

Item: 7

Contract Awards for Fiscal 2007



Existing Board Approval Requirements

Procurement Action Types	\$ Threshold
Non-Professional and Technical Contracts	
Initiation or Award	Over \$100k
Modification	10% of award or \$200k whichever is lower
Professional and Technical Contracts (Budgeted)	
Initiation or Award	Over \$50k
Modification	Over \$10k
Professional and Technical Contracts (Un-Budgeted)	
Initiation or Award	Over \$10k
Modification	Over \$10k
Real Estate Acquisitions	
Initiation (only require approval if not in approved EIS)	Over \$100k
Award	Over \$250k

Proposed Board Approval Requirements

- **Board approval will not be required if all of the following conditions are met for all types of procurement actions:**
 - ✓ *An approval is not specifically requested by the Board.*
 - ✓ *Scope and budget have already been approved by the Board and there is sufficient funding for the requested procurement action. **Board approval must be obtained if the action amount requires reprogramming as prescribed in the approved reprogramming resolutions.***
 - ✓ *Each procurement action has been reviewed and approved by designated approval authority, i.e. directors, AGM's, GM.*
 - ✓ *Not a sole source procurement.*

- **A procurement report for actions over \$1 million processed during each quarter will be provided to the Board quarterly.**

The proposed policy will streamline and make the process more efficient

PRESENTED AND ADOPTED:

SUBJECT: STREAMLINE POLICIES AND PROCEDURES FOR BOARD APPROVAL OF CONTRACT ACTIONS

**PROPOSED
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, The Board of Directors annually approves capital and operating budgets that authorize staff to conduct the business of the Authority within budgetary limits; and

WHEREAS, The Board of Directors also approves individual procurement actions and contract awards that meet or exceed defined thresholds; and,

WHEREAS, This dual level of Board Approval for both budgets and contracting authority channels a significant amount of routine business actions to both the Board of Directors and Board Committees for review and approval, and

WHEREAS, The staff has compared the current policies and procedures for seeking Board approval of both budget and contract authority and has determined that budgetary authority is the overarching control on spending; and

WHEREAS, A redirection and more efficient assignment of staff effort could be accomplished by elimination of routine Board and Committee approval of contracting actions that are already contained in Board approved capital and operating budgets; now, therefore, be it

RESOLVED, That the Board approved budget authority vests with WMATA staff the responsibility and authority to execute contracts so long as those actions are in exact accordance with the approved budgets; and be it further

RESOLVED, That in the course of conducting Authority business any contractual matter that differs from what is contained in an approved budget, or any sole source contracts, shall be separately presented to the Board of Directors for approval; and be it further

RESOLVED, That the General Manager has the authority in an emergency (a situation such as flood, epidemic, riot, equipment failure, or other reason declared by the General Manger which creates an immediate threat to the public health, well fare or safety) to incur obligations for a contractual matter which requires Board approval and will report back to the Board on all emergency procurements within 60 days of the action; and be it further

RESOLVED, That the Chief Financial Officer will report to the Board, on a quarterly basis, all contract awards made in excess of one million dollars; and that the staff is authorized to make revisions to all relevant procedures and documents to reflect the recommended changes; and be it further

RESOLVED, That Resolution 2000-42 is hereby repealed; and be it finally

RESOLVED, That this Resolution will be effective immediately.

Reviewed as to form and legal sufficiency.



Carol B. O'Keeffe
General Counsel