



**Budget Committee**  
**Board Action Item # 3**  
**September 7, 2006**

## **Contract Actions**

**Washington Metropolitan Area Transportation Authority  
Board Action/Information Summary**

Action  
 Information

MEAD Number:

Resolution:  
 Yes  No

**PURPOSE**

To request Board approval to streamline contract procurement actions funded in the operating and capital budgets.

**DESCRIPTION**

The Board of Directors annually approves operating and capital budgets and each month approves individual procurement actions and contract awards that are either within approved budgets or exceed approved budgets. This proposal will streamline contract award approval by allowing the Board of Directors to vest budget authority with WMATA staff to execute contracts as long as those actions are in exact accordance with approved budgets. Real Estate transactions will continue to be subject to the current Board thresholds.

The Chief Financial Officer will report to the Board, on a quarterly basis, all contract awards made in excess of one million dollars, and staff is authorized to make revisions to all relevant procedures and documents to reflect the proposed changes.

The alternative is to continue operating under the current Board approved threshold which burden staff with paperwork and burden the Board with numerous action items during each Board meeting.

**FUNDING IMPACT**

This proposal has no immediate funding impact. Staff will analyze the reduction in paperwork and administrative coordination required during the first year of implementation.

**RECOMMENDATION**

Recommend Board approval to streamline the policies and procedures for Board approval of contract actions.



# Contract Actions

*Presented to the Board of Directors:*

**Budget Committee**

September 7, 2006





## Existing Board Approval Requirements

<b>Procurement Action Types</b>	<b>\$ Threshold</b>
<b>All except Professional and Technical Contracts</b>	
Initiation or Award	Over \$100k
Modification	10% of award or \$200k whichever is lower
<b>Professional and Technical Contracts (Budgeted)</b>	
Initiation or Award	Over \$50k
Modification	Over \$10k
<b>Professional and Technical Contracts (Un-Budgeted)</b>	
Initiation or Award	Over \$10k
Modification	Over \$10k
<b>Real Estate Acquisitions</b>	
Initiation (only require approval if not in approved Environmental Impact Study)	Over \$100k
Award	Over \$250k

## Proposed Board Approval Requirements

- Approval of real estate acquisitions remains unchanged
- 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.*
  - ✓ *A sole source procurement of \$100k and below.*
- A procurement report for actions over \$1 million processed during each quarter will be provided to the Board

**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 number 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 eliminating routine Board and Committee approval of contracting actions that are within the scope and funding levels of the Board-approved capital project budget and within the Board-approved funding levels of the appropriate budget line item in the operating budget; now, therefore be it

*RESOLVED*, That the General Manager and staff, as delegated by the General Manager, have the responsibility and authority to execute all contracts within the scope and funding levels of the Board-approved capital project budget and within the Board-approved funding levels of the appropriate line item in the operating 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 contract over \$100,000, shall be separately presented to the Board of Directors for approval; and be it further

*RESOLVED*, The current approved Board approval requirements for real estate transactions remain unchanged; 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 Manager which creates an immediate threat to the public health, welfare 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 sixty (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 be it further

*RESOLVED*, That Resolution 2000-42 and Chapter 1 of the Procurement Procedures Manual are hereby amended in accordance with Exhibit A. Staff is directed to make revisions to all relevant procedures to reflect the changes herein approved and to prepare revisions for the Board's consideration to those policies adopted by the Board, which may be affected by this Resolution; and be it finally

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency:

  
\_\_\_\_\_  
Carol B. O'Keeffe  
General Counsel

PRESENTED & ADOPTED: June 8, 2000

SUBJECT: APPROVAL OF CHANGES TO THE  
PROCUREMENT POLICY STATEMENT

#2000-42  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, the Board of Directors approved specific procurement thresholds on July 24, 1997, and approved the Procurement Policy Statement by Resolution No. 97-31; and

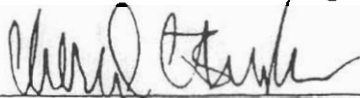
WHEREAS, the dynamic nature of Authority procurements require changing the thresholds for designated procurement actions and to elaborate on the emergency authority delegated to the General Manager.

NOW, THEREFORE, BE IT RESOLVED that the following changes to the Procurement Policy Statement are hereby approved:

- ~~the Board contract approval thresholds for Professional and Technical (P&T) actions is consistent regardless of fund source;~~
- ~~the Board approval threshold for modification of equipment, supplies, services, construction and real estate contracts not funded from P&T funds is changed from \$200,000 to: A) for Board approved contracts, 10% of the original approved contract value or \$200,000, whichever is lower; and B) for non-Board approved contracts when the cumulative value of the original contract and all modifications will exceed \$100,000; and~~
- ~~the Board guidelines for reporting emergency procurements is changed from periodically to within 60 days of the action.~~

BE IT FURTHER RESOLVED that this Resolution shall be effective immediately.

Reviewed as form and legal sufficiency.



Cheryl C. Burke  
General Counsel



**Comparison of Existing and Proposed Thresholds**

<u>ACTIVITY REQUIRING BOARD APPROVAL</u>	<u>EXISTING THRESHOLDS</u>	<u>PROPOSED</u>
<b>A. Initiation of Procurement:</b>		
1. All procurement actions except as listed below.	Over \$100,000	No limit if it is within the approved budget
2. Real Estate Acquisitions	Initiation over \$100k if not in Approved Environmental Impact Study	<b>No change</b>
3. Professional and Technical Services (P&T)		
a. Operating	Over \$50,000 If Budgeted Over \$10,000 If Non-Budgeted	No limit if it is within the approved budget
b. Capital	Over \$50,000 If Budgeted Over \$10,000 If Non-Budgeted	No limit if it is within the approved budget
<b>B. Contract Awards:</b>		
1. All awards, except as listed below.	Over \$100,000	No limit if it is within the approved budget
2. Real Estate Acquisitions	Over \$250,000	<b>No change</b>
3. Any award which would represent a change to Board policy	Requires Board Approval	<b>No change</b>
4. Professional and Technical Services (P&T)		
a. Operating	Over \$50,000 If Budgeted Over \$10,000 If Non-Budgeted	No limit if it is within the approved budget
b. Capital	Over \$50,000 If Budgeted Over \$10,000 If Non-Budgeted	No limit if it is within the approved budget

**C. Modifications:**

1. All modifications for equipment, supplies, services, construction and real estate including exercise of options, except as below.

A. For Board Approved Contracts: 10% of the original approved noted approved contract value or \$200,000, whichever is lower.

No limit if it is within the approved budget

B. For Non-Board Approved Contracts The cumulative value of the original contract and all modifications exceeds \$100,000

No limit if it is within the approved budget

2. Any modification exceeding the authorized budget including contingency, if any.

Over Budget

**No Change**

3. Any budgeted modification to exercise a contract option when the option was evaluated as part of the basis of award and Board approval was provided as part of the initial award.

Board Approval Not Required

**No Change**

4. Professional and Technical Services (P&T)

a. Operating

Over \$10,000: Board approval required if modification is greater than \$10,000 more than funds previously approved on Staff Summary Sheet.

No limit if it is within the approved budget

b. Capital

Over \$10,000; Board approval required if modification is greater than \$10,000 more than previously approved on Staff Summary Sheet.

No limit if it is within the approved budget

**D. Sole Source:**

- |  |  |
|--|--|
| 1. Contract over \$100,000   | Board approval required                            |
| 2. Contracts which are not within scope and funding levels in capital project budget or funding levels of budget line items in operating budget. | Board approval required per reprogramming policies |

**No Change**

**No Change**

**NOTE 1:** Notwithstanding the above, the General Manager has the authority to incur obligations in emergency situations, and will report back to the Board on all emergency procurements within 60 days of the action. Emergency is defined as a situation (such as a flood, epidemic, riot, equipment failure, or other reason declared by the General Manager) which creates an immediate threat to the public health, welfare or safety. The existence of an emergency condition creates an immediate need for supplies, services or construction which cannot be met through normal procurement methods, and the lack of which would seriously threaten either the health or safety of any person, the preservation or protection of property, or the continuation of necessary Authority functions

**NOTE 2:** Professional and Technical (P& T) services includes but is not limited to labor and Services provided by attorneys, accountants, appraisers, arbiters, auditors, investment bankers, computer service companies, architect/engineering firms, management consultants, and transit industry consultants.



# Appendix



Washington Metropolitan Area Transit Authority  
POLICY/INSTRUCTION

Subject	Classification	Date Approved	P/I Number
P/I Management Approval Process for Procurement Actions	Procurement	Oct. 7, 1998	8.7/2

1.0 Purpose

- 1.1 This Policy Instruction (P/I) establishes policy and procedures for the preparation, routing and approval of procurement actions to ensure compliance with the current versions of the Authority Compact, FTA Circulars 4220.1, "Third Party Contracting Guidelines," 5010.1, "FTA Project Management Guidelines," and the Authority's Procurement Procedures Manual adopted by the Board on September 24, 1992 (as revised).
- 1.2 This P/I applies to all Authority Departments, Offices and employees engaged in the preparation, review and approval of procurement actions.
- 1.3 This P/I supersedes P/I Number 8.7/1, Management Approval Process for Procurement Actions. Detailed instructions for Processing Construction Change Orders are prescribed in the current version of P/I 8.6.
- 1.4 Notwithstanding any provision of this Policy Instruction, the authority to make contracts and bind the Authority is limited to the General Manager, Director, Office of Procurement and Contracting Officers appointed by the Director, Office of Procurement.
- 1.5 This policy does not apply to transactions processed by direct payment method. The use of the direct payment method is described in section 4.3.3 for the purposes of including all contractor type payments in a single document.

2.0 Responsibilities

2. The Deputy General Manager, Assistant General Managers, Independent Office Directors who formally report directly to the General Manager, Chief Operating Officer/BUSV and Chief Operating Officer/RAIL and their designees are responsible for originating and approving Staff Summary Sheets and requisitions for procurement actions pertaining to their functional responsibilities.
- 2.2 The Director of the Office of Procurement (PROC) or an authorized representative, is responsible for originating Contract Staff Summary Sheets and for the award, and administration of contracts.

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*CFO*

The Assistant General Manager for Finance and Program Development (AGM-COMP), has overall responsibility for ensuring that funds are made available and dispensed in accordance with Federal guidelines and Authority policy.

The General Counsel (COUN) is responsible for ensuring that procurements in excess of the simplified acquisition threshold are legally sufficient and in compliance with applicable laws and regulations.

*CEPM*

2.5 The Assistant General Manager for Transit System Development (TDSV) is responsible for initiation of procurement actions for the Rail Capital Construction Program and other assigned projects.

*PRMT*

2.6 The Director of Civil Rights (CIVR) is responsible for assuring compliance with, and enforcement of, Disadvantaged Business Enterprise and equal employment opportunity policies and procedures (P/I 8.3/0).

The Director of Americans with Disabilities Act and Paratransit (ADAP) is responsible for assuring compliance with the Americans with Disabilities Act of 1990, as amended.

2.8 The Director of Management Information Services is responsible for assuring compliance with Administrative EDP Equipment and Services as stated in P/I 8.5/0 and for P/I 6.6/0.

3.0 Staff Summary Sheets, Contract Staff Summary Sheets, and Requisition Forms.

- MEAD
- 3 Staff Summary Sheets (P/I - 1.3 current version) Approval of a "Request to Initiate Procurement Action", including the commitment of funds, shall be obtained using a Staff Summary Sheet if the approval thresholds established in Section 4.1.1 below are exceeded.
  - 3.2 Contract Staff Summary Sheets (P/I 1.4 - current version) shall be used to obtain management approval to obligate funds, and award or modify contracts when the value of the proposed procurement exceeds the approval thresholds established in Section 4.1.2 of this P/I.

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3.3 Requisition Forms, including Reorder Notices (RONs), Inventory Item Update Requests (IIURs), and Purchase Requisitions, may be used in lieu of Staff Summary Sheets or Contract Staff Summary Sheets if specifically indicated in Section 4.1.1.

4.0 Procedure All requests for procurement action will be initiated pursuant to the Authority Procurement Policy Manual and this P/I. A procurement action is defined as any transaction that involves the commitment or obligation of Authority funds using any form of contract. This instruction also applies to leases, joint development contract actions, and revenue-producing contracts (including but not limited to sale or lease of Authority assets). Personnel authorized to approve actions are individuals occupying the positions outlined in paragraph 2.1 who have received a letter of authority delegation.

4.1 Dollar thresholds and approval levels for procurement actions are established as follows, pursuant to Board Resolutions #89-52, #92-53, and #97-31. *2000-4:3*

4 Management approval of the initiation of a procurement action shall be obtained as follows:

4.1.1 All new Procurement Actions including sole source actions, leases, joint development contract actions, and revenue-producing contracts, unless otherwise indicated in Sections 4.1.1.2 through 4.1.1.8 below. (For the purpose of establishing the approval threshold for an incrementally funded contract, including multi-year contracts and contracts with options, the value of initial contract obligation serves as the approval threshold rather than the value of individual funding increments. (Note that multi-year contracts may obligate the Authority to more funds than indicated for base period.)

0-100k - No Staff Summary Sheet is required. A requisition approved by individuals identified in paragraph 2.1.

Over 100k - Staff Summary Sheet must be approved by the General Manager and Board.

*SEPARATE APPROVAL IS NOT REQUIRED, IF ACTION IS WITHIN THE APPROVED BUDGET.*

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*SEPARATE APPROVAL  
IS NOT REQUIRED  
IF ACTION IS WITHIN  
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- 4.1.1.2 IIURs generated by the user office for new stock items.  
  
0-100k - No Staff Summary Sheet is required. IIUR must be approved by an individual identified in paragraph 2.1. IIUR must have, as applicable, supporting documentation identified in 4.2.1 a. through h. below.  
  
Over 100k - Staff Summary Sheet must be approved by the General Manager and the Board of Directors.
- 4.1.1.3 RONs generated by MATS/MMS for routine stock replenishment.  
  
0-100k - No Staff Summary Sheet required. RON must be approved by Director of MATS, or the Director's authorized designee.  
  
Over 100k - Staff Summary Sheet must be approved by the General Manager and the Board of Directors.
- 4.1.1.4 Professional and Technical Services. This category includes labor and services provided by attorneys, accountants, appraisers, arbiters, auditors, investment bankers, computer service companies, architect/engineering firms, management consultants, and transit industry consultants funded with operational funds. P&T type services funded by other than funds contained in the operating budget are processed in accordance with 4.1.1.1.  
  
0-10k - If non-budgeted, Staff Summary Sheet must be approved by General Manager.  
  
Over 10k - If non-budgeted, Staff Summary Sheet must be approved by the General Manager and the Board of Directors.  
  
0-50k - If budgeted, Staff Summary Sheet must be approved by one of the individuals or their designee identified in paragraph 2.1.

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Over 50k - If budgeted, Staff Summary Sheet must be approved by the General Manager and the Board of Directors.

No CHANGE 4.1.1.5

Real Estate Acquisitions - No Staff Summary Sheet required if the Board has approved purchase as part of a specific program. Real Estate transactions other than those described above require a Staff Summary Sheet or a requisition as set forth in paragraph 4.1.1.1.

4.1.1.6

Other Government Sources - For procurements made from other government sources pursuant to Section 73(c)(4) of the Compact including contracts awarded by governmental agencies and contracts which fall under the Metropolitan Washington Council of Government Cooperative Purchases, no Staff Summary Sheet is required if the price of the item(s) in question was established competitively and is less than \$100,000. If the value of the proposed procurement is anticipated to exceed \$100,000, the guidance set forth in Section 4.1.1.1 above applies.

4.1.1.7

Contract Modifications - No Staff Summary Sheet approvals are required for initiation of modifications. (See 4.1.3 for contract modification approvals.)

4.1.1.8

Initiate and Award - The Staff Summary Sheet may be used for combined management approval both to initiate and award a contract under the following conditions:

- a) A situation exists that cannot be reasonably resolved with the extra processing time required for a CSSS; or
- b) The total value of the procurement is less than \$100k; or
- c) The product or service is available only from a single source; or

SEPARATE APPROVAL IS NOT REQUIRED, IF ACTION IS WITHIN THE APPROVED BUDGET

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d) The General Manager determines that this procedure is appropriate in any other case.

Notes:

- 1) All requisitions are for initiate and award.
- 2) The contract award may be accomplished by the Contracting Officer without further management approval if award is within the authorized amount.

4.1.2 Management approval for the award of new contracts and for out-of-scope changes shall be obtained as follows:

4.1.2.1 All new Procurement Actions, including sole source actions, unless otherwise indicated in Sections 4.1.1.8 above or 4.1.2.2 through 4.1.2.4 below. The dollar value threshold for management approval is the not-to-exceed value of the instant procurement action.

0 - 100k - No Contract Staff Summary Sheet is required. A requisition (including IIURs & RONS) approved by an individual identified in paragraph 2.1 is required.

Over 100k - Contract Staff Summary Sheet must be approved by the General Manager and the Board of Directors.

4.1.2.2 Professional and Technical Services (see 4.1.1.4 above for definition).

0-10k - If non-budgeted, Contract Staff Summary Sheet must be approved by the General Manager or Deputy General Manager.

Over 10k - If non-budgeted, Contract Staff Summary Sheet must be approved by General Manager and the Board of Directors.

SEPARATE APPROVAL IS NOT REQUIRED, IF ACTION IS WITHIN THE APPROVED BUDGET

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Under 50k - If budgeted, Contract Staff Summary Sheet is to be approved by the General Manager or Deputy General Manager.

Over 50k - If budgeted, Contract Staff Summary Sheet must be approved by the General Manager and the Board of Directors.

NO CHANGE

4.1.2.3 Real Estate Acquisition (Defined as fee simple acquisition). All other Real Estate procurements are subject to thresholds in 4.1.2.1 above.

0-250k - Contract Staff Summary Sheet must be approved by the AGM, Department of Finance and Program Development, the person delegated by AGM/COMP, or the General Manager.

Over 250k - Contract Staff Summary Sheet must be approved by the General Manager and the Board of Directors.

NO CHANGE

4.1.2.4 If management approval of (i) an option exercise; or (ii) the funding of additional year(s) under a multi-year contract was specifically granted by the appropriate approval authority, no further management approval is required to exercise the option or fund the additional year(s) provided the requisite funds are certified to be available. In addition, prior to the exercise of an option, funds must be certified as available, the requirement covered by the option must fill an existing Authority need, and the exercise of the option must be the most advantageous method of fulfilling the need (PPM 411).

4.1.3 Management approval of contract modifications shall be obtained as follows:

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For the purpose of management approval of contract modifications involving changed work, the dollar value of the change is computed by summing both the dollar value of the deducted work and the dollar value of the new work. In addition, the exercise of options included in the base contract and the issuance of work orders under Master Agreements will be accomplished by contract modification. Any increase in the ordering limit under an indefinite delivery contract is to be accomplished by contract modification. A contract modification is not required for orders issued under indefinite quantity contracts provided the order is within the previously approved contract dollar limit.

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IS NOT REQUIRED, IF  
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4.1.3.1 All modifications except those identified in 4.1.3.2, 4.1.3.3 and 4.1.3.4 below:

0-100k- No Contract Staff Summary Sheet is required. A requisition approved by the AGM (Grade TA-32) or designee may be used.

100-200k - Contract Staff Summary Sheet must be approved by the AGM (Grade TA-33), the Deputy General Manager, or General Manager.

Over 200k - Contract Staff Summary Sheet must be approved by the General Manager and the Board of Directors.

4.1.3.2 Professional and Technical Services Modifications

0-10k - If budgeted, Requisition must be approved by an individual identified in paragraph 2.1.

0-10k - If unbudgeted, Contract Staff Summary Sheet must be approved by the General Manager.

Over 10k - A Contract Staff Summary Sheet must be approved by the General Manager and the Board of Directors.

NO CHANGE

4.1.3.3 No cost mods (mods with no cost impact) require only a memo to Contracting Officer from Project Manager.

NO CHANGE

4.1.3.4 Contract modifications to exercise options or subsequent award years of a multi-year contract previously approved in accordance with paragraph 4.1.2.1 need only a certification of fund availability and a memorandum from an Office Director or above to the Contracting Officer requesting this extension.

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**SEPARATE APPROVAL IS NOT REQUIRED, IF ACTION IS WITHIN THE APPROVED BUDGET**

4.1.4 NTPs (Notice-to-Proceed) associated with contract modifications issued prior to final agreement on price are subject to approval at the dollar thresholds established in Section 4.1.3 (Contract Modifications). The basis for ascertaining the level of approval is the estimated final value of the contract change.

4.2 Request to Initiate Procurement.

4.2. The Staff Summary Sheet (Requisition Form, if applicable) shall be prepared by the requiring office in accordance with P/I 1.3 (current version) and the guidance set forth in Section 4.1.1 above. The requiring office is responsible for its accuracy and adequacy. The following documents are to be forwarded with the Staff Summary Sheet or requisition document:

- a. Statement of work or proposed contract specification.
- b. Funding Source (Line Number from Operating or Capital Budget) and estimated amount, using standardized Impact on Funding Statement developed by COMP.
- c. Recommended procurement sources and Staff Summary Sheet Justification if applicable.
- d. Supporting documentation for less than full and open competition. If less than full and open competition, a Determination and Findings is required in accordance with the Procurement Procedures Manual.
- e. Previous action(s), if applicable.
- f. If procurement is for personal computers, computer peripheral equipment, i.e., terminals, printers, controllers, Office Automation (OA) equipment, software and ADP services, not connected to bus and rail operational computers, include an approved CAFÉ form pursuant to P/I 8.5/0.
- g. For procurements estimated to have a total value in excess of \$1M, a milestone plan must be coordinated with the Office of Procurement.

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- h. For a competitively negotiated procurement anticipated to exceed 100k, an approved source selection plan will be forwarded with the Staff Summary Sheet for management approval. The source selection plan is a procurement sensitive document and will be retained in Procurement pending management approval of procurement. The Staff Summary Sheet must state whether the procurement will be handled by sealed bids or competitive proposals and, if the latter, the reason why sealed bids cannot be used.

4.2.2 All Staff Summary Sheets are to be prepared and signed by the requesting Department/Office and routed as follows, except as stated in paragraph 4.2.3:

- a. The following routing sequence is to be used for approval actions when GMGR or Board of Director's approval is required:

- o Director, Office of Procurement
- o Office of Civil Rights (CIVR)
- o Office of ADAP (for procurements pertaining to ADA compliance or those having ADA implications)
- o Director, Management Information Services (for Administrative EDP hardware and software procurements)
- o AGM, Department of Finance and Program Development (COMP)
- o Office of General Counsel (COUN)
- o Deputy General Manager/Operations (OPER)
- o SECT
- o GMGR and/or Board of Directors
- o Office of Procurement (PROC)

- b. The following routing sequence is to be used for approval actions below the General Manager level:

- o Branch Manager, Office of Procurement
- o Office of ADAP (for procurements pertaining to ADA compliance or those having ADA implications)
- o Director, Management Information Services (for administrative EDP hardware and software procurements)
- o AGM, Department of Finance and Program Development (COMP)
- o Approving Official
- o Office of Procurement (PROC)

*SEPARATE APPROVAL IS NOT REQUIRED, IF ACTION IS WITHIN THE APPROVED BUDGET*

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4.2.3 Exception. If the requesting Department/Office is initiating an action and is not the user/recipient of the procured item(s), the Staff Summary Sheet will be routed to the user/recipient first for evaluation and concurrence.

4.3 Request for approval of New Contract Awards/Modifications.

4.3.1 The Contract Staff Summary Sheet (Requisition Form, if applicable) shall be prepared in accordance with P/I 1.4 (current version) and used for approvals of proposed contract awards which meet the criteria set forth in Section 4.1.2 above. The request for approval is to be prepared by PROC or an authorized representative of the Contracting Officer and will include the following:

- a. Determination and Findings (if other than full and open competition).
- b. Statement of Work.
- c. Funding Source (Line Number in the Operating Budget, Rail Capital Construction or CIP Budget) identified with the equivalent budget amounts normally associated with the budget information shown on the Staff Summary Sheet. An appropriate Impact Funding Statement is provided by COMP.
- d. Approved Staff Summary Sheet, if applicable.
- e. Summary Record of Negotiation (negotiated procurements only).
- f. Protest Information (if applicable).
- g. IFB Summary, if applicable.
- h. The contract file must be fully documented including the rationale for actions taken pursuant to PPM, Chapter 1, Section VII (Cost/Price Analysis).

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Washington Metropolitan Area Transit Authority  
POLICY/INSTRUCTION

Subject	Classification	Date Approved	P/I Number
P/I Management Approval Process for Procurement Actions	Procurement	Oct. 7, 1998	8.7/2

Audit/Waiver - WMATA Contracting Officers shall request an audit prior to the negotiation of any non-competed contract or modification resulting from proposals in excess of \$250,000. For non-competed contracts in excess of \$100,000 but not more than \$250,000, Contracting Officers may elect to proceed without audits after consulting with the Auditor General and receiving his expression of no objection.

j. Authority Estimated Costs.

k. Cost/Price Analysis.

Basis of award - If options and multi-year provisions were included in the award determination, they must be discussed.

m. Period of performance/delivery schedule.

4.3.2 For actions that do not require General Manager/Board approval, the Director, Office of Procurement or an authorized designee may sign the Contract Staff Summary Sheet as the requestor. The Director of Procurement will sign as requestor if General Manager/Board approval is required.

a. The following routing sequence is to be used when the Contract Staff Summary Sheet is to be approved by the General Manager and/or Board of Directors:

- o Auditor General (AUDT) when the award/modification is sole source and in excess of \$100,000.
- o User/Recipient Department/Office
- o Office of Civil Rights (CIVR) (not required if separate CIVR documentation is provided)
- o Office of ADAP (for procurements pertaining to ADAP compliance or those having ADAP implications)

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- o Director, Management Information Services (for administrative EDP hardware and software procurements)
  - o AGM, Department of Finance and Program Development (COMP)
  - o Contracting Officer
  - o Director, Office of Procurement (PROC)
  - o Office of General Counsel (COUN)
  - o Deputy General Manager/Operations (OPER)
  - o SECT
  - o General Manager/Board
- b. The following routing sequence is to be used when the approving authority is below the General Manager level:
- o User/Recipient Department/Office
  - o Office of ADAP (for procurements pertaining to ADAP compliance or those having ADAP implications  
Director, Management Information Services (for administrative EDP hardware and software procurements)
  - o AGM, Department of Finance and Program Development (COMP)
  - o Contracting Officer
  - o Director, Office of Procurement (PROC)
  - o Approving Official
- c. Exception. If the requesting Department/Office is not the user/recipient of this procurement, the action will be first routed to the user/recipient after the requesting Department/Office signs off on the procurement action.

4.3.3 Direct Pay - A very limited amount of expenses can be paid without a WMATA obligation incurred by a properly designated Contracting Officer (PPM paragraph 206). Disbursements for valid Authority obligations for the items listed in Attachment (A) do not require a document approval by a Contracting Officer. Specific payment procedures have been developed by the Office of Accounting for this purpose.

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- 4.4 The Contract Staff Summary Sheet, if applicable, will also be used to obtain approval to exercise a contract option if approval was not previously obtained as part of initial award. For approval purposes, it is to be treated as a contract modification consistent with 4.1.3 of this P/I.
- 4.5 It should be noted that any procurement action which, in the opinion of the General Manager, is either at variance with established Board policy or involves an issue considered to be sensitive to the Board shall require the prior approval of the Board of Directors.
- 4.6 Actions for the Board Agenda. Under P/I 1.5/0, a Master Board Agenda is prepared by SECT and should be finalized 9 days prior to each Board meeting.

Staff Summary Sheets requiring Board approval shall be delivered by the requesting Department/Office in sufficient time to allow each reviewing official to satisfy the requirements of 4.6.3.a.

Contract Staff Summary Sheets. PROC will prepare and provide the new contract award and contract modification actions to the user/recipient office in sufficient time to allow reviewing officials to satisfy the requirements of 4.6.3.a.

4.6.3 Reviewing and Monitoring Requirements.

- a Each reviewing Department will complete its review within one workday upon receipt of the action. In the event the reviewing department is unable to comply with the one workday requirement, the sponsoring department will be immediately notified and a revised mutually agreed-upon review time negotiated. The sponsoring department is responsible for hand-carrying the action to the next reviewing department.
- b All reviewers who provide qualifying comments on any of the procurement actions referenced herein are responsible for specifically identifying the nature of those comments so that prompt resolution of outstanding issues can be accomplished with the initiating office.

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5.0 References - The current versions of --

- P/I 1.3 "Staff Summary Sheet"
- P/I 1.4 "Contracts Staff Summary Sheet"
- P/I 8.3 "Disadvantaged Business Enterprise Program"
- P/I 8.6 "Processing Construction Change Orders"
- P/I 1.5 "Correspondence with and Materials for Board Members; Procedures for Board and Committee Meeting"
- P/I 13.2 "Contract Audit"
- Authority Procurement Policy Statement
- Authority Procurement Procedures Manual
- COMP Procedures Manual 1.1 "Obtaining and Paying for Non-Stock Supplies and Services."

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**A COMPARISON OF P/I 8.7/1 AND P/I 8.7/2 APPROVAL REQUIREMENTS**

INITIATION	P/I 8.7/1			P/I 8.7/2		
	\$	Instrument	Approval Authority	\$	Instrument	Approval Authority
New Procurement	0-25k	Req.	AGM	0-100k	Req.	See para 2.1 of 8.7/2
	25-50k	SSS	AGM/Office Dir.			
	50-100k	SSS	DGM/GM			
	Over 100k	SSS	GM&Board	Over 100k	<del>SSS</del> <del>GM&amp;Board</del>	ELT
IIURs	0-25k	IIUR	Office Mgr.	0-100k	IIUR	See para. 2.1 of 8.7/2
	25-50k	IIUR	AGM/Office Dir.			
	50-100k	IIUR	DGM/GM			
	Over 100k	SSS	GM&Board	Over 100k	<del>SSS</del> <del>GM&amp;Board</del>	ELT
RONs	0-50k	RON	Dir., PMAT	0-100k	RON	Director, MATS
	50-100k	RON	Dir., PROC			
	Over 100k	SSS	GM&Board	Over 100k	<del>SSS</del> <del>GM&amp;Board</del>	ELT
P&T- unbudgeted	0-5k	SSS	GM	0-10k	<del>SSS</del> <del>GM</del>	
	Over 5k	SSS	GM&Board	Over 10k	<del>SSS</del> <del>GM&amp;Board</del>	
P&T-budgeted	0-25k	SSS	DGM/GM	0-50k	SSS	See para. 2.1 of 8.7/2
	Over 25k	SSS	GM&Board	Over 50k	<del>SSS</del> <del>GM&amp;Board</del>	ELT
Real Estate Acquisition	No SSS if requirement is certified and paid with Rail Capital Const. funds.			No SSS required if part of Board-approved EIS or Capital Program. If not, treat as new procurement		
Other Govt Sources	0-100k	No SSS required		0-100k	No SSS required	
	Over 100k	Treat as new procurement		Over 100k	Treat as new procurement	
Cont. Mods	No SSS required.			No SSS required.		
<b>AWARDS</b>						
New Procurement	0-25k	Req.	AGM	0-100k	Req.	See para. 2.1 of 8.7/2
	25-50k	CSS	AGM/ Off. Dir.			
	50-100k	CSS	DGM/GM			
	Over 100k	CSS	GM&Board	Over 100k	<del>CSS</del> <del>GM&amp;Board</del>	ELT
IIURs	0-100k	No CSS if IIUR was approved when initiated.		0-100k	RON	See para. 2.1 of 8.7/2
	Over 100k	CSS	GM&Board	Over 100k	<del>CSS</del> <del>GM&amp;Board</del>	ELT
RONs	0-100k	No CSS if RON was approved when initiated				
	Over 100k	CSS	GM&Board	Over 100k	<del>CSS</del> <del>GM&amp;Board</del>	ELT
P&T-unbudgeted	0-5k	CSS	DGM/GM	0-10k	<del>CSS</del> <del>DGM/GM</del>	ELT
	Over 5k	CSS	GM&Board	Over 10k	<del>CSS</del> <del>GM&amp;Board</del>	
P&T-budgeted	0-25k	CSS	DGM/GM	0-50k	<del>CSS</del> <del>DGM/GM</del>	ELT
	Over 25k	CSS	GM&Board	Over 50k	<del>CSS</del> <del>GM&amp;Board</del>	
Real Estate Acquisition	0-250k	CSS	DGM/GM	0-250k	CSS	AGM-COMP/GM
	Over 250k	CSS	GM&Board	Over 250k	CSS	GM&Board
Other Govt Sources	0-25k	Req.	AGM			
	25-100k	CSS	DGM/GM	0-100k	No CSS required	
	Over 100k	CSS	GM&Board	Over 100k	Treat as New Procurement award	

Comparison of P/I 8.7/1 and P/I 8.7/2  
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INITIATION	P/I 8.7/1			P/I 8.7/2		
	\$	Instrument	Approval Authority	\$	Instrument	Approval Authority
<b>MODIFICATIONS</b>						
Cont.Mods- (General)	0-25k	Req.	AGM			
	25-50k	CSS	AGM/Off. Dir.			
	50-100k	CSS	DGM/GM	0-100k	Req.	AGM (TA-32)
	100-200k	CSS	GM	100-200k	CSS	AGM-TA-33, DGM/G M
	Over 200k	CSS	GM&Board	Over 200k	CSS	GM&Board <b>ELT</b>
Cont. Mods (P&T)	See P&T under AWARDS above.					

**LEGEND:**  
 Req. - Requisition  
 CSSS - Contract Staff Summary Sheet  
 SSS - Staff Summary Sheet

XV. Contract Approval Requirements - The Board has delegated approval authority to the General Manager for certain activities identified below. The General Manager is authorized to delegate the approval of procurement initiation and award activities that the Board has delegated to the General Manager to subordinate officials of the Authority. The General Manager will establish procedures which will provide for timely review and processing of all procurement actions. Board approval is required for the following:

<u>ACTIVITY REQUIRING BOARD APPROVAL</u>	<u>DOLLAR THRESHOLD</u>
E. Initiation of Procurement:	
1. All procurement actions except as listed below.	Over \$100,000
2. Real Estate Acquisitions	Board Approval Not Required
3. Professional and Technical Services (P&T)	
a. Operating	Over \$50,000 If Budgeted Over \$10,000 If Non-Budgeted
b. Capital	Over \$50,000 If Budgeted Over \$10,000 If Non-Budgeted
F. Contract Awards:	
1. All awards, except as listed below.	Over \$100,000
2. Real Estate Acquisitions	Over \$250,000
3. Any award which would represent a change to Board policy.	
4. Professional and Technical Services (P&T)	
a. Operating	Over \$50,000 If Budgeted Over \$10,000 If Non-Budgeted
b. Capital	Over \$50,000 If Budgeted Over \$10,000 If Non-Budgeted

Revised 5/01/06

G. Modifications:

- |  |   |
|--|---|
| 1. All modifications for equipment, supplies, services, construction and real estate including exercise of options, except as noted below.   | A. <u>For Board Approved Contracts:</u><br>10% of the original approved contract value or \$200,000, whichever is lower.                    |
| 2. Any modification exceeding the authorized budget including contingency, if any.   | B. <u>For Non-Board Approved Contracts:</u><br>The cumulative value of the original contract and all modifications exceeds \$100,000        |
| 3. Any budgeted modification to exercise a contract option when the option was evaluated as part of the basis of award and Board approval was provided as part of the initial award. | Over Budget<br><br>Board Approval Not Required.   |
| 4. Professional and Technical Services (P&T)   |   |
| a. Operating   | Over \$10,000: Board approval required if modification is greater than \$10,000 more than funds previously approved on Staff Summary Sheet. |
| b. Capital   | Over \$10,000; Board approval required if modification is greater than \$10,000 more than funds previously approved on Staff Summary Sheet. |

NOTE 1: Notwithstanding the above, the General Manager has the authority to incur obligations in emergency situations, and will report back to the Board on all emergency procurements within 60 days of the action. Emergency is defined as a situation (such as a flood, epidemic, riot, equipment failure, or other reason declared by the General Manager) which creates an immediate threat to the public health, welfare or safety. The existence of an emergency condition creates an immediate need for supplies, services or construction which cannot be met through normal procurement methods, and the lack of which would seriously threaten either the health or safety of any person, the

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preservation or protection of property, or the continuation of necessary Authority functions.

NOTE 2: Professional and Technical (P&T) services includes but is not limited to labor and services provided by attorneys, accountants, appraisers, arbiters, auditors, investment bankers, computer service companies, architect/engineering firms, management consultants, and transit industry consultants.

Revised 5/01/00



**BOARD PROCUREMENT ACTION MATRIX**  
Revised 5/01/00

ACTIVITY REQUIRING BOARD APPROVAL	DOLLAR THRESHOLD - CURRENT	DOLLAR THRESHOLD - PROPOSED BY THE GMGR
Initiation of Procurement  1. All procurement actions except as listed below.  2. Real Estate Acquisitions  3. Professional and Technical Services (P&T)  a. Operating  b. Capital	Over \$100,000  Board Approval not Required    Over \$50,000 if Budgeted Over \$10,000 if Non-Budgeted  Over \$100,000	No Change  No Change    No Change  Over \$50,000 if Budgeted Over \$10,000 if Non-Budgeted

ACTIVITY REQUIRING BOARD APPROVAL	DOLLAR THRESHOLD - CURRENT	DOLLAR THRESHOLD - PROPOSED BY THE GMGR
Contract Awards: <ol style="list-style-type: none"> <li>1. All awards except as listed below</li> <li>2. Real Estate Acquisitions</li> <li>3. Any award which would represent a change to Board policy e.g. Indemnification</li> <li>4. Professional and Technical Services (P&amp;T)               <ol style="list-style-type: none"> <li>a. Operating</li> <li>b. Capital</li> </ol> </li> </ol>	Over \$100,000  Over \$250,000  Requires Board Approval   Over \$50,000 if Budgeted Over \$10,000 if Non-Budgeted  Over \$100,000	No Change  No Change  No change   No Change  Over \$50,000 if Budgeted Over \$10,000 if Non-budgeted

ACTIVITY REQUIRING BOARD APPROVAL	DOLLAR THRESHOLD - CURRENT	DOLLAR THRESHOLD - PROPOSED BY THE GMGR
<p>Modifications</p> <ol style="list-style-type: none"> <li>1. All modifications for equipment supplies, services, construction and real estate including exercise of options, except as noted below</li> <li>2. Any modification exceeding the authorized budget including contingency, if any.</li> <li>3. Any budgeted modification to exercise a contract option when the option was evaluated as part of the basis of award and Board approval was provided as part of the initial award.</li> <li>4. Professional and Technical Services               <ol style="list-style-type: none"> <li>a. Operating</li> <li>b. Capital</li> </ol> </li> </ol>	<p>Over \$200,000</p> <p>Over Budget</p> <p>Board Approval not Required</p> <p>Over \$10,000; Board approval required if Modification is greater than \$10,000 more than funds previously approved on Staff Summary Sheet</p> <p>Over \$200,000</p>	<p>A. <u>For Board Approved Contracts:</u> 10% of the original approved contract value or \$200,000, whichever is lower.</p> <p>B. <u>For Non-Board Approved Contracts:</u> The cumulative value of the original contract and all modifications exceeds \$100,000.</p> <p>No Change</p> <p>No Change</p> <p>No Change</p> <p>Over \$10,000; Board approval required if Modification is greater than \$10,000 more than funds previously approved on Staff Summary Sheet.</p>

: The General Manager has the authority to incur obligations in emergency situations, and will report back to the Board on all emergency procurements within 60 days. Emergency is defined as a situation (such as a flood, epidemic, riot, equipment failure, or other reason declared by the General Manager) which creates an immediate threat to the public health, welfare, or safety. The existence of an emergency condition creates an immediate need for supplies, services or construction which cannot be met through normal procurement methods, and the lack of which would seriously threaten either the health or safety of any person, the preservation or protection of property, or the continuation of necessary Authority functions.