

# **Financial Report**

## **August 20, 2018 Board Meeting**

### General

- 1) Audit preparation is continuing. Auditors are scheduled to be on-site mid-September.
- 2) Entries that still need to be recorded for FY2018: Bus Advertising for May/June, OPEB, accrued and prepaid expenses.

### Balance Sheet Review

#### July

- 1) Accounts Receivable – billed USD 501 for annual passes.
- 2) Bus Shelters – recorded completed bus stops.
- 3) Projects in Process – received invoices for bus stop pad construction.
- 4) Unearned Revenue – billed USD 501 for annual passes.
- 5) All other changes were due to normal and customary activity.

### Operating Statement Review

#### **FY2018**

YTD percentage is 100%.

YTD expenses are \$68,623 under budget at this point.

#### Expenses:

Other Benefits – sick leave bonuses, operator uniforms

Maintenance Supplies – bus parts

Other Supplies – new bikes

Advertising - \$7,000 to USD501

Equipment Leases – tent for eclipse

#### **July**

YTD percentage is 8.3%.

#### Expenses:

Paid Time Off – July 4 holiday

Equipment Leases – at budget

**Action required** – accept the Financial Report

PRELIMINARY

Topeka Metropolitan Transit Authority

Balance Sheet  
As of 6/30/2018

	This Month	Net Changes	Last Month
<b>Assets and Deferred Outflows</b>			
<b>Current Assets</b>			
Cash - Operating	4,924,858.38	1,369,517.55	3,555,340.83
Cash - Designated	6,736,102.54	10,347.76	6,725,754.78
Accounts Receivable	835,862.05	785,569.98	50,292.07
Fuel Inventory	45,716.18	(5,350.11)	51,066.29
Prepaid Expenses	96,967.00	10,785.57	86,181.43
Prepaid Insurance	125,621.50	(19,576.50)	145,198.00
Prepaid Employee Benefits	(105.53)	220.53	(326.06)
<b>Total Current Assets</b>	<b>12,765,022.12</b>	<b>2,151,514.78</b>	<b>10,613,507.34</b>
<b>Long-Term Assets</b>			
Buildings - Net	2,311,615.02	(16,013.06)	2,327,628.08
Bike Share - Net	0.00	(11,330.00)	11,330.00
Bus Shelters - Net	843,943.68	(10,592.59)	854,536.27
Communication Equipment - Net	101,359.61	(5,229.75)	106,589.36
Computers - Net	24,981.29	(2,951.33)	27,932.62
Farebox Equipment - Net	251,260.30	(5,278.04)	256,538.34
Office Furniture & Equipment - Net	6,435.95	(306.47)	6,742.42
Leasehold Improvements - Net	972,283.71	37,677.18	934,606.53
Maintenance Equipment - Net	74,824.51	(1,989.27)	76,813.78
Revenue Vehicles - Net	5,415,554.30	(70,827.10)	5,486,381.40
Service Vehicles - Net	46,696.98	(2,150.54)	48,847.52
Projects in Process	308,938.50	(61,359.60)	370,298.10
Land	3,600,255.44	0.00	3,600,255.44
<b>Total Long-Term Assets</b>	<b>13,958,149.29</b>	<b>(150,350.57)</b>	<b>14,108,499.86</b>
<b>Deferred Outflows</b>			
KPERS Deferred Outflows	1,010,297.00	(165,082.00)	1,175,379.00
<b>Total Deferred Outflows</b>	<b>1,010,297.00</b>	<b>(165,082.00)</b>	<b>1,175,379.00</b>
<b>Total Assets and Deferred Outflows</b>	<b>27,733,468.41</b>	<b>1,836,082.21</b>	<b>25,897,386.20</b>
<b>Liabilities and Deferred Inflows</b>			
<b>Current Liabilities</b>			
Accounts Payable	198,248.15	104,983.43	93,264.72
Accrued Payables	433,963.83	116,834.75	317,129.08
Payroll Taxes Payable	705.44	101.50	603.94
Payroll Liabilities Payable	1,955.85	(124.06)	2,079.91
Unearned Revenue	118,586.89	(31,496.11)	150,083.00
Construction Retention	9,863.25	4,881.25	4,982.00
<b>Total Current Liabilities</b>	<b>763,323.41</b>	<b>195,180.76</b>	<b>568,142.65</b>
<b>Long-Term Liabilities</b>			
KPERS Pension Liability	3,387,851.00	(128,037.00)	3,515,888.00
OPEB Liability	96,465.00	0.00	96,465.00
<b>Total Long-Term Liabilities</b>	<b>3,484,316.00</b>	<b>(128,037.00)</b>	<b>3,612,353.00</b>
<b>Deferred Inflows</b>			
KPERS Deferred Inflows	168,677.00	30,868.00	137,809.00
<b>Total Deferred Inflows</b>	<b>168,677.00</b>	<b>30,868.00</b>	<b>137,809.00</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>4,416,316.41</b>	<b>98,011.76</b>	<b>4,318,304.65</b>
<b>Fund Balance</b>			
Fund Balance - Non-Designated	2,742,819.14	0.00	2,742,819.14
Fund Balance - Designated	5,873,235.40	0.00	5,873,235.40
Investment in Capital Assets	14,930,899.21	0.00	14,930,899.21
YTD Excess/(Deficit)	(229,801.75)	1,738,070.45	(1,967,872.20)

PRELIMINARY

Topeka Metropolitan Transit Authority

Balance Sheet

As of 6/30/2018

	<u>This Month</u>	<u>Net Changes</u>	<u>Last Month</u>
Total Fund Balance	<u>23,317,152.00</u>	<u>1,738,070.45</u>	<u>21,579,081.55</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>27,733,468.41</u>	<u>1,836,082.21</u>	<u>25,897,386.20</u>

PRELIMINARY

Topeka Metropolitan Transit Authority

Balance Sheet

As of 6/30/2018

		<u>This Month</u>	<u>Net Changes</u>	<u>Last Month</u>
Cash Account Balances				
Operating				
Operating Cash	1100	44,559.23	(44,539.86)	89,099.09
Customer Service Cash	1120	1,400.00	0.00	1,400.00
Cash in Machines	1130	3,976.00	0.00	3,976.00
Petty Cash	1140	200.00	0.00	200.00
Cash In Bank - Flex Spending	1150	32,383.70	(3,447.11)	35,830.81
MIP - General	1200	4,489,947.47	1,417,504.52	3,072,442.95
ST Investment - General Reserve	1230	<u>352,391.98</u>	<u>0.00</u>	<u>352,391.98</u>
Total Operating		4,924,858.38	1,369,517.55	3,555,340.83
Designated				
ST Investment - Insurance Reserve	1240	500,000.00	0.00	500,000.00
ST Investment - Capital Reserve	1250	<u>6,236,102.54</u>	<u>10,347.76</u>	<u>6,225,754.78</u>
Total Designated		<u>6,736,102.54</u>	<u>10,347.76</u>	<u>6,725,754.78</u>
Total Cash Account Balances		11,660,960.92	1,379,865.31	10,281,095.61



Topeka Metropolitan Transit Authority

Balance Sheet  
As of 7/31/2018

PRELIMINARY

	This Month	Net Changes	Last Month
<b>Assets and Deferred Outflows</b>			
<b>Current Assets</b>			
Cash - Operating	4,354,587.61	(570,270.77)	4,924,858.38
Cash - Designated	6,743,662.24	7,559.70	6,736,102.54
Accounts Receivable	1,098,003.44	262,141.39	835,862.05
Fuel Inventory	50,164.67	4,448.49	45,716.18
Prepaid Expenses	103,437.94	6,470.94	96,967.00
Prepaid Insurance	104,995.00	(20,626.50)	125,621.50
Prepaid Employee Benefits	(1,405.76)	(1,300.23)	(105.53)
<b>Total Current Assets</b>	<b>12,453,445.14</b>	<b>(311,576.98)</b>	<b>12,765,022.12</b>
<b>Long-Term Assets</b>			
Buildings - Net	2,295,601.96	(16,013.06)	2,311,615.02
Bus Shelters - Net	893,376.26	49,432.58	843,943.68
Communication Equipment - Net	96,129.86	(5,229.75)	101,359.61
Computers - Net	22,029.96	(2,951.33)	24,981.29
Farebox Equipment - Net	245,982.26	(5,278.04)	251,260.30
Office Furniture & Equipment - Net	6,129.48	(306.47)	6,435.95
Leasehold Improvements - Net	963,252.40	(9,031.31)	972,283.71
Maintenance Equipment - Net	72,835.24	(1,989.27)	74,824.51
Revenue Vehicles - Net	5,344,727.20	(70,827.10)	5,415,554.30
Service Vehicles - Net	44,546.44	(2,150.54)	46,696.98
Projects in Process	396,931.02	87,992.52	308,938.50
Land	3,600,255.44	0.00	3,600,255.44
<b>Total Long-Term Assets</b>	<b>13,981,797.52</b>	<b>23,648.23</b>	<b>13,958,149.29</b>
<b>Deferred Outflows</b>			
KPERS Deferred Outflows	1,010,297.00	0.00	1,010,297.00
<b>Total Deferred Outflows</b>	<b>1,010,297.00</b>	<b>0.00</b>	<b>1,010,297.00</b>
<b>Total Assets and Deferred Outflows</b>	<b>27,445,539.66</b>	<b>(287,928.75)</b>	<b>27,733,468.41</b>
<b>Liabilities and Deferred Inflows</b>			
<b>Current Liabilities</b>			
Accounts Payable	251,119.53	52,871.38	198,248.15
Accrued Payables	460,359.20	26,395.37	433,963.83
Payroll Taxes Payable	1,018.16	312.72	705.44
Payroll Liabilities Payable	2,071.43	115.58	1,955.85
Unearned Revenue	345,018.00	226,431.11	118,586.89
Construction Retention	15,192.51	5,329.26	9,863.25
<b>Total Current Liabilities</b>	<b>1,074,778.83</b>	<b>311,455.42</b>	<b>763,323.41</b>
<b>Long-Term Liabilities</b>			
KPERS Pension Liability	3,387,851.00	0.00	3,387,851.00
OPEB Liability	96,465.00	0.00	96,465.00
<b>Total Long-Term Liabilities</b>	<b>3,484,316.00</b>	<b>0.00</b>	<b>3,484,316.00</b>
<b>Deferred Inflows</b>			
KPERS Deferred Inflows	168,677.00	0.00	168,677.00
<b>Total Deferred Inflows</b>	<b>168,677.00</b>	<b>0.00</b>	<b>168,677.00</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>4,727,771.83</b>	<b>311,455.42</b>	<b>4,416,316.41</b>
<b>Fund Balance</b>			
Fund Balance - Non-Designated	2,742,819.14	0.00	2,742,819.14
Fund Balance - Designated	5,873,235.40	0.00	5,873,235.40
Investment in Capital Assets	14,930,899.21	0.00	14,930,899.21
YTD Excess/(Deficit)	(829,185.92)	(599,384.17)	(229,801.75)
<b>Total Fund Balance</b>	<b>22,717,767.83</b>	<b>(599,384.17)</b>	<b>23,317,152.00</b>

PRELIMINARY

Topeka Metropolitan Transit Authority  
Balance Sheet  
As of 7/31/2018

	<u>This Month</u>	<u>Net Changes</u>	<u>Last Month</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u><del>27,445,539.66</del></u>	<u><del>(287,928.75)</del></u>	<u><del>27,733,468.41</del></u>

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PRELIMINARY

Topeka Metropolitan Transit Authority

Balance Sheet

As of 7/31/2018

		<u>This Month</u>	<u>Net Changes</u>	<u>Last Month</u>
Cash Account Balances				
Operating				
Operating Cash	1100	86,020.79	41,461.56	44,559.23
Customer Service Cash	1120	1,400.00	0.00	1,400.00
Cash in Machines	1130	3,976.00	0.00	3,976.00
Petty Cash	1140	200.00	0.00	200.00
Cash In Bank - Flex Spending	1150	30,457.35	(1,926.35)	32,383.70
MIP - General	1200	3,880,141.49	(609,805.98)	4,489,947.47
ST Investment - General Reserve	1230	<u>352,391.98</u>	<u>0.00</u>	<u>352,391.98</u>
Total Operating		4,354,587.61	(570,270.77)	4,924,858.38
Designated				
ST Investment - Insurance Reserve	1240	500,000.00	0.00	500,000.00
ST Investment - Capital Reserve	1250	<u>6,243,662.24</u>	<u>7,559.70</u>	<u>6,236,102.54</u>
Total Designated		<u>6,743,662.24</u>	<u>7,559.70</u>	<u>6,736,102.54</u>
Total Cash Account Balances		11,098,249.85	(562,711.07)	11,660,960.92

***Topeka Metropolitan Transit Authority***

August 20, 2018 Board Meeting

July 2018 Investment Summary

New Investments

none

Transfers

none

Renewals

none

Withdrawals

none

Bank and Investment Account Summary

<u>Bank / Rating</u>	<u>Designated</u>	<u>Operating</u>
CBW Bank - 5	\$ 101,590 (capital)	
Equity Bank - 3	\$ 500,000 (self-ins)	
U.S. Bank NA OH - 4	\$6,142,072 (capital)	\$ 352,392 (emergency)
U.S. Bank NA OH		\$ 86,021 (checking)
Other Cash		\$ 36,033
MIP		\$3,880,141 (operating)
Total	<u>\$6,743,662</u>	<u>\$4,354,587</u>

Note: Bank ratings are obtained on [www.bankrate.com](http://www.bankrate.com) - 5 is best.



**Topeka Metropolitan Transit Authority**  
 Statement of Revenues and Expenditures - Organization Overall  
 From 7/1/2017 Through 6/30/2018

PRELIMINARY

	YTD Actual	Annual Budget	\$ Remaining	% Used	YTD Last Year
<b>Operating Revenue</b>					
Fares	1,193,129.80	1,168,780.00	24,349.80	102.08%	1,164,077.46
Advertising	61,325.93	66,000.00	(4,674.07)	92.91%	66,978.78
Product Sales	1,504.02	1,440.00	64.02	104.44%	1,358.89
Other Revenue	118,589.40	82,000.00	36,589.40	144.62%	89,054.43
<b>Total Operating Revenue</b>	<u>1,374,549.15</u>	<u>1,318,220.00</u>	<u>56,329.15</u>	<u>104.27%</u>	<u>1,321,469.56</u>
<b>Operating Expense</b>					
Salaries and Wages	3,701,980.76	3,801,740.00	99,759.24	97.37%	3,596,287.84
Payroll Taxes	461,805.73	488,960.00	27,154.27	94.44%	470,318.35
Paid Time Off	453,366.20	465,076.00	11,709.80	97.48%	457,831.51
Insurance	721,423.67	752,012.00	30,588.33	95.93%	673,056.70
KPERS	402,056.06	407,477.00	5,420.94	98.66%	365,350.36
Other Benefits	42,503.13	28,700.00	(13,803.13)	148.09%	19,832.45
KPERS Pension Expense	47,110.00	0.00	(47,110.00)	0.00%	24,522.00
Legal Services	11,112.00	15,000.00	3,888.00	74.08%	10,514.30
Audit Services	18,500.00	18,500.00	0.00	100.00%	15,700.00
Maintenance Services	339,817.47	396,750.00	56,932.53	85.65%	340,544.22
Other Services	192,687.19	171,840.00	(20,847.19)	112.13%	146,802.73
Fuel, Lubricants and Tires	480,171.60	434,340.00	(45,831.60)	110.55%	420,144.04
Maintenance Supplies	318,508.27	201,600.00	(116,908.27)	157.99%	216,732.51
Other Supplies	397,541.81	248,500.00	(149,041.81)	159.97%	212,089.88
Utilities and Telephones	168,126.32	166,420.00	(1,706.32)	101.02%	160,867.96
Insurance	97,299.85	124,302.00	27,002.15	78.27%	114,191.21
Taxes	59,153.88	62,760.00	3,606.12	94.25%	65,840.03
Contracted Lift Service	386,975.50	348,000.00	(38,975.50)	111.19%	344,807.50
Continuing Education	10,827.42	18,000.00	7,172.58	60.15%	16,352.20
Advertising	26,584.14	15,900.00	(10,684.14)	167.19%	18,330.28
Equipment Leases	1,260.09	960.00	(300.09)	131.25%	5,040.00
Self-Insurance Payments	2,823.71	60,000.00	57,176.29	4.70%	6,693.25
Other Expenses	32,762.01	33,840.00	1,077.99	96.81%	33,719.21
Depreciation	1,474,078.67	1,497,002.00	22,923.33	98.46%	1,598,061.00
<b>Total Operating Expense</b>	<u>9,848,475.48</u>	<u>9,757,679.00</u>	<u>(90,796.48)</u>	<u>100.93%</u>	<u>9,333,629.53</u>
<b>Operating Excess/(Deficit)</b>	<u>(8,473,926.33)</u>	<u>(8,439,459.00)</u>	<u>(34,467.33)</u>	<u>100.40%</u>	<u>(8,012,159.97)</u>
<b>Non-Operating Revenue</b>					
Mill Levy	4,840,087.00	4,802,204.00	37,883.00	100.78%	4,751,117.70
Federal Operating Funds	2,237,908.00	2,200,000.00	37,908.00	101.72%	2,198,263.00
State Operating Funds	724,077.00	724,077.00	0.00	100.00%	728,074.00
MTPO Planning Funds	120,034.00	81,000.00	39,034.00	148.19%	17,225.22
Interest Earned	103,356.58	30,000.00	73,356.58	344.52%	36,979.02
Gain/(Loss) on Disposal	(9,096.67)	0.00	(9,096.67)	0.00%	(94,201.46)
<b>Total Non-Operating Revenue</b>	<u>8,016,365.91</u>	<u>7,837,281.00</u>	<u>179,084.91</u>	<u>102.29%</u>	<u>7,637,457.48</u>
<b>Net Excess/(Deficit)</b>	<u>(457,560.42)</u>	<u>(602,178.00)</u>	<u>144,617.58</u>	<u>75.98%</u>	<u>(374,702.49)</u>
<b>Capital Items</b>					
Federal Capital Grants	227,758.67	602,178.00	(374,419.33)	37.82%	702,329.00
<b>Total Capital Items</b>	<u>227,758.67</u>	<u>602,178.00</u>	<u>(374,419.33)</u>	<u>37.82%</u>	<u>702,329.00</u>
<b>Change in Net Assets</b>	<u>(229,801.75)</u>	<u>0.00</u>	<u>(229,801.75)</u>	<u>0.00%</u>	<u>327,626.51</u>

**Topeka Metropolitan Transit Authority**  
 Statement of Revenues and Expenditures - Organization Overall  
 From 7/1/2018 Through 7/31/2018

PRELIMINARY

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>\$ Remaining</u>	<u>% Used</u>	<u>YTD Last Year</u>
Operating Revenue					
Fares	111,002.33	1,268,263.00	(1,157,260.67)	8.75%	89,926.21
Advertising	5,491.67	66,000.00	(60,508.33)	8.32%	(5,000.00)
Product Sales	119.00	1,320.00	(1,201.00)	9.01%	34.00
Other Revenue	26,056.16	96,000.00	(69,943.84)	27.14%	7,477.79
Total Operating Revenue	<u>142,669.16</u>	<u>1,431,583.00</u>	<u>(1,288,913.84)</u>	<u>9.97%</u>	<u>92,438.00</u>
Operating Expense					
Salaries and Wages	288,018.30	3,805,900.00	3,517,881.70	7.56%	289,928.60
Payroll Taxes	36,603.23	496,855.00	460,251.77	7.36%	37,497.18
Paid Time Off	54,161.81	463,321.00	409,159.19	11.68%	47,393.66
Insurance	65,260.22	793,494.00	728,233.78	8.22%	59,656.66
KPERS	33,205.11	412,835.00	379,629.89	8.04%	28,125.81
Other Benefits	4,389.99	42,840.00	38,450.01	10.24%	4,555.17
Legal Services	0.00	15,000.00	15,000.00	0.00%	0.00
Audit Services	0.00	19,050.00	19,050.00	0.00%	0.00
Maintenance Services	13,629.85	248,305.00	234,675.15	5.48%	14,256.21
Other Services	7,179.43	250,300.00	243,120.57	2.86%	5,986.78
Fuel, Lubricants and Tires	48,577.86	570,672.00	522,094.14	8.51%	28,081.87
Maintenance Supplies	24,536.93	265,500.00	240,963.07	9.24%	13,257.26
Other Supplies	6,859.07	359,620.00	352,760.93	1.90%	11,544.01
Utilities and Telephones	7,589.55	164,272.00	156,682.45	4.62%	8,005.18
Insurance	9,753.50	111,224.00	101,470.50	8.76%	5,635.46
Taxes	6,071.92	62,040.00	55,968.08	9.78%	5,782.82
Contracted Lift Service	31,716.00	366,681.00	334,965.00	8.64%	27,249.50
Continuing Education	737.79	18,000.00	17,262.21	4.09%	(758.57)
Advertising	316.90	15,480.00	15,163.10	2.04%	433.87
Equipment Leases	116.00	960.00	844.00	12.08%	536.09
Self-Insurance Payments	0.00	60,000.00	60,000.00	0.00%	0.00
Other Expenses	1,226.00	30,285.00	29,059.00	4.04%	1,003.75
Depreciation	123,056.06	1,523,204.00	1,400,147.94	8.07%	120,265.91
Total Operating Expense	<u>763,005.52</u>	<u>10,095,838.00</u>	<u>9,332,832.48</u>	<u>7.56%</u>	<u>708,437.22</u>
Operating Excess/(Deficit)	<u>(620,336.36)</u>	<u>(8,664,255.00)</u>	<u>8,043,918.64</u>	<u>7.15%</u>	<u>(615,999.22)</u>
Non-Operating Revenue					
Mill Levy	0.00	4,937,134.00	(4,937,134.00)	0.00%	0.00
Federal Operating Funds	0.00	2,275,000.00	(2,275,000.00)	0.00%	0.00
State Operating Funds	0.00	730,530.00	(730,530.00)	0.00%	0.00
MTPO Planning Funds	6,732.00	186,181.00	(179,449.00)	3.61%	0.00
Interest Earned	14,220.19	102,000.00	(87,779.81)	13.94%	5,043.66
Total Non-Operating Revenue	<u>20,952.19</u>	<u>8,230,845.00</u>	<u>(8,209,892.81)</u>	<u>0.25%</u>	<u>5,043.66</u>
Net Excess/(Deficit)	<u>(599,384.17)</u>	<u>(433,410.00)</u>	<u>(165,974.17)</u>	<u>138.29%</u>	<u>(610,955.56)</u>
Change in Net Assets	<u>(599,384.17)</u>	<u>(433,410.00)</u>	<u>(165,974.17)</u>	<u>138.29%</u>	<u>(610,955.56)</u>



Procurement Calendar  
Board Meeting  
For Calendar Year 2018  
August 20, 2018

April 9 – distribute the Farebox Equipment RFP for board review (complete)

April 16 – at board meeting

- a) ok the Farebox Equipment RFP (complete)

May 14 – distribute the Bus Shelter RFP for board review (complete)

May 21 – at board meeting

- a) ok the Bus Shelter RFP (complete)
- b) award Solar Light contract (complete)

June 11 – distribute the Bike Rack RFB (complete)

June 18 – at board meeting

- a) ok the Bike Rack RFB (complete)
- b) award the Bus Stop Pad contract for 7.4 and 7.6 (complete)

July 9 – distribute the solar light RFP (complete)

July 16 – at board meeting

- a) award the Farebox Equipment contract (complete)
- b) ok the Solar Light RFP (complete)

August 20 – at board meeting

- a) award the Bus Shelter contract

September 17 – at board meeting

- a) award the Solar Light contract

Grant Projects

Funding for these projects has been awarded by KDOT. These procurements will be scheduled when Topeka Metro receives KDOT's Notice to Proceed.

Paratransit Vehicles - \$763,395

QSS Roof Replacement - \$155,000

Security Projects - \$175,147

Service Vehicles - \$148,007

QSS Boilers and Signs - \$160,417

Total Project Cost - \$1,401,966

Funding Received - \$1,121,574

Topeka Metro Cost - \$280,392

**For the board's procurement training at the August 20, 2018 board meeting**

Three of the most important rules of FTA, state and city procurement are: (1) offer full and open competition; (2) pay a fair and reasonable price; and, (3) avoid conflict of interest.

The first two rules are not mutually exclusive – for the most part, the greater number of proposals we receive, the more likely it is that we will pay a fair and reasonable price.

Rule three is one of the main FTA, state and city rules. It essentially states that individuals in positions of authority (board, GM, managers) must be careful to avoid both actual and perceived conflicts of interest.

Actual Conflict – the board, GM or manager awards a contract to someone they know without considering qualifications or price of other bidders.

Perceived Conflict – the contract is awarded to someone that the board, GM or manager knows, even if the board, GM or manager was not involved in the process and the contract was awarded properly.

Procedures pertaining to board involvement were put in place to avoid actual and perceived conflicts. Once an RFP is published, all communication with potential proposers must be with the employees listed in the RFP – proposers who communicate with anyone else at Metro can be disqualified.

Board members can be involved in the procurement process until the date of publication of the RFP. After that date, the board must be uninvolved in the procurement since they are responsible for awarding the contract. This means that the board cannot answer proposers' questions, issue addendums, attend pre-proposal conferences, interview proposers, or evaluate proposals. Board members can review proposals once the evaluation committee has decided on a recommendation for contract award.

For this same reason, Susan is not involved in the evaluation process of any procurement that she will award. Also, I normally don't award contracts since I am involved in most procurements and bid evaluations.

**Recent changes in procurement procedures:**

- 1) Our Micro-Purchase limit increased from \$3,500 to \$10,000. A micro-purchase is one that can be made without soliciting bids. We only need determine that we are paying a fair and reasonable price for the goods or services.
- 2) Our Simplified Acquisition Threshold increased from \$150,000 to \$250,000. A Small Purchase is now \$10,000 to \$250,000 – this is a relatively simple procedure since we merely need to solicit and collect bids from a minimum of three vendors. A Large Purchase is now any contract that's total value exceeds \$250,000 – this is a more involved procedure using an RFP, IFB, or RFQ and requires a more involved evaluation and contract award process.

<u>Type of Purchase</u>	<u>Formerly</u>	<u>Is Now</u>
Micro-Purchase	Under \$3,500	Under \$10,000
Small Purchase	\$3,500 to \$150,000	\$10,000 to \$250,000
Large Purchase	Over \$150,000	Over \$250,000



**Bus Shelters  
TM-18-02  
August 20, 2018**

Publication Date: June 11, 2018  
Proposal Due Date: July 18, 2018  
Contract Term: Five Years  
Proposals Received: Three: Brasco, Handi-Hut and Tolar

Terms of the Contract

Minimum Order Quantity – 0  
Maximum Order Quantity – 75 shelters

Evaluation

There were four members on the evaluation committee. Each member received a copy of the proposals on July 19. The Procurement Officer rated the proposals for responsiveness and price. All committee members individually evaluated the proposed shelters for quality and appearance. The committee then met to discuss the proposers. Contract cost is based on purchasing 75 shelters over the life of the contract:

Brasco	\$298,625	6.45
Handi-Hut	303,685	7.27
Tolar	297,840	4.36

We are currently under contract with Brasco and have been disappointed in their performance for the past 12-18 months – shelters have been delivered with damaged or missing parts, which Brasco will not replace. Brasco’s lead time has also extended from 8 weeks to 12-16 weeks for delivery. Tolar’s proposed shelter would take more time to assemble and install – installation cost would increase from \$680 to approximately \$1,500. When added to the cost of the shelters, this makes Tolar’s price quote highest of the three.

Recommendation

The evaluation committee recommends awarding the contract to Handi-Hut. They scored highest in the evaluation process and we received good reports from their references. Handi-Hut’s proposed shelter is virtually identical to the shelters we have already installed.