

3.13.110 - Real property acquisition and disposition.

A. The chief executive officer may approve contracts for Pierce Transit to acquire or use property of others, including purchase agreements, leases, rental agreements, operating agreements, licenses, easements, use and access permits, rights of entry and other use agreements; provided that ~~funding for the rental or other~~ resulting monetary obligation is within authorized budget limits, the term of such agreement does not exceed five years (including options), and the total monetary commitment of Pierce Transit over the term of any such agreement (including options) does not exceed two hundred thousand dollars. Contracts for property acquisition or use in excess of the chief executive officer's contract authority of two hundred thousand dollars but less than one million dollars may be approved by the Board's Executive-Finance Committee.

B. The chief executive officer ~~is authorized to shall~~ obtain ~~appropriate~~ appraisals for ~~use in~~ evaluating or negotiating any proposed Pierce Transit acquisition, sale, or lease of real property or any lesser interest therein.

C. After the Pierce Transit Board authorizes the acquisition of real property by negotiated purchase or condemnation, the chief executive officer shall take all necessary steps, including executing all required closing documents, deeds, and other necessary title instruments to secure title of such property for Pierce Transit. The acquisition price of individual properties (or ownerships) shall in no case exceed Pierce Transit's appraisal of fair market value or authorized budget limitations without further specific Pierce Transit Board approval. ~~All voluntary acquisitions costing in excess of two hundred thousand dollars shall be approved by the Pierce Transit Board.~~

D. The chief executive officer is authorized to make application for vacation of streets or roads, and to take all other steps necessary to acquire a fee interest in street or road ends or other public right-of-way ancillary to Pierce Transit development, if the estimated acquisition costs do not exceed two hundred thousand dollars and are within authorized budget limits.

~~E.D.~~ Upon approval by Pierce Transit Board, the chief executive officer ~~is authorized to may~~ sell, exchange, transfer, lease or otherwise dispose of Pierce Transit real or personal property to government entities as provided in Chapter 39.33 RCW, ~~or applicable federal law.~~

(Res. No. 08-018, § 11, 4-14-2008; Res. No. 14-035, § 1(Exh. A), 7-14-2014)

3.13.120 - Miscellaneous provisions.

A. ~~Any public work performed by employees of Pierce Transit, the estimated cost of which exceeds the amount set forth in RCW 39.04.020 shall be performed consistent with the provisions of Chapter 39.04 RCW.~~

~~B.~~—The chief executive officer may designate employees of Pierce Transit to act as the purchasing agents of Pierce Transit for the purpose of carrying out the policies and provisions of this resolution.

~~C.~~—The chief executive officer is authorized to enter into cooperative and/or joint agreements on behalf of Pierce Transit with federal, state and local governments, and/or "piggyback" on such entities' contracts for the purchase of supplies, materials, and equipment whenever in the judgment of the chief executive officer, purchases may thereby be more advantageously made. Whenever supplies, materials and equipment are purchased for Pierce Transit by such federal, state or local governments, such purchases may be accomplished in the manner prescribed by the provisions of applicable law, charter or regulation of such federal, state or local governments, rather than the provisions of this section. The federal, state or local governmental units ~~shall~~ may be reimbursed for necessary costs of performing purchasing services for Pierce Transit.

~~DB.~~ When a procurement involves the expenditure of federal or state grant or contract funds, and the method of procurement required by such agency differs from the requirements of this ~~resolution~~ code or Pierce Transit's purchasing procedures or manual, the chief executive officer shall conduct the procurement in accordance with any mandatory applicable federal or state laws and regulations.

~~EC.~~ The chief executive officer shall ensure that Pierce Transit complies with state law where specifically applicable to the award by Pierce Transit of public contracts.

~~FD.~~ The chief executive officer is authorized to enter into agreements under which Pierce Transit will provide reimbursable services to others and for which Pierce Transit will receive reimbursement, when such services are part of ~~normal-usual~~ Pierce Transit operations or incident thereto.

~~GE.~~ The chief executive officer is authorized to include provisions in contracts awarded by Pierce Transit which promote cooperation and motivate contractors or vendors to improve the project quality or function, to reduce the cost or to save time in construction or delivery by using such methods as shared savings for value engineering, incentive payments, reimbursement for proposal or bid preparation expenses and preconstruction planning, and partnering.

~~H.~~—~~In the case of a tie bid, the tie shall be decided by lot.~~

~~IE.~~ Whenever any bidder is a resident of any other state and such state under its laws allows a resident contractor of that state a preference, a like preference may be allowed to the lowest responsible bidder or proposer who is a resident of Washington if so provided in the bidding documents and allowed by applicable state and federal laws and regulations.

~~(Res. No. 08-018, § 12, 4-14-2008)~~

3.13.130 - Special circumstances.

Whenever in the judgment of the board special circumstances require a policy or procedure different from that set forth herein, the board may authorize the making of purchases, the ordering of work or the performance of services in such other manner as may be deemed to be appropriate to the circumstances.

~~(Res. No. 08-018, § 13, 4-14-2008)~~

3.13.140 - Protests.

The chief executive officer shall establish procedures for considering and determining prequalification, bid and proposal protests and appeals. The chief executive officer, or his or her designee, shall render the final administrative determination on all such protests and appeals.

~~(Res. No. 08-018, § 14, 4-14-2008)~~

~~3.13.150 — Debarments and suspensions.~~

~~The chief executive officer shall comply with the following procedures in contract debarment and suspension actions:~~

- ~~A. — After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the chief executive officer shall have authority to debar a person, firm or other legal entity for cause from consideration for award of contracts with Pierce Transit. An individual debarment action shall be for a period of not more than two years.~~
- ~~B. — The chief executive officer shall have the authority to suspend a person, firm or other legal entity from consideration for award of contracts if there is probable cause for debarment. An individual suspension action shall be for a period of not more than six months.~~
- ~~C. — The authority to debar or suspend shall be exercised in accordance with procedures established by the chief executive officer.~~
- ~~D. — The causes for debarment or suspension include the following:~~
 - ~~1. — Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;~~
 - ~~2. — Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a contractor to Pierce Transit;~~
 - ~~3. — Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;~~
 - ~~4. — Violation of provisions of contracts with Pierce Transit of a character which is regarded by the chief executive officer to be so serious as to justify debarment action, including but not limited to:
 - ~~(a) — deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or~~
 - ~~(b) — substantial failure to comply with commitments to and contractual requirements for participation by women, minority and disadvantaged business enterprises and equal opportunity; or~~
 - ~~(c) — a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment; or~~~~
 - ~~5. — Violation of ethical standards set forth in contracts with Pierce Transit; or~~
 - ~~6. — Any other cause the chief executive officer determines so serious and compelling as to affect responsibility as a contractor to Pierce Transit, including debarment by another governmental entity for any cause similar to those set forth herein.~~
- ~~E. — The chief executive officer's decision of debarment or suspension shall constitute the final and conclusive decision on behalf of Pierce Transit.~~

~~(Res. No. 08-018, § 15, 4-14-2008)~~

3.13.160 - Privatized contracts.

The following provisions shall apply to contracts entered into by Pierce Transit for work or services to be provided to Pierce Transit by private parties which retain an ownership interest in facilities used for such work on services:

- A~~1~~. The specifications for each privatization contract which involves construction, reconstruction, maintenance, or repair of a facility shall contain a provision stating the specified hourly minimum rate of wage, not less than the Washington State or Davis Bacon Act prevailing rate of wage, whichever is higher shall be paid to laborers, workers, or mechanics in each trade or occupation employed in the performance of such contract, either by the contractor, subcontractor, or other person doing or contracting to do the whole or any part of the work contemplated in the construction, reconstruction, maintenance, or repair of the facility.
- B~~2~~. The chief executive officer is authorized and directed to establish a process under which the payment of prevailing wage by such contractor or its subcontractors may be monitored and enforced.

~~(Res. No. 08-018, § 16, 4-14-2008)~~

3.13.170 - Grant and other revenue.

The chief executive officer is hereby authorized to submit grant applications and related documents and to execute grant and other revenue generating contracts provided the resulting revenue and any related expense is included in the budget. Revenue generating contracts ~~in excess of exceeding~~ two hundred thousand dollars not included in the budget shall be authorized for execution by the board of commissioners.

~~(Res. No. 08-018, § 17, 4-14-2008)~~

3.13.180 - Surplus equipment/supplies.

- A. The chief executive officer is hereby authorized to declare equipment or supplies that are no longer of use to the agency surplus and to dispose of such equipment or supplies by open competition to the public provided that applicable state and federal retention rules and requirements have been satisfied.
- B. ~~Care-a-van~~Vehicle donation program—Subject to board of commissioners' approval or by board delegated authority to the CEO, nothing herein shall prevent donation of surplus~~ed~~ vehicles to qualified non-profit organizations through the ~~care~~Care-a-van-Van or similar program-, provided that the recipient provides sufficient transportation services to offset the approximate value that the vehicle would have been sold for in open competition.

~~(Res. No. 08-018, § 18, 4-14-2008; Res. No. 15-068, §§ 1, 2(Exh. A), 12-14-2015)~~

3.13.190 - Implementation.

The chief executive officer ~~is hereby authorized to shall~~ establish additional ~~regulations~~, requirements, certifications and procedures as ~~the chief executive officer deems~~ necessary to carry out ~~the se~~ policies ~~and provisions of this resolution~~. The chief executive officer is authorized to propose innovative contracting techniques for securing necessary work and services including, but not limited to, design/build and general contractor/construction manager projects.

~~(Res. No. 08-018, § 19, 4-14-2008)~~

3.13.200 - ~~Affirmative action~~Equal Opportunity in Contracting.

Pierce Transit is committed to a policy of providing fair and representative employment and business opportunities for disadvantaged business enterprises (DBE) in the procurement of equipment, materials, supplies and non-professional and professional services purchased or work ordered for Pierce Transit, consistent with those Pierce Transit DBE policies, procedures, and guiding principles in effect at the time. The chief executive officer shall take such steps as may be necessary to ensure that parties contracting with Pierce Transit fully comply with all federal, state and local laws, regulations and ordinances pertaining to non-discrimination, equal employment and affirmative action. The chief executive officer is further authorized and directed to utilize disadvantaged minority and women's business goals in Pierce Transit's contracting as may be applicable under federal or state grant contracts or as may be imposed by federal and state laws and regulations or by Pierce Transit Board policy. The chief executive officer is further authorized and directed to take all necessary steps to collect sufficient statistical and anecdotal evidence to determine whether a formal preference program or alternative means to involve minority and women's businesses is necessary to remedy discrimination against such businesses. Such steps shall be taken on a schedule that would permit any resulting program to be in place prior to the award of any major design or capital contracts and may include review of existing data collected by agencies within the jurisdiction of the authority, the commissioning of a consultant study for the authority itself, or the collaboration with other agencies in a joint study.

(Res. No. 08-018, § 20, 4-14-2008)

3.13.210 - Purchasing ~~credit~~ card program.

- A. For the purpose of this section, purchasing ~~credit~~ card means a card that is the responsibility of the agency, with the balance to be paid monthly, which gives the cardholder authorization to make purchases to conduct official agency business.
- B. The chief executive officer is authorized to establish policies and procedures for issuance of purchasing ~~credit~~ cards to appropriate agency personnel.
- C. The chief financial officer will develop and implement guidelines and controls to ensure the proper usage of the cards, and establish credit limits.

(Res. No. 14-062, § 1(Exh. A), 12-8-2014)

Chapter 3.13 - DELEGATED AUTHORITY FOR PROCUREMENT OF MATERIALS, WORK AND SERVICES AND FOR THE ACQUISITION AND USE OF PROPERTY AND PROPERTY RIGHTS⁴¹

3.13.010 - Delegated authority.

- A. The board has retained a chief executive officer to implement the mission, goals, objectives and policy guidelines of the board of commissioners of Pierce Transit pursuant to policies to be established by the board. The chief executive officer derives authority from the board acting as the governing body of Pierce Transit and as permitted by law. The following policies are adopted by the board to establish the administrative authority of the chief executive officer.
- B. The chief executive officer shall be responsible for the overall management and conduct of operations at Pierce Transit, subject to board policies set forth in this Code or by other board action or direction. The chief executive officer is responsible for the day-to-day business transactions of the agency involving personnel, finances, payments of vouchers, facilities, real and personal property, and other assets. The chief executive officer is authorized to retain staff to operate and manage according to directives and policy from the chief executive officer subject board policies and direction. The chief executive officer shall regularly inform and consult with the chair of the board, the board's standing committees, and the board as a whole regarding significant information, business transactions and policies through methods mutually agreeable to the board and the chief executive officer.
- C. As permitted by law, the chief executive officer may delegate to appropriate Pierce Transit staff such of his or her administrative authority or reporting requirements herein established as, in his or her discretion, is necessary and advisable for the efficient exercise of such authority. To implement delegations to Pierce Transit staff, the chief executive officer may issue such policies and procedures, monetary delegations, authority to execute contracts and other documents to guide agency administration such as employee position descriptions, affirmative action plans, office manuals, etc., which shall include such delegations as may be appropriate. Directives or initiatives by the board shall be implemented through the chief executive officer unless otherwise provided in the board's directive or initiative. Except in the event of emergencies, directives or initiatives shall be approved by the full Board of Pierce Transit acting as a body, or by a motion of a standing committee of the board. The board, acting as a body, may at any time rescind or suspend all or any portion of the delegated authority confirmed upon the chief executive officer by resolution or motion acted on in a public meeting.
- D. As permitted by law, the board's executive-finance committee is hereby authorized to approve all contracts proposed for award and all contracts for Pierce Transit to acquire or use property of others or to allow the use of Pierce Transit property by others which exceed the chief executive officer's award authority up to a maximum amount of one million dollars or as otherwise required by law. Such approval shall be by motion based on written facts provided by the chief executive officer.
- E. As permitted by law, the chief executive officer may award all contracts and purchases that do not exceed two hundred thousand dollars in aggregate amount over the term of the contract (including options), pursuant to such procedures as the chief executive officer deems reasonable and in the best interests of Pierce Transit; provided, that such contracts or purchases are within current budget authorizations.

3.13.020 - Procurement and contracting policy.

- A. The chief executive officer shall ensure that equipment, materials, supplies, services and public work are procured efficiently and economically by Pierce Transit with maximum practicable competition and in compliance with applicable state and federal laws and regulations, adopted board policies, and applicable procedures.

- B. Reporting. The chief executive officer (or delegate) shall provide a report(s) to the board, not less frequently than quarterly, of the following items:
1. All contracts and purchases exceeding one hundred thousand dollars.
 2. All sole source awards exceeding ten thousand dollars, except purchase of insurance or bonds and those items that are legally limited to one source by a government authority, such as utilities and building permits.
 3. The progress and status of major (as determined by the CEO) capital projects.

3.13.060 - Sole source procurements.

The chief executive officer shall establish specific sole source award criteria in accord with RCW 39.04.280(2)(a) as may be amended from time to time. Upon determination in writing by the chief executive officer that one or more of the administratively approved sole source award criteria have been met, a contract may be negotiated and awarded to that source without being competitively procured. The chief executive officer may award contracts and purchases for sole source procurements not to exceed one hundred thousand dollars. .

3.13.080 - Emergency.

When any emergency shall require the immediate execution of a contract for work or services, or any immediate purchases of materials, equipment supplies, services or construction items, the chief executive officer is authorized to make a finding of the existence of such emergency and execute any contracts or purchases necessary to respond to the existing emergency, provided that the chief executive officer shall, at the first board meeting following the chief executive officer's finding of the existence of an emergency, request board ratification of the finding of emergency and any purchases or contracts awarded and/or executed pursuant to that finding. The chief executive officer shall keep the Pierce Transit Board informed of the development of the emergency situation and the progress of any contracts or purchases executed to remedy the emergency.

3.13.090 - Change Order Administration.

- A. Construction Contracts (Public Work) and capital equipment purchases: The chief executive officer may execute change orders in any amount, up to his/her purchasing authority, so long as the cumulative change order amount does not exceed the approved project contingency. Change orders exceeding \$200,000 and up to \$1,000,000 may be approved by the Executive Finance Committee. Change orders exceeding \$1,000,000 and any change order requiring a budget amendment must be approved by the Board.
- B. Professional Services Contracts: The chief executive officer may execute change orders in any amount, so long as the cumulative change order amount plus the original contract amount does not exceed his/her purchasing authority. Change orders exceeding \$200,000 and up to \$1,000,000 may be approved by the Executive Finance Committee. Change orders exceeding \$1,000,000 and any change order requiring a budget amendment must be approved by the Board.

3.13.100 - Professional services.

- A. Professional services estimated to cost more than thirty five thousand dollars may be performed by contract when the following circumstances are present:
1. When the services cannot be performed on a timely basis by employees of Pierce Transit; or
 2. The services are not part of the routine assignment for such employees; or

3. The services require specialized professional or technical expertise not available from such employees.
- B. Such services shall be procured using an RFP/RFQ process using procedures consistent with state and federal requirements and approved by the chief executive officer.

3.13.110 - Real property acquisition and disposition.

- A. The chief executive officer may approve contracts for Pierce Transit to acquire or use property of others, including purchase agreements, leases, rental agreements, operating agreements, licenses, easements, use and access permits, rights of entry and other use agreements; provided that the resulting monetary obligation is within authorized budget limits, the term of such agreement does not exceed five years (including options), and the total monetary commitment of Pierce Transit over the term of any such agreement (including options) does not exceed two hundred thousand dollars. Contracts for property acquisition or use in excess of the chief executive officer's contract authority of two hundred thousand dollars but less than one million dollars may be approved by the Board's Executive-Finance Committee.
- B. The chief executive officer shall obtain appraisals for evaluating or negotiating any proposed Pierce Transit acquisition, sale, or lease of real property or any lesser interest therein.
- C. After the Pierce Transit Board authorizes the acquisition of real property by negotiated purchase or condemnation, the chief executive officer shall take all necessary steps, including executing all required closing documents, deeds, and other necessary title instruments to secure title of such property for Pierce Transit. The acquisition price of individual properties (or ownerships) shall in no case exceed Pierce Transit's appraisal of fair market value or authorized budget limitations without further specific Pierce Transit Board approval. D. The chief executive officer is authorized to make application for vacation of streets or roads, and to take all other steps necessary to acquire a fee interest in street or road ends or other public right-of-way ancillary to Pierce Transit development, if the estimated acquisition costs do not exceed two hundred thousand dollars and are within authorized budget limits.
- D. Upon approval by Pierce Transit Board, the chief executive officer may sell, exchange, transfer, lease or otherwise dispose of Pierce Transit real or personal property to government entities as provided in Chapter 39.33 RCW, or applicable federal law.

3.13.120 - Miscellaneous provisions.

- A. The chief executive officer is authorized to enter into cooperative and/or joint agreements on behalf of Pierce Transit with federal, state and local governments, and/or "piggyback" on such entities' contracts for the purchase of supplies, materials, and equipment whenever in the judgment of the chief executive officer, purchases may thereby be more advantageously made. Whenever supplies, materials and equipment are purchased for Pierce Transit by such federal, state or local governments, such purchases may be accomplished in the manner prescribed by the provisions of applicable law, charter or regulation of such federal, state or local governments, rather than the provisions of this section. The federal, state or local governmental units may be reimbursed for necessary costs of performing purchasing services for Pierce Transit.
- B. When a procurement involves the expenditure of federal or state grant or contract funds, and the method of procurement required by such agency differs from the requirements of this code or Pierce Transit's purchasing procedures or manual, the chief executive officer shall conduct the procurement in accordance with any mandatory applicable federal or state laws and regulations.
- C. The chief executive officer shall ensure that Pierce Transit complies with state law where specifically applicable to the award by Pierce Transit of public contracts.
- D. The chief executive officer is authorized to enter into agreements under which Pierce Transit will provide reimbursable services to others and for which Pierce Transit will receive reimbursement, when such services are part of usual Pierce Transit operations or incident thereto.

- E. The chief executive officer is authorized to include provisions in contracts awarded by Pierce Transit which promote cooperation and motivate contractors or vendors to improve the project quality or function, to reduce the cost or to save time in construction or delivery by using such methods as shared savings for value engineering, incentive payments, reimbursement for proposal or bid preparation expenses and preconstruction planning, and partnering.
- F. Whenever any bidder is a resident of any other state and such state under its laws allows a resident contractor of that state a preference, a like preference may be allowed to the lowest responsible bidder or proposer who is a resident of Washington if so provided in the bidding documents and allowed by applicable state and federal laws and regulations.

3.13.130 - Special circumstances.

Whenever in the judgment of the board special circumstances require a policy or procedure different from that set forth herein, the board may authorize the making of purchases, the ordering of work or the performance of services in such other manner as may be deemed to be appropriate to the circumstances.

3.13.140 - Protests.

The chief executive officer shall establish procedures for considering and determining prequalification, bid and proposal protests and appeals. The chief executive officer, or his or her designee, shall render the final administrative determination on all such protests and appeals.

3.13.160 - Privatized contracts.

The following provisions shall apply to contracts entered into by Pierce Transit for work or services to be provided to Pierce Transit by private parties which retain an ownership interest in facilities used for such work or services:

1. The specifications for each privatization contract which involves construction, reconstruction, maintenance, or repair of a facility shall contain a provision stating the specified hourly minimum rate of wage, not less than the Washington State or Davis Bacon Act prevailing rate of wage, whichever is higher shall be paid to laborers, workers, or mechanics in each trade or occupation employed in the performance of such contract, either by the contractor, subcontractor, or other person doing or contracting to do the whole or any part of the work contemplated in the construction, reconstruction, maintenance, or repair of the facility.
2. The chief executive officer is authorized and directed to establish a process under which the payment of prevailing wage by such contractor or its subcontractors may be monitored and enforced.

3.13.170 - Grant and other revenue.

The chief executive officer is hereby authorized to submit grant applications and related documents and to execute grant and other revenue generating contracts provided the resulting revenue and any related expense is included in the budget. Revenue generating contracts exceeding two hundred thousand dollars not included in the budget shall be authorized for execution by the board of commissioners.

3.13.180 - Surplus equipment/supplies.

- A. The chief executive officer is hereby authorized to declare equipment or supplies that are no longer of use to the agency surplus and to dispose of such equipment or supplies by open competition to the public provided that applicable state and federal retention rules and requirements have been satisfied.
- B. Vehicle donation program—Subject to board of commissioners' approval or by board delegated authority to the CEO, nothing herein shall prevent donation of surplus vehicles to qualified non-profit organizations through the Care-a-Van or similar program, provided that the recipient provides sufficient transportation services to offset the approximate value that the vehicle would have been sold for in open competition.

3.13.190 - Implementation.

The chief executive officer shall establish additional requirements, certifications and procedures as deemed necessary to carry out these policies. The chief executive officer is authorized to propose innovative contracting techniques for securing necessary work and services including, but not limited to, design/build and general contractor/construction manager projects.

3.13.200 - Equal Opportunity in Contracting.

Pierce Transit is committed to a policy of providing fair and representative employment and business opportunities for disadvantaged business enterprises (DBE) in the procurement of equipment, materials, supplies and non-professional and professional services purchased or work ordered for Pierce Transit, consistent with those Pierce Transit DBE policies, procedures, and guiding principles in effect at the time. The chief executive officer shall take such steps as may be necessary to ensure that parties contracting with Pierce Transit fully comply with all federal, state and local laws, regulations and ordinances pertaining to non-discrimination, equal employment and affirmative action. The chief executive officer is further authorized and directed to utilize disadvantaged minority and women's business goals in Pierce Transit's contracting as may be applicable under federal or state grant contracts or as may be imposed by federal and state laws and regulations or by Pierce Transit Board policy. The chief executive officer is further authorized and directed to take all necessary steps to collect sufficient statistical and anecdotal evidence to determine whether a formal preference program or alternative means to involve minority and women's businesses is necessary to remedy discrimination against such businesses. Such steps shall be taken on a schedule that would permit any resulting program to be in place prior to the award of any major design or capital contracts and may include review of existing data collected by agencies within the jurisdiction of the authority, the commissioning of a consultant study for the authority itself, or the collaboration with other agencies in a joint study.

3.13.210 - Purchasing card program.

- A. For the purpose of this section, purchasing card means a card that is the responsibility of the agency, with the balance to be paid monthly, which gives the cardholder authorization to make purchases to conduct official agency business.
- B. The chief executive officer is authorized to establish policies and procedures for issuance of purchasing cards to appropriate agency personnel.
- C. The chief financial officer will develop and implement guidelines and controls to ensure the proper usage of the cards, and establish credit limits.