RESOLUTION NO. 2025-83

AMENDING SECTION 410.01 PROCUREMENT POLICIES OF THE CODIFIED RULES AND REGULATIONS OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

WHEREAS, pursuant to Resolution No. 1989-176, the Board of Trustees ("Board") of the Greater Cleveland Regional Transit Authority ("Authority") codified the resolutions establishing its policies and procedures; and

WHEREAS, effective June 30, 2025, the Ohio legislature has raised the amount at which a regional transit authority board must approve contracts from $100,000 to the federal simplified acquisition threshold, which is currently $250,000; and

WHEREAS, the Board may increase the General Manager, Chief Executive Officer's contract signing authority from her current delegation of $100,000 to $250,000 and may also delegate to the General Manager, Chief Executive Officer increased change order authority to correspond to the increased contract signing authority; and

WHEREAS, in order to make these changes, Section 410.01 Procurement Policies of the Codified Rules and Regulations of the Greater Cleveland Regional Transit Authority ("Code Book") must be amended.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That Code Book Section 410.01 Procurement Policies is hereby amended to read as specified in Attachment A hereto.

Section 2. That the Board of Trustees hereby waives the fourteen-day period provided for in Article XI, Section 2 of the Bylaws.

Section 3. That this resolution shall become effective immediately upon its adoption.

Attachments: A. Section 410.01 Procurement Policies

Adopted: July 15, 2025

President

Attest:

Secretary-Treasurer

410.01 PROCUREMENT POLICIES.

(a) The Procurement Policies of the Authority are as follows:

(1) Purpose. These Procurement Policies identify the regulations and processes that govern all Authority personnel involved in the procurement and contract administration process. The Policies cover the entire range of procurement activities and their requirements are binding on all Authority personnel.

(2) Scope of Policy. Except as otherwise specified herein, all purchases and dispositions of equipment, materials, goods and services to or by the Authority involving either an expenditure of public funds or revenue from Authority assets whether by sale, lease, rental or otherwise shall be governed by these Policies. The general requirements herein shall apply except as altered or excluded for specific types of procurements.

(3) Exclusions. The following activities are excluded from this Policy:

A. Acquisition or disposition of any rights in real property, excepting contracts with professional consultants or brokers in connection therewith;

B. The sale of debt securities or sale/leaseback or lease/leaseback transactions, except for contracts with professional consultants or brokers in connection therewith;

C. Payments for items mandated by law, regulation, or agreements other than procurement contracts entered into by the Authority;

D. Training, professional development and other routine administrative expenses which are specifically identified in the Authority's budget;

E. Purchases or reimbursement to employees for travel or similar expenses incurred on behalf of the Authority under the Authority's other policies and procedures;

F. The designation of eligible depositories for the Authority's active, interim and inactive funds pursuant to Ohio R.C. Chapter 135; and

G. Action regarding employee-related matters under the Personnel Code, excepting contracts with professional consultants in connection therewith.

(4) Governance. As a political subdivision of the State of Ohio, the Authority is governed by the applicable portions of the Ohio Revised Code. The primary governance for procurement actions is Ohio R.C. 306.43. As a third-party grantee of the Federal government, the Authority is also governed by applicable Federal laws and regulations. The primary Federal governance for procurement activities is FTA Circular 4220.1, as it may be amended or replaced. The FTA Best Practices Procurement Manual, Federal Acquisition Regulations and other sections of the Ohio Revised Code, while they may or may not be binding on the Authority, shall be used for guidance to the extent matters covered herein are not

addressed by governing laws or regulations.

(5) Structure of Procurement Department. The Procurement Department shall have a sufficient degree of autonomy within the Authority to function effectively as part of a check and balance system governing Authority acquisitions and dispositions.

(6) Procurement ethics. No Authority employee, officer, agent or board member may participate in the selection, award, or administration of a contract supported with FTA assistance if that individual, his or her immediate family member, partner or an organization that employs or is about to employ any of the foregoing has a financial or other interest in a firm being considered or selected. "Immediate family" shall have the same meaning as defined in the Authority's Code of Ethics.

No Authority employee, officer, agent, or board member shall accept anything of value from a party who is doing or seeking to do business with the Authority that could have a substantial and improper influence upon that employee, officer, agent or board member, in accordance with the Ohio Revised Code and the Authority's Code of Ethics.

(7) Organizational conflicts of interest. Procurements shall be conducted with full and open competition to the greatest extent possible. No undue geographical, economic or technical restrictions shall be imposed. A vendor deemed to possess an unfair competitive advantage or to possess a bias preventing it from impartially performing the work or services on behalf of the Authority shall be precluded from award of contracts.

(8) Delegations of Authority.

A. The Board hereby delegates to the General Manager, Chief Executive Officer of the Authority the following responsibilities:

1. Authorize purchases, sales, dispositions, and other procurement actions which, by Federal or State requirements, do not require formal solicitation or approval by the Board;
2. Approve all funding encumbrances and authorizations to proceed with solicitation for acquisitions and dispositions of goods, equipment, and services for or by the Authority;
3. Upon authorization by the Board, execute contracts exceeding two hundred fifty thousand dollars ($250,000) in value;
4. Terminate any contract if deemed to be in the best interest of the Authority;
5. Approve change orders that extend the term and/or increase the price of contracts not exceeding two hundred fifty thousand dollars ($250,000), in a net amount that does not cause the total amount of any such contract to exceed two hundred fifty thousand dollars ($250,000), and approve change orders on other contracts in a net amount not to exceed the following limits: two hundred fifty thousand dollars ($250,000) for

contracts up to two million five hundred thousand dollars ($2,500,000); and five hundred thousand dollars ($500,000) for contracts over two million five hundred thousand dollars ($2,500,000). The Board may, by resolution, vary these limits for particular contracts or projects; and

6. Re-delegate any of the powers granted herein, provided, however, that the General Manager, Chief Executive Officer shall retain responsibility for all actions taken as a result of re-delegation of authority hereunder.

B. The Board hereby delegates to the General Manager, Chief Executive Officer and the Authority's Director of Procurement the following responsibilities:

1. Authorize all purchases, sales, dispositions and other procurement actions which, by Federal or State requirements or these Procurement Policies, do not require formal solicitation or approval by the Board;
2. Execute contracts not exceeding two hundred fifty thousand dollars ($250,000) in value or otherwise requiring Board approval;
3. Advertise for procurements as required by law or regulation or when otherwise deemed to be in the best interest of the Authority;
4. Cancel procurements;
5. Determine the lowest responsive and responsible bidder;
6. Determine when acceptance of an offer resulting from a negotiated proposal is in the best interest of the Authority;
7. Reject any or all bids or proposals when it is determined to be in the best interest of the Authority;
8. Determine whether an exception to competition is applicable, in accordance with Ohio R.C. 306.43;
9. Review, respond to, negotiate and settle protests, claims and disputes related to procurement actions or contracts; and
10. Re-delegate any of the powers granted herein, provided, however, that the General Manager, Chief Executive Officer shall retain responsibility for all actions taken as a result of re-delegation of authority hereunder.

(9) Procurement planning, specifications, and scopes of services. The initiating department shall be responsible for identifying and justifying its procurement needs, as well as preparing specifications and/or a scope of services for the Procurement Department. Specifications should identify the Authority's minimum needs and avoid restrictive provisions such as identification of name brands to the greatest extent possible. Specifications must be approved by the head of the initiating

department, the Safety Department, when applicable, the Director of Procurement, and any others designated by the Director of Procurement, prior to issuance. The initiating department is also responsible for preparing an estimate of the cost of the item or service.

(10) Disadvantaged Business Enterprises. The Authority shall work to ensure the participation of Disadvantaged Business Enterprises (DBEs) in its procurements, as well as contractor compliance with all applicable laws and regulations. The Authority shall use its best efforts to encourage fair and representative participation of DBEs on procurements, either as prime contractors or as subcontractors. Moreover, the Authority shall determine the opportunity for DBE participation on all procurements in the amount of twenty-five thousand dollars ($25,000) or more and, where qualified DBEs are identified, solicitations for such procurements shall include at least one DBE among the contractors solicited.

(11) Debarment. The Authority shall not award contracts to firms that are debarred by the State or Federal governments. Debarment by other government entities may be considered in determining a contractor's responsibility but shall not necessarily preclude award to the debarred vendor.

(12) Change orders. Change orders are contract amendments altering the scope, price or schedule of the original contract. Approval of change orders shall be in accordance with the delegations of authority prescribed in this chapter. No work under a change order may be authorized prior to such approval, except upon the written direction of the General Manager, Chief Executive Officer. Change orders determined to be cardinal changes to the contract are prohibited. Cardinal changes are changes which alter the essential nature, quantity or scope beyond the reasonable contemplation of the parties at the time of contract execution, or which result in a final product substantially different than that for which the Authority originally contracted.

(13) Protests, claims and disputes. The Authority shall review, process, and adjudicate procurement protests, claims, and disputes in the manner prescribed by applicable Federal and/or State regulations. The Authority's procedure for handling protests, claims, and disputes shall be contained in the Authority's Procurement Manual and made available to vendors upon request.

(14) Procurement types for formal contracts. For formal contracts (those for which the Board has not delegated its purchasing authority and any others so designated by the General Manager, Chief Executive Officer), the Authority shall procure and dispose of personal property as prescribed by applicable State and Federal laws and regulations. The Authority may use any type of contract that is consistent with applicable laws and regulations.

(15) Small purchases. Purchases reasonably estimated not to exceed the

small purchase limit of two hundred fifty thousand dollars ($250,000) may be procured informally, provided that a record is maintained consistent with applicable laws and regulations. Price or rate quotations shall be obtained from an adequate number of qualified sources to permit a reasonable comparison consistent with the nature of competitive negotiation within the given circumstances.

(16) Contract pricing. The Authority may utilize firm fixed price or fixed unit price not-to-exceed contracts for sealed bid procurements as well as negotiated procurements. Such contracts may allow price escalation based on actual costs or a generally recognized index, provided that the escalator has a defined upper limit. The Authority may also use a cost plus fixed fee contract or any other type of contract permitted by applicable laws or regulations; however, for negotiated procurements, it may not use a cost plus percentage fee type of contract. The Authority may use indefinite quantity or indefinite delivery contracts where appropriate but may not use an indefinite quantity and indefinite delivery contract. The Authority may use a time and materials type of contract only if no other form is suitable and if the contract contains a not-to-exceed ceiling. The Authority may utilize progress payments to the extent consistent with law and regulation, provided that it obtains or secures value consistent with the amount paid. The Authority shall not make advance payments unless specifically authorized by the Director of Procurement or the General Manager, Chief Executive Officer.

(17) Sealed bid procurements. The Director of Procurement may direct that sealed bids be invited. If less than two responsive bids are received for a sealed bid solicitation, the Director of Procurement, in this single bid situation, may either (1) negotiate price with the responsive bidder or (2) cancel the solicitation.

(18) Competitive negotiated procurements. The Director of Procurement may direct that competitive negotiated proposals be solicited. Competitive negotiated procurements must be conducted in a manner that preserves the integrity of the procurement process. To the extent permitted by law, regulation or court decision, the evaluation of proposals shall be conducted in a confidential manner, and all confidential or proprietary information shall be held confidential.

(19) Two-step procurements. The Director of Procurement may direct that a two-step procurement process be utilized. This process shall consist of a negotiated technical proposal followed by a sealed bid from those firms whose technical proposals are acceptable.

(20) Non-competitive procurements. The Director of Procurement may prescribe that a non-competitive procurement is justified based on applicable laws and regulations. If any such procurement exceeds the small purchase authority prescribed herein, Board approval is required. Contracts entered into on the basis of a non-competitive procurement

must be in the best interest of the Authority, and the price shall be fair and reasonable, as determined by the Director of Procurement.

(21) Design services. Architectural and engineering services, value engineering services, and incidental services related thereto, as defined in 40 U.S.C. Sec. 541 et seq. (Brooks Act), shall be conducted as negotiated procurements, except that selection shall be made of the most technically qualified firm without consideration of price. Price shall be negotiated with the selected firm. If agreement cannot be reached with the most qualified firm, the process is repeated with the second most qualified firm, continuing until agreement is reached, or the pool of technically acceptable firms is exhausted, at which point the procurement must be cancelled.

(22) Design/build services. To the extent permitted by law and regulation, the Authority may solicit the services of a single firm or entity to both design and build a construction project. Such solicitations shall be conducted in the manner prescribed by the Ohio Revised Code. If such procedure violates the provisions of Federal law or regulation, design build services may not be used in projects involving Federal funds.

(23) Construction services. Solicitations for construction, improvement or repair of facilities shall be conducted as sealed bid procurements. To the extent required by law or regulation, solicitations shall require that the award shall be made to the lowest responsive bid from a responsible bidder. The contractor must conform to the prevailing wage requirements defined in Ohio R.C. Chapter 4115 if no Federal funds are involved or the Davis-Bacon Act (40 U.S.C. 276a et seq.) and the Copeland Act (40 U.S.C. 276c et seq.) if Federal funds are involved.

(24) Incentive payments and liquidated damages. The Authority may, under appropriate circumstances, utilize incentives to encourage extraordinary vendor performance or, alternately, provide for liquidated damages to protect the Authority from losses due to vendor nonperformance. It may not impose financial penalties that are punitive in nature. Liquidated damages must be calculated and documented prior to the issuance of the solicitation on the basis of the anticipated actual loss to the Authority resulting from vendor non-performance.

(25) Bid guaranty. A bid guaranty shall be required for all contracts for construction, alteration, or repair of any public building or other public improvement in the manner described by the Ohio Revised Code. The Authority may require a bid, performance and/or payment guaranty when it is determined, by the Director of Procurement, to be in the Authority's best interest. The bid guaranty shall be required as directed by the Director of Procurement, upon the advice of the Risk Management Department. The Director of Procurement may authorize the reduction of any bond supplied for the rendering of services or the supplying of materials to the extent permitted by the Ohio Revised Code.

(26) Rolling stock. The Authority may procure rolling stock by either negotiated procurement or sealed bid. Rolling stock shall be defined to include transit vehicles such as buses, vans, cars, railcars, locomotives, trolley cars and buses, and ferry boats, as well as vehicles used for support services. Solicitations for rolling stock shall require compliance with all applicable standards regarding dimensions, weight, accessibility and safety. Unless specifically authorized by the General Manager, Chief Executive Officer, the Authority shall not procure rolling stock that has not been tested in accordance with the Code of Federal Regulations, as applicable. The Authority shall conduct pre-award and post-delivery audits as required by the Code of Federal Regulations.

(27) Electronic procurements and purchasing cards. The Authority may utilize electronic means, to the extent consistent with legal and regulatory requirements, to conduct any procurement defined herein. Employees and officers of the Authority designated by the Board may use purchasing (credit) cards.

(28) Disposition of property. The Authority may sell personal property, including capital equipment and surplus or obsolete parts and supplies, by sealed bid, public auction or online auction. The Authority may otherwise dispose of property in accordance with applicable laws and regulations. Trade-in of used equipment towards the purchase of new equipment shall also be permitted. Sale of capital assets whose fair market value is estimated to exceed the small purchase limit shall be authorized by the Board. Sale of Federally funded capital assets that have not exceeded their useful life as established by the Federal Transit Administration shall be authorized by the Board.

(Res. 2017-102. Passed 11-21-17; Res. 2022-57. Passed 6-28-22.)

Form 100-326
01-12-22

Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION:	Resolution No.: 2025-83
AMENDING SECTION 410.01 PROCUREMENT POLICIES OF THE CODIFIED RULES AND REGULATIONS OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY	Date: July 10, 2025
	Initiator: Finance

ACTION REQUEST:
☒ Approval ☐ Review/Comment ☐ Information Only ☐ Other _____

1.0 PURPOSE/SCOPE: This resolution will amend Section 410.01 Procurement Policies of the Codified Rules and Regulations ("Code Book") of the Greater Cleveland Regional Transit Authority ("Authority") to increase the General Manager, Chief Executive Officer's contract signing authority and change order authority.

2.0 DESCRIPTION/JUSTIFICATION: Section 306.43(F) of the Ohio Revised Code establishes the threshold above which a regional transit authority board must approve contracts. Effective June 30, 2025, the Ohio legislature raised the amount above which a regional transit authority board must approve contracts from $100,000 to the federal simplified acquisition threshold, which is currently $250,000. The simplified acquisition threshold is the amount set forth in 41 U.S.C. 134.

In 2008, the Ohio legislature raised the General Manager's contract signing authority from $25,000 to $100,000 to mirror the federal simplified acquisition threshold. By Resolution No. 2008-141, the Authority increased the General Manager's contract signing authority to $100,000 in order to align Ohio and the Authority with the federal level. Since that time, the federal simplified acquisition threshold has increased from $100,000 to $150,000 in 2015 and then to $250,000, where it currently stands, in 2018.

The current change order authority is:

Contract price not exceeding $100,000	Net amount that does not cause the total amount to exceed $100,000
Up to $1,000,000	$100,000
Between $1,000,000 and $5,000,000	Lesser of 10% or $250,000
Over $5,000,000	$500,000

Staff is proposing an increase in the General Manager, Chief Executive Officer's change order authority along with the proposed change in her contract signing authority, as follows:

Contract price not exceeding $250,000	Net amount that does not cause the total amount to exceed $250,000
Up to $2,500,000	$250,000
Over $2,500,000	$500,000

3.0 PROCUREMENT BACKGROUND: Does not apply.

4.0 DBE BACKGROUND: Does not apply.

5.0 POLICY IMPACT: This policy change authorizes an increase in the General Manager, Chief Executive Officer's contract signing authority to $250,000. It also increases the General Manager, Chief Executive Officer's change order authority to correspond with the increased contract signing authority.

6.0 ECONOMIC IMPACT: Does not apply.

7.0 ALTERNATIVES: Not adopting this resolution. Not adopting this resolution will leave the General Manager, Chief Executive Officer's signing and change order authority at the current levels.

8.0 RECOMMENDATION: This resolution was discussed at the July 1, 2025 Committee of the Whole meeting. It is recommended that this resolution be adopted.

9.0 ATTACHMENTS: A. Redline of Section 410.01 Procurement Policies

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.

General Manager, Chief Executive Officer

410.01 PROCUREMENT POLICIES.

(a) The Procurement Policies of the Authority are as follows:

(1) Purpose. These Procurement Policies identify the regulations and processes that govern all Authority personnel involved in the procurement and contract administration process. The Policies cover the entire range of procurement activities and their requirements are binding on all Authority personnel.

(2) Scope of Policy. Except as otherwise specified herein, all purchases and dispositions of equipment, materials, goods and services to or by the Authority involving either an expenditure of public funds or revenue from Authority assets whether by sale, lease, rental or otherwise shall be governed by these Policies. The general requirements herein shall apply except as altered or excluded for specific types of procurements.

(3) Exclusions. The following activities are excluded from this Policy:

A. Acquisition or disposition of any rights in real property, excepting contracts with professional consultants or brokers in connection therewith;

B. The sale of debt securities or sale/leaseback or lease/~~leaseback~~ leaseback transactions, except for contracts with professional consultants or brokers in connection therewith;

C. Payments for items mandated by law, regulation, or agreements other than procurement contracts entered into by the Authority;

D. Training, professional development and other routine administrative expenses which are specifically identified in the Authority's budget;

E. Purchases or reimbursement to employees for travel or similar expenses incurred on behalf of the Authority under the Authority's other policies and procedures;

F. The designation of eligible depositories for the Authority's active, interim and inactive funds pursuant to Ohio R.C. Chapter 135; and

G. Action regarding employee-related matters under the Personnel Code, excepting contracts with professional consultants in connection therewith.

(4) Governance. As a political subdivision of the State of Ohio, the Authority is governed by the applicable portions of the Ohio Revised Code. The primary governance for procurement actions is Ohio R.C. 306.43. As a third-party grantee of the Federal government, the Authority is also governed by applicable Federal laws and regulations. The primary Federal governance for procurement activities is FTA Circular 4220.1, as it may be amended or replaced. The FTA Best Practices Procurement Manual, Federal Acquisition Regulations and other sections of the Ohio Revised Code, while they may or may not be binding on the Authority, shall be used for guidance to the extent matters covered herein are not

addressed by governing laws or regulations.

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(6) Procurement ethics. No Authority employee, officer, agent or board member may participate in the selection, award, or administration of a contract supported with FTA assistance if that individual, his or her immediate family member, partner or an organization that employs or is about to employ any of the foregoing has a financial or other interest in a firm being considered or selected. "Immediate family" shall have the same meaning as defined in the Authority's Code of Ethics.

No Authority employee, officer, agent, or board member shall accept anything of value from a party who is doing or seeking to do business with the Authority that could have a substantial and improper influence upon that employee, officer, agent or board member, in accordance with the Ohio Revised Code and the Authority's Code of Ethics.

(7) Organizational conflicts of interest. Procurements shall be conducted with full and open competition to the greatest extent possible. No undue geographical, economic or technical restrictions shall be imposed. A vendor deemed to possess an unfair competitive advantage or to possess a bias preventing it from impartially performing the work or services on behalf of the Authority shall be precluded from award of contracts.

(8) Delegations of Authority.

A. The Board hereby delegates to the General Manager, Chief Executive Officer of the Authority the following responsibilities:

1. Authorize purchases, sales, dispositions, and other procurement actions which, by Federal or State requirements, do not require formal solicitation or approval by the Board;
2. Approve all funding encumbrances and authorizations to proceed with solicitation for acquisitions and dispositions of goods, equipment, and services for or by the Authority;
3. Upon authorization by the Board, execute contracts exceeding ~~one~~ two hundred fifty thousand dollars ($~~100~~250,000) in value;
4. Terminate any contract if deemed to be in the best interest of the Authority;
5. Approve change orders that extend the term and/or increase the price of contracts not exceeding ~~one~~ two hundred fifty thousand dollars ($~~100~~250,000), in a net amount that does not cause the total amount of any such contract to exceed ~~one~~ two hundred fifty thousand dollars ($~~100~~250,000), and approve change orders on other contracts in a net amount not to exceed the following limits: two~~one~~ hundred fifty thousand dollars

($~~100~~250,000) for contracts up to ~~one~~ two million five hundred thousand dollars ($~~1~~2,~~000~~500,000); ~~the lesser of ten percent or two~~ and five hundred ~~fifty~~ thousand dollars ($~~2~~250,000) for contracts ~~between~~ over ~~one~~ two million five hundred thousand dollars ($~~1~~2,~~000~~500,000) ~~and five million dollars ($5,000,000); and five hundred thousand dollars ($500,000) for contracts over five million dollars ($5,000,000)~~. The Board may, by resolution, vary these limits for particular contracts or projects; and

6. Re-delegate any of the powers granted herein, provided, however, that the General Manager, Chief Executive Officer shall retain responsibility for all actions taken as a result of re-delegation of authority hereunder.

B. The Board hereby delegates to the General Manager, Chief Executive Officer and the Authority's Director of Procurement the following responsibilities:

1. Authorize all purchases, sales, dispositions and other procurement actions which, by Federal or State requirements or these Procurement Policies, do not require formal solicitation or approval by the Board;
2. Execute contracts not exceeding ~~one~~ two hundred fifty thousand dollars ($~~100~~250,000) in value or otherwise requiring Board approval;
3. Advertise for procurements as required by law or regulation or when otherwise deemed to be in the best interest of the Authority;
4. Cancel procurements;
5. Determine the lowest responsive and responsible bidder;
6. Determine when acceptance of an offer resulting from a negotiated proposal is in the best interest of the Authority;
7. Reject any or all bids or proposals when it is determined to be in the best interest of the Authority;
8. Determine whether an exception to competition is applicable, in accordance with Ohio R.C. 306.43;
9. Review, respond to, negotiate and settle protests, claims and disputes related to procurement actions or contracts; and
10. Re-delegate any of the powers granted herein, provided, however, that the General Manager, Chief Executive Officer shall retain responsibility for all actions taken as a result of re-delegation of authority hereunder.

(9) Procurement planning, specifications, and scopes of services. The initiating department shall be responsible for identifying and justifying its procurement needs, as well as preparing specifications and/or a scope of services for the Procurement Department. Specifications should

identify the Authority's minimum needs and avoid restrictive provisions such as identification of name brands to the greatest extent possible. Specifications must be approved by the head of the initiating department, the Safety Department, when applicable, the Director of Procurement, and any others designated by the Director of Procurement, prior to issuance. The initiating department is also responsible for preparing an estimate of the cost of the item or service.

(10) Disadvantaged Business Enterprises. The Authority shall work to ensure the participation of Disadvantaged Business Enterprises (DBEs) in its procurements, as well as contractor compliance with all applicable laws and regulations. The Authority shall use its best efforts to encourage fair and representative participation of DBEs on procurements, either as prime contractors or as subcontractors. Moreover, the Authority shall determine the opportunity for DBE participation on all procurements in the amount of twenty-five thousand dollars ($25,000) or more and, where qualified DBEs are identified, solicitations for such procurements shall include at least one DBE among the contractors solicited.

(11) Debarment. The Authority shall not award contracts to firms that are debarred by the State or Federal governments. Debarment by other government entities may be considered in determining a contractor's responsibility but shall not necessarily preclude award to the debarred vendor.

(12) Change orders. Change orders are contract amendments altering the scope, price or schedule of the original contract. Approval of change orders shall be in accordance with the delegations of authority prescribed in this chapter. No work under a change order may be authorized prior to such approval, except upon the written direction of the General Manager, Chief Executive Officer. Change orders determined to be cardinal changes to the contract are prohibited. Cardinal changes are changes which alter the essential nature, quantity or scope beyond the reasonable contemplation of the parties at the time of contract execution, or which result in a final product substantially different than that for which the Authority originally contracted.

(13) Protests, claims and disputes. The Authority shall review, process, and adjudicate procurement protests, claims, and disputes in the manner prescribed by applicable Federal and/or State regulations. The Authority's procedure for handling protests, claims, and disputes shall be contained in the Authority's Procurement Manual and made available to vendors upon request.

(14) Procurement types for formal contracts. For formal contracts (those for which the Board has not delegated its purchasing authority and any others so designated by the General Manager, Chief Executive Officer), the Authority shall procure and dispose of personal property as prescribed by applicable State and Federal laws and regulations. The

Authority may use any type of contract that is consistent with applicable laws and regulations.

(15) Small purchases. Purchases reasonably estimated not to exceed the small purchase limit of ~~one~~ two hundred fifty thousand dollars ($~~100~~250,000) may be procured informally, provided that a record is maintained consistent with applicable laws and regulations. Price or rate quotations shall be obtained from an adequate number of qualified sources to permit a reasonable comparison consistent with the nature of competitive negotiation within the given circumstances.

(16) Contract pricing. The Authority may utilize firm fixed price or fixed unit price not-to-exceed contracts for sealed bid procurements as well as negotiated procurements. Such contracts may allow price escalation based on actual costs or a generally recognized index, provided that the escalator has a defined upper limit. The Authority may also use a cost plus fixed fee contract or any other type of contract permitted by applicable laws or regulations; however, for negotiated procurements, it may not use a cost plus percentage fee type of contract. The Authority may use indefinite quantity or indefinite delivery contracts where appropriate but may not use an indefinite quantity and indefinite delivery contract. The Authority may use a time and materials type of contract only if no other form is suitable and if the contract contains a not-to-exceed ceiling. The Authority may utilize progress payments to the extent consistent with law and regulation, provided that it obtains or secures value consistent with the amount paid. The Authority shall not make advance payments unless specifically authorized by the Director of Procurement or the General Manager, Chief Executive Officer.

(17) Sealed bid procurements. The Director of Procurement may direct that sealed bids be invited. If less than two responsive bids are received for a sealed bid solicitation, the Director of Procurement, in this single bid situation, may either (1) negotiate price with the responsive bidder or (2) cancel the solicitation.

(18) Competitive negotiated procurements. The Director of Procurement may direct that competitive negotiated proposals be solicited. Competitive negotiated procurements must be conducted in a manner that preserves the integrity of the procurement process. To the extent permitted by law, regulation or court decision, the evaluation of proposals shall be conducted in a confidential manner, and all confidential or proprietary information shall be held confidential.

(19) Two-step procurements. The Director of Procurement may direct that a two-step procurement process be utilized. This process shall consist of a negotiated technical proposal followed by a sealed bid from those firms whose technical proposals are acceptable.

(20) Non-competitive procurements. The Director of Procurement may prescribe that a non-competitive procurement is justified based on

applicable laws and regulations. If any such procurement exceeds the small purchase authority prescribed herein, Board approval is required. Contracts entered into on the basis of a non-competitive procurement must be in the best interest of the Authority, and the price shall be fair and reasonable, as determined by the Director of Procurement.

(21) Design services. Architectural and engineering services, value engineering services, and incidental services related thereto, as defined in 40 U.S.C. Sec. 541 et seq. (Brooks Act), shall be conducted as negotiated procurements, except that selection shall be made of the most technically qualified firm without consideration of price. Price shall be negotiated with the selected firm. If agreement cannot be reached with the most qualified firm, the process is repeated with the second most qualified firm, continuing until agreement is reached, or the pool of technically acceptable firms is exhausted, at which point the procurement must be cancelled.

(22) Design/build services. To the extent permitted by law and regulation, the Authority may solicit the services of a single firm or entity to both design and build a construction project. Such solicitations shall be conducted in the manner prescribed by the Ohio Revised Code. If such procedure violates the provisions of Federal law or regulation, design build services may not be used in projects involving Federal funds.

(23) Construction services. Solicitations for construction, improvement or repair of facilities shall be conducted as sealed bid procurements. To the extent required by law or regulation, solicitations shall require that the award shall be made to the lowest responsive bid from a responsible bidder. The contractor must conform to the prevailing wage requirements defined in Ohio R.C. Chapter 4115 if no Federal funds are involved or the Davis-Bacon Act (40 U.S.C. 276a et seq.) and the Copeland Act (40 U.S.C. 276c et seq.) if Federal funds are involved.

(24) Incentive payments and liquidated damages. The Authority may, under appropriate circumstances, utilize incentives to encourage extraordinary vendor performance or, alternately, provide for liquidated damages to protect the Authority from losses due to vendor nonperformance. It may not impose financial penalties that are punitive in nature. Liquidated damages must be calculated and documented prior to the issuance of the solicitation on the basis of the anticipated actual loss to the Authority resulting from vendor non-performance.

(25) Bid guaranty. A bid guaranty shall be required for all contracts for construction, alteration, or repair of any public building or other public improvement in the manner described by the Ohio Revised Code. The Authority may require a bid, performance and/or payment guaranty when it is determined, by the Director of Procurement, to be in the Authority's best interest. The bid guaranty shall be required as directed by the Director of Procurement, upon the advice of the Risk Management

Department. The Director of Procurement may authorize the reduction of any bond supplied for the rendering of services or the supplying of materials to the extent permitted by the Ohio Revised Code.

(26) Rolling stock. The Authority may procure rolling stock by either negotiated procurement or sealed bid. Rolling stock shall be defined to include transit vehicles such as buses, vans, cars, railcars, locomotives, trolley cars and buses, and ferry boats, as well as vehicles used for support services. Solicitations for rolling stock shall require compliance with all applicable standards regarding dimensions, weight, accessibility and safety. Unless specifically authorized by the General Manager, Chief Executive Officer, the Authority shall not procure rolling stock that has not been tested in accordance with the Code of Federal Regulations, as applicable. The Authority shall conduct pre-award and post-delivery audits as required by the Code of Federal Regulations.

(27) Electronic procurements and purchasing cards. The Authority may utilize electronic means, to the extent consistent with legal and regulatory requirements, to conduct any procurement defined herein. Employees and officers of the Authority designated by the Board may use purchasing (credit) cards.

(28) Disposition of property. The Authority may sell personal property, including capital equipment and surplus or obsolete parts and supplies, by sealed bid, public auction or online auction. The Authority may otherwise dispose of property in accordance with applicable laws and regulations. Trade-in of used equipment towards the purchase of new equipment shall also be permitted. Sale of capital assets whose fair market value is estimated to exceed the small purchase limit shall be authorized by the Board. Sale of Federally funded capital assets that have not exceeded their useful life as established by the Federal Transit Administration shall be authorized by the Board.

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