

**MINUTES OF A PUBLIC MEETING OF THE
PLANNING & ADMINISTRATION COMMITTEE OF THE BOARD OF DIRECTORS
OF THE REGIONAL TRANSPORTATION AUTHORITY**

The **Planning & Administration Committee** of the Board of Directors of the Regional Transportation Authority met in public session on **Thursday, March 19, 2015**, at 9:30 a.m., in Suite 1650, 175 West Jackson Blvd., Chicago, Illinois, pursuant to notice.

Committee Chairman Fuentes presided.

ROLL CALL

Committee members present (6): Durante, Frega, Fuentes, Hobson, Ross, and Totten

Committee members absent (1): Pang

Other Board members present: Anderson, Coulson, DeWitte, Lewis, Melvin, Troiani, and Chairman Dillard

Approval of minutes from the meeting held on January 22, 2015

Director Durante moved, and Director Frega seconded that the minutes from the meeting held on January 22, 2015 be approved as submitted. The motion carried on the following roll call vote:

6 Yeas: Directors Durante, Frega, Fuentes, Hobson, Ross, and Totten

1 Absent: Director Pang

Ordinance amending the RTA Procurement Rules and Regulations

Mr. James Kozicki, Manager of Procurement presented a summary of the changes to the RTA Procurement Rules and Regulations. There were two questions related to Procurement. The first sought to determine what the informal procurement threshold was prior to the \$10,000 cap. Staff has done some research on this point, and the threshold was originally set at \$10,000 in the first version of the RTA Act. The change approved by the Board is the first change to the threshold.

The second question concerned the productivity increase, or staff hours saved, by approving the new informal procurement threshold. The change will impact approximately 60 of the RTA's active contracts. Each year, the Procurement Department processes hundreds of procurements through RFPs, IFBs, RFQs, amendments, etc. In 2014, more than 350 procurements were completed. Each week, Procurement staff handles approximately 12-18 procurements, and actively work approximately 2-4 hours on each. This does not include the time spent by using staff from other departments on procurements.

**APPROVED BY THE PLANNING & ADMINISTRATION COMMITTEE
JUNE 25, 2015**

The number of procurements is a function of the needs of user departments. The number of procurements cannot be directly reduced without a reduction in service the various departments receive and provide. Even if all 60 of the affected contracts were processed in one year, only 1/5 of the total contracting work of the department would be impacted. The impact is reducing the amount of processing time for the 60 procurements by about 1/3. However, this does not mean that there is an opportunity to reduce the total amount of work performed by that amount. Rather, it is an opportunity to use the time saved to complete other procurements and otherwise improve the department.

Increasing the formal procurement threshold from \$10,000 to \$40,000 will yield staff hours sufficient to redirect those hours to better use. The time formerly spent on more formal solicitation documents/processes will now provide staff from the user departments more time to devote to their core functions. Further, the Procurement Department staff will now be able to devote additional time to the more complex solicitations, process all of its procurements more efficiently and reduce errors.

Thus, while the RTA will see a productivity increase due to the change, it is not such that staff could or should be reduced. Rather, it allows staff to more efficiently complete other open work. We also expect to see increased responses to informal solicitations. The more formal solicitations can seem daunting to smaller businesses or may seem overly complex for the value of the contract. This deters bidders, particularly those with the smallest profit margin. Long-term, the result of reducing this deterrence will lead to better pricing for the agency.

ADJOURNMENT

There being no further business to come before the meeting of the Planning & Administration Committee, Director Frega moved and Director Durante seconded that the meeting adjourn. The motion carried on the following voice vote:

6 Yeas: Directors Durante, Frega, Fuentes, Hobson, Ross, and Totten
1 Absent: Director Pang

The meeting ended at 9:40 a.m.

Audrey MacLennan

AUDREY MACLENNAN

Secretary of the Authority