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## ***Memorandum***

TO: MTC Administrative Committee  
MTC Operations Committee  
BATA Oversight Committee

DATE: December 2, 2015

FR: Executive Director

W.I.: 1150

RE: Recommended Revisions to Executive Director's Signature Authority:

- MTC Resolution No. 3619, Revised
- MTC SAFE Resolution No. 44, Revised
- BATA Resolution No. 46, Revised

### **Summary of Recommendations**

Based on significant increases in contracting activities for MTC, MTC SAFE, BATA, BAHA and BAIFA and review of other Bay Area transportation agencies' practices, staff recommends that the Committee approve, and forward to the Commission or applicable Authority for approval, the following revision to the Executive Director's (ED) and Deputy Executive Directors' (DED) delegated signature authority, expressed in MTC Resolution No. 3619, Revised, MTC SAFE Resolution No. 44, Revised, and BATA Resolution No. 46, Revised, for reasons discussed in this memorandum:

Increase the delegated contracting authority of the ED or DED from \$100,000 to \$200,000 to allow for contracts or amendments to contracts totaling \$200,000 to be authorized by the ED or DED, without Committee approval.

### **Background**

"Signature authority" refers to the ED's or DEDs' ability to authorize contracts or funding agreements without Committee approval. The proposed changes to MTC Resolution No. 3619, Revised, MTC SAFE Resolution No. 44, Revised, and BATA Resolution No. 46, Revised, would establish identical signature authority limits.

The dollar amounts for delegated authority in MTC Resolution No. 3619, Revised, MTC SAFE Resolution No. 44, Revised, and BATA Resolution No. 46, Revised, were last amended in 2004 to increase the ED and DED signature authority from \$25,000 to \$100,000 for contracts, among other changes.

### **Discussion**

Increasing the ED's and DEDs' authority to execute third party contracts to \$200,000 would permit Commissioners to use committee meetings to focus on projects with greater financial and programmatic significance and is consistent with regional practice. To illustrate the likely impact of the proposed delegation on MTC Committees, in Fiscal Year 2014-15, MTC Committees approved 190 contracts or amendments. Under the proposed higher delegation threshold, MTC Committees

would have been asked to approve 123 contracts or amendments, comprising approximately 96% of the total dollar value of MTC's contracts in Fiscal Year 2014-15. Per the attached survey of other California transportation agencies with comparable contracting activities (Attachment 1), the proposed delegation would be higher than some comparable agencies such as the San Francisco Bay Area Rapid Transit District (BART) and the Bay Area Air Quality Management District (BAAQMD), but below other large agencies such as Orange County Transportation Authority (OCTA), Los Angeles Metropolitan Transit Authority (LAMTA), San Francisco Municipal Transportation Agency (SFMTA), and Santa Clara Valley Transportation Authority (VTA).

Under the proposed delegation, the ED and DED, if authorized by the ED, could sign third-party contracts in amounts up to and including \$200,000 without committee approval, provided that the items to be purchased or work to be done were included in the adopted agency budget. As is the practice under the current \$100,000 ceiling, management staff would continue to identify contracts under \$200,000 likely to be of Commission interest, to refer to the appropriate Committee for approval. Other provisions related to purchase orders, Section Director authority and monthly reporting are proposed to remain unchanged.

### **Recommendation**

Staff recommends that the Committee forward to the Commission or applicable Authority for its approval the revisions to MTC Resolution No. 3619, Revised, MTC SAFE Resolution No. 44, Revised, or BATA Resolution No. 46, Revised, as applicable, as set forth in the attached revised resolution.



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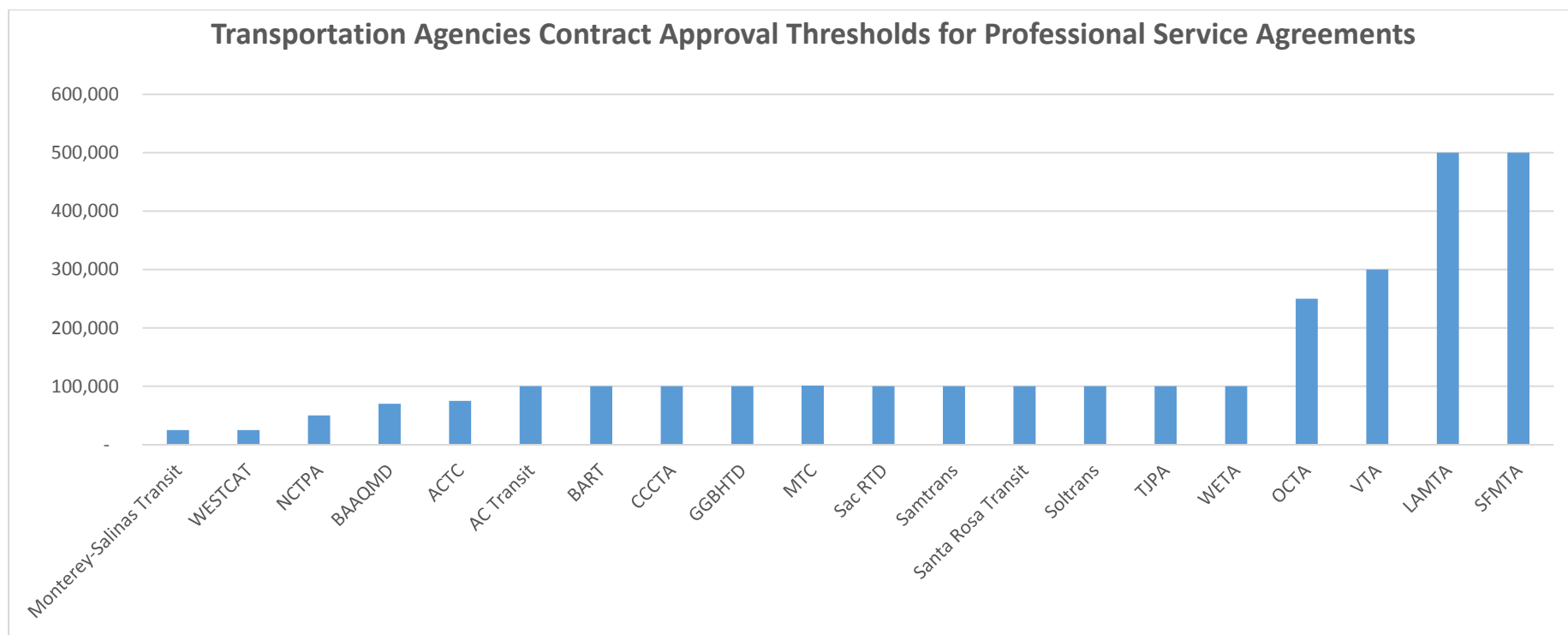
Steve Heminger

### **Attachments:**

Attachment 1 – Transportation Agencies Contract Approval Thresholds for Professional Service Agreements

Attachment 2 – BATA Resolution No. 46, Revised

# ATTACHMENT 1



Notes: VTA allows for purchases up to \$500K, TJPA allows for construction contracts up to \$400K and LAMTA allows for low bid awards up to \$1M. SANDAG has a \$5M threshold but is not depicted in this chart to allow visual comparison of all other agencies.

Date: March 24, 2004  
W.I.: 1150  
Referred by: BATA Oversight  
Revised: 04/25/07-BATA  
06/23/10-BATA  
12/16/15-BATA

### ABSTRACT

#### BATA Resolution No. 46, Revised

This resolution delegates signature authority to the Executive Director of the Authority, or to the Deputy Director if authorized by the Executive Director, to enter into certain specified contracts and funding agreements without Oversight Committee approval.

Attachment A of this resolution was revised on April 25, 2007 to delegate signature authority to the Executive Director of the Authority or to the Deputy Director or other designee, if authorized by the Executive Director, to execute contract amendments that in total do not exceed the dollar value of a contract allotment approved by the Oversight Committee. In addition, clarifying changes were made to this resolution to reflect BATA's current staffing organization.

Attachment A of this resolution was revised on June 23, 2010 to modify and clarify the delegation of signature authority.

Attachment A of this resolution was revised on October 16, 2015 to increase the delegation of signature authority.

Discussion of these items can be found in the Executive Director's Memorandum to the BATA Oversight Committee dated April 4, 2007, June 2, 2010 and December 2, 2015.

Date: March 24, 2004  
W.I.: 1150  
Referred by: BATA Oversight

RE: Delegation of Contracting Authority, without Oversight Committee approval, to the Executive Director of the Authority

## BAY AREA TOLL AUTHORITY

### Resolution No. 46

WHEREAS, Streets and Highways Code Section 30950 created the Bay Area Toll Authority (“BATA”), which is the same as the Metropolitan Transportation Commission (“MTC”); and

WHEREAS, the Authority has appointed MTC’s Executive Director to administer the affairs of the Authority, subject to the direction of the Authority; and

WHEREAS, pursuant to the Executive Director's duties in administering the affairs of the Authority, the Executive Director, among other things, enters into contracts and purchase orders for goods and services necessary to carry out the statutory purposes of the Authority and funding agreements with other public agencies for the distribution and receipt of funds; and

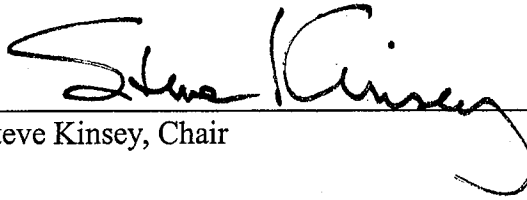
WHEREAS, funds for such purchase orders, contracts and funding agreements are programmed by the Authority with the adoption of the annual budget for each fiscal year and are approved via appropriate committee(s) of the Authority; and

WHEREAS, in order to efficiently administer such purchase orders, contracts and funding agreements, the Authority desires to authorize the Executive Director to execute certain agreements without prior approval by the Oversight Committee; now, therefore, be it

RESOLVED, that the Executive Director, or the Deputy Director, or a designee of the Executive Director, is hereby authorized and directed to sign purchase orders, contract documents and funding agreements, as indicated on Attachment A; and, be it further

RESOLVED, that any action taken by the Executive Director (or the Deputy Director or designee, as applicable), shall be reported to the Oversight Committee as part of the monthly financial reporting procedure.

BAY AREA TOLL AUTHORITY

A handwritten signature in black ink, appearing to read "Steve Kinsey", is written over a horizontal line.

Steve Kinsey, Chair

The above resolution was entered into by the Bay Area Toll Authority at a regular meeting of the Authority held in Oakland, California, on March 24, 2004.

Date: March 24, 2004  
W.I.: 1150  
Referred by: BATA Oversight  
Revised: 04/25/07-BATA  
06/23/10-BATA  
12/16/15-BATA

Attachment A  
BATA Resolution No. 46  
Page 1 of 2

1. References to “contracts” in this Attachment refer also to purchase orders.
2. The Executive Director or designated Deputy Executive Director is hereby authorized to sign contracts and/or amendments to contracts totaling ~~\$200,000~~~~\$100,000~~, without referral to a standing Committee of the Authority with contract approval authority, provided the things to be purchased or the work to be done are included in the annual budget approved by the Authority. This delegated authority is renewed for any single contract each time the appropriate Committee approves a new total contract amount.
3. The Executive Director may authorize MTC Section Directors to sign contracts and/or amendments to such contracts with a total contract value up to \$25,000 cumulatively.
4. Where an Authority Committee with contract approval authority has approved a contract allotment in addition to the original contract amount to cover changes that may be required during the performance period, the Executive Director or designated Deputy Executive Director is authorized to sign change orders and contract amendments that in total do not exceed the approved contract allotment, without further referral to the appropriate authorizing Committee.
5. The Executive Director or designated Deputy Executive Director is authorized to sign funding agreements and amendments to funding agreements included in the annual budget approved by the Authority authorizing MTC to receive funds from other public agencies and to distribute funds to other public agencies without referral to the appropriate authorizing Committee and without regard to dollar amount, provided, with respect to distribution of funds, that the recipients are named in the adopted annual budget. Funding agreements distributing funds to recipients not so named are subject to the delegation authority for contracts and amendments in paragraphs one, two and three of this Attachment.

6. The Executive Director is hereby authorized to waive competitive procurement requirements for emergency contracts and purchase orders, with the approval of the Authority Chair, or in his/her absence, the Vice Chair, provided that funds for the contract or purchase order are available in the adopted agency budget. "Emergency" contract is defined as a contract necessary to deal with Acts of God or other threats to public safety or well-being when the delay caused by waiting for the next meeting of the Committee or Authority would increase that threat. Any contract or purchase order in excess of ~~\$200,000~~~~\$100,000~~ shall be ratified by the appropriate authorizing Committee or Authority at the next regular meeting.