



Eco-Rapid Transit, formerly known as the Orangeline Development Authority, is a joint powers authority (JPA) created to pursue development of a transit system that moves as rapidly as possible, uses grade separation as appropriate, and is environmentally friendly and energy efficient. The system is designed to enhance and increase transportation options for riders of this region utilizing safe, advanced transit technology to expand economic growth that maximizes ridership in Southern California. The Authority is composed of the following public agencies:

A G E N D A R E P O R T

TO: Members of Eco-Rapid Transit
FROM: Michael Kodama, Executive Director
DATE: September 14, 2016
SUBJECT: **APPROVE MODIFICATION OF PROCUREMENT POLICY**

SSUE

The Eco-Rapid Transit Board is requested to approve a change to the Eco-Rapid Transit Procurement Policy that allows the Executive Director or his or her designee to approve Purchase Orders up to \$100,000 per fiscal year without requiring Board approval.

BACKGROUND

This proposal is aimed at garnering greater financial flexibility, while maintaining the same level of Eco-Rapid Board oversight.

This change will streamline the contract procurement process for critical projects that are on especially tight deadlines.

The Eco-Rapid Transit Procurement Policies were adopted December 10, 2010. They currently allow the Executive Director and his/her designee to approve Purchase Orders up to a cumulative limit of \$25,000 per year, without seeking Board approval. Board action is required when the cumulative outstanding Purchase Orders exceed that amount. Purchase Orders are typically used for small contracts involving professional services, or for very routine items.

At its May meeting, the Board proceeded to ease many other limitations on the policy for very small contracts under \$25,000, while still retaining approval authority for Purchase Orders exceeding that amount. The Board acted to ease restrictions on all other items because under current policy relatively small projects are subject to the same complex and time consuming procedures that large projects are. That, in turn has increased both administrative cost and time delays. Staff's recent experience is that it also can hamstring Eco-Rapid's ability to react quickly on key projects.

However, since that time, it has become clear that Eco-Rapid will, should things proceed as we expect, be managing grant funds for much higher amounts. Therefore staff recommends a technical follow up action: that the cumulative yearly limit authority of the Executive Director/Designee for Purchase Orders not subject to Board approval be \$100,000 per fiscal year. All other Board review and approval requirements should stay in place for larger contracts.

- City of Artesia
- City of Bell
- City of Bell Gardens
- City of Bellflower
- City of Cudahy
- City of Downey
- City of Glendale
- City of Huntington Park
- City of Maywood
- City of Paramount
- City of South Gate
- City of Vernon
- Burbank-Glendale-Pasadena Airport Authority

Chair

Maria Davila
Vice Mayor
City of South Gate

Vice Chairman

Zareh Sinanyan
Council Member
City of Glendale

Secretary

Cristian Markovich
Council Member
City of Cudahy

Treasurer

Pedro Aceituno
Mayor
City of Bell Gardens

Internal Auditor

Ali Sajjad Taj
Mayor Pro Tem
City of Artesia

Executive Director

Michael R. Kodama

General Counsel

Teresa L. Highsmith

Ex-Officio

Rene Bobadilla
City Manager Representative



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Airport Authority

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City of South Gate

Vice Chairman

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RECOMMENDATION

It is recommended that the Board:

1. Discuss information presented; and/or
2. Approve the recommendation.