

AGENDA ITEM 9-D
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: MARCH 21, 2008

RE: AUTHORIZATION TO AMEND EMERGENCY PROCUREMENT POLICY

RECOMMENDATION:

The VRE Operations Board is being asked to approve an amendment to the policy on emergency procurement, which substitutes \$50,000 for \$30,000 in regard to the CEO's spending authority.

BACKGROUND:

In November of 2004, the Operations Board approved an emergency procurement policy that allowed purchases to be made in excess of the CEO's authority without prior Operations Board/Commission approval in the event of emergencies, subject to the following conditions:

- The Operations Board Chairman (or the Vice Chairman in the Chairman's absence) must concur that an emergency is indeed present warranting the exception; and,
- All Operations Board members would need to be immediately advised of the purchase as an informational matter; and,
- The Operations Board/Commission would be asked to formally approve the purchase, after-the-fact, at its next regularly scheduled meeting; and,
- Notification requirements must be adhered to as detailed in the Virginia Public Procurement Act (§2.2-4303 F) when this exception is made.

At the time of the approval, the CEO's authority was \$30,000. As a result, the emergency procurement policy applied to any purchases over \$30,000. Since that time, the CEO's authority has been increased to \$50,000 and the policy must, therefore, be amended as shown in the attached resolution.

FISCAL IMPACT: No fiscal impact.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: MARCH 21, 2008
RE: AUTHORIZATION TO AMEND EMERGENCY PROCUREMENT
POLICY

RESOLUTION
9D-03-2008
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, VRE's Chief Executive Officer has spending authority in an amount not to exceed \$50,000; and,

WHEREAS, all purchases involving an expense of more than \$50,000 require prior Operations Board/Commission approval without exception; and,

WHEREAS, emergencies arise that could necessitate a purchase on an expedited basis involving an expense in excess of \$50,000; and,

WHEREAS, it is in VRE's interest to insure that purchases needed for emergencies are expedited provided that a bonafide emergency is present; and,

WHEREAS, a bonafide emergency can be reasonably ascertained by the Chief Executive Officer with the concurrence of the Operations Board Chairman or the Vice Chairman in the Chairman's absence and after consultation with VRE's legal counsel; and,

WHEREAS, purchases made on an emergency basis must comply with the full disclosure requirements of the Virginia Public Procurement Act.

NOW, THEREFORE, BE IT RESOLVED that the Operations Board does hereby approve a VRE Emergency Procurement Policy as follows:

- The Operations Board Chairman (or the Vice Chairman in the Chairman's absence) must concur that an emergency is indeed present warranting the exception; and,
- All Operations Board members would need to be immediately advised of the purchase as an informational matter; and,

- The Operations Board/Commission would be asked to formally approve the purchase, after-the-fact, at its next regularly scheduled meeting; and,
- Notification requirements must be adhered to as detailed in the Virginia Public Procurement Act (§2.2-4303 F) when this exception is made.

In case of emergency, a contract may be awarded without competitive sealed bidding or competitive negotiation; however, such a procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of a particular contractor shall be included in the contract file. The public body shall issue a written notice stating that the contract is being awarded on an emergency basis, and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted in a designated public area or published in a newspaper of general circulation on the day the public body awards or announces its intention to award the contract, whichever comes first, or as soon thereafter as practicable. Public notice may also be published on the Department of General Services' central electronic procurement Web site and other appropriate Web sites.