

UTAH TRANSIT AUTHORITY POLICY

No. UTA.02.02

CONTRACTING AUTHORITY

1) Purpose.

This Policy is intended to ensure the fiscally sound management of UTA monies by:

- A. Identifying employees who may execute contracts or similar documents on UTA's behalf;
- B. Implementing controls regarding the commitment of UTA monies; and
- C. Implementing controls regarding the commitment and obligation of UTA to contractual obligations.

This Policy is limited solely to defining those UTA representatives who must execute certain documents on behalf of UTA.

2) Definitions.

"CCC" means the Configuration Control Committee as defined in the Project Management Plan for a specific capital project in the Capital Development Department.

"*Chair of the Board*" means the Chairperson of the UTA Board of Trustees who is also the senior executive over the Board of Trustees department.

"*Chief*" means the senior executive classified as a Chief by job code classifications maintained by UTA's Human Resources Department.

"*Contract*" means any contract, agreement, contract modifications, change orders, memorandum of agreement, license agreement, confidentiality agreement, indemnity agreement, letter of intent, letter agreement or similar document which purports to bind UTA to any obligation, whether or not the specified obligation specifically involves the expenditure of UTA funds. The term

"Contract" does not include:

- Any contract or instrument which purports to acquire, encumber or convey real property
- Purchase orders generated by UTA's Procurement Department as the result of an approved requisition or order from the inventory management system
- Negotiated Price Discounts which state a specific price, but do not commit UTA to any quantity or delivery commitments
- Directions or Authorizations to Proceed in the context of a Contract for Capital Development Projects
- Order Forms

"*Contract Administrator*" means the UTA employee acting under the Executive Director, or designee, who has responsibility to administer contracts. A Contract Administrator may typically be a Contract Buyer or a Procurement & Contracts Specialist.

"*Contract Manager*" means the originator of the Contract, or designee.

"Director" means any employee classified as a Director, Associate CFO, Senior Manager, Regional General Manager, Service General Manager, or Comptroller by job code classifications maintained by UTA's Human Resources Department.

"Direction or Authorization to Proceed" or "DAP" means a written form which allows a contractor to perform work outside the scope of the existing contract, before a contract modification is approved.

"Executive Director" means the senior-most executive over the agency reporting directly to the UTA Board of Trustees, who is also the senior executive over the Executive Director Department.

"Facility" means a place, amenity, or piece of equipment provided for a particular purpose.

"Fixed Guideway System" a public transportation facility that uses and occupies a separate right-of-way or rail line for the exclusive use of public transportation and other high occupancy vehicles, or uses a fixed catenary system and a right of way usable by other forms of transportation.

"Indefinite Quantity Contract" means contracts that provide for an indefinite quantity, within stated limits, of supplies or services during a fixed period.

"Legal representative" means a licensed attorney who is either an Assistant Attorney General or an outside consultant who has been duly authorized by the Utah Attorney General or their designee to act on behalf of UTA in all legal matters.

"Manager" means any employee classified as a Manager, Project Manager, Assistant Treasurer, Deputy Comptroller, or Senior Program Manager by administrative compensation structure maintained by UTA's Human Resources Department.

"On-line Agreements" means standardized on-line contracts for the sale of UTA goods and services to third parties completed by a third party via the internet.

"Order Forms" mean standardized forms for the sale of UTA goods and services to third parties.

"Output Contract" means a contract where a buyer agrees to buy the seller's entire output of some agreed-upon product or service.

"Project Manager" means the employee specifically tasked with managing the project through completion. This includes but is not limited to capital development projects.

"Requirements Contract" means a contract between a supplier or manufacturer and a purchaser where the seller agrees to provide the purchaser with all the goods that the purchaser needs, and the buyer agrees to purchase the goods exclusively from the supplier.

"Table A" means the Table A attached below setting forth the approval requirements of contracts for the expenditure of funds.

"Table B" means the Table B attached below setting forth the approval requirements of contracts for the receipt of funds.

“UTA” means Utah Transit Authority.

3) Policy.

Authority Levels.

This policy works in conjunction with UTA.02.05 Procurement Policy, and UTA Procurement Rules..

- A. All Contracts must be approved by persons with authority equal to or greater than that identified in Table A or B as applicable.
- B. All Contracts must be assigned a UTA-issued contract number from UTA’s contract repository system prior to receiving any approval.
- C. All contracts will receive approval as to form and content by an authorized Legal Representative of UTA prior to receiving UTA authorizing signatures.
- D. All Contracts must be approved by at least two duly authorized employees identified in Table A or Table B. An employee may not approve a Contract in more than one capacity.
- E. This Policy establishes minimum requirements for the processing of Contracts. Any service unit/department may implement additional requirements, approvals, or signatories with respect to any or all Contracts which are managed within that service unit or other area of the Agency. The accountable manager/director is responsible for ensuring that such additional requirements are met to their satisfaction.
- F. An employee may not artificially divide a Contract to circumvent a dollar limitation identified in Table A or Table B.
- G. With respect to any capital project involving the design, construction, repair, or reconstruction of (or procurement of materials related to such design, construction, repair, or reconstruction) a UTA facility or a fixed guideway system, the Authority's Configuration Control Committee must review change orders with a value up to \$25,000, and they must approve change orders with a value of \$25,000 or more. Such review or approval must be completed prior to circulating the change order for approval in accordance with the authority levels set in Table A.
- H. In order to assess the value of a Contract for purposes of Tables A and B, UTA will consider the value of all transactions contemplated or authorized under the Contract including, without limitation, purchase options. Contracts constituting "requirements contracts," "indefinite quantity contracts," or "output contracts" will be deemed to be Contracts with a value greater than \$25,000. Contracts which do not contemplate the exchange of quantifiable items of value will be deemed to be Contracts with a value less than \$25,000.
- I. No employee may request, authorize, or enter a contract for the expenditure of UTA funds nor make contributions from UTA funds unless:
 - (a) Funds are available for expenditure under the Board-approved budget for the fiscal year in which the funds will be expended; and
 - (b) For a transit purpose.
- J. This Policy is not intended to apply to the execution of purchase and sale contracts, deeds (or other instruments of conveyance), or other documents that intend to acquire,

encumber or convey real property, all of which will be executed in accordance with UTA Corporate Policy 2.2.1 Real Property.

- K. Notwithstanding any other provision of this Policy, the manager responsible for the Rideshare Program is authorized to execute all van-pool vehicle lease or ride agreements without obtaining the authorizations otherwise required under the Contracts section of Table A of this Policy, when all the standard contractual provisions are included in the agreement.
- L. This Policy does not apply to, nor relieve employees from complying with:
1. The approval requirements related to establishing accounts with financial institutions or investing or reinvesting funds as contemplated by:
 - a. Corporate Policy 3.1.8 Treasury Management and UTA Standard Operating Procedure 3.1.8-1 Treasury Management; or
 - b. Authorization to handle funds and the investment and disbursement of monies established by Board Resolution; or
 2. The authorizations required to settle litigated and non-litigated claims as contemplated by AGCY.02.06 SOP.
- M. Any Contract that may be executed in hard copy may also be executed electronically in accordance with Authority procedures adopted by the Information Systems Department designed for such purposes.
- N. Direction or Authorization to Proceed ("DAPs") may only be used in rare circumstances where the potential delay associated with preparing and executing a change order is unacceptable and documented in terms of time and/or cost. A DAP must be reviewed and approved by the UTA attorney, the appropriate Project Manager, and the department Chief over the project. A DAP must always be followed up with a formal, written change order at the earliest opportunity or within 30 days, unless the nature of the emergency prevents preparing and executing a change order during that time. In no case may the Project Manager permit the contractor to perform out of scope work prior to the processing of a change order or DAP. A DAP of \$250,000 or more must meet the requirements of Board Policy 2.2 – Contract Authority and Procurement.

4) Cross-References.

- Board Policy 2.2 Contract Authority and Procurement
- UTA.02.05 Procurement Policy
- UTA Corporate Policy 2.2.1 Real Property
- UTA.02.06 SOP
- R2021-02-01

This UTA Policy was reviewed by UTA's Chief Officers on 11/03/2021, approved by the Board of Trustees on _____ and approved by the Executive Director on _____. This policy takes effect on the latter date.

Viola Miller, Chief Financial Officer
Accountable Executive

Jay Fox
Executive Director

Approved as to form and content:

Counsel for the Authority

History

Date	Action	Owner
1/9/2007	Adopted - Corporate Policy 3.1.1 Spending Authority	Chief Financial Officer
2/17/2009	Revised and Superseded - Corporate Policy 3.1.1 Spending Authority	Chief Financial Officer
2/16/2010	Revised and Superseded - Corporate Policy 3.1.1 Spending Authority	Chief Financial Officer
7/13/2010	Revised - Corporate Policy 3.1.1 Spending Authority to address organizational changes	Chief Financial Officer
4/26/2011	Revised - Corporate Policy 3.1.1 Spending Authority to accommodate organizational changes	Chief Financial Officer
5/8/2015	Revised - Corporate Policy 3.1.1 Spending Authority to address DAP	Vice President of Finance
5/5/2015	Revised - Corporate Policy 3.1.1 Spending Authority to address routing of contracts, contract numbering, and authority levels	Vice President of Finance
3/22/2016	Spending and contracting authority policy separated into two policies - Corporate Policy 3.1.1 Spending Authority & Corporate Policy 3.1.6 Contracting Authority	Vice President of Finance
11/1/2016	Revised - UTA Corporate Policy 3.1.6 Contracting Authority	Vice President of Finance
2/22/2017	Revised - UTA Corporate Policy 3.1.6 Contracting Authority to reflect title changes resulting from reorganization	Vice President of Finance
	Rescinds - UTA Corporate Policy 3.1.6 Contracting Authority.	Chief Financial Officer
	Board Approved – UTA.02.02 Contracting Authority Policy	Chief Financial Officer
	Approved - UTA.02.02 Contracting Authority UTA Policy.	Chief Financial Officer

TABLE A
Contracts for the Expenditure of Funds.
(Amounts listed are total value of contract, including option years)

APPROVAL REQUIREMENTS – Based Upon Total Contract Value	Legal Approval	1st Signature	2nd Signature	Other Requirements
Any contract which, by its own terms, contemplates the exchange of monies or other items with quantifiable value up to \$49,999	Any contract, agreement, task order, or modification with a value above the micro-purchase threshold.	Project Manager	Manager, Senior Program Manager	A Chief may implement additional approval and add additional signatories to some or all of the Contracts in their service unit or other area of authority.
Any contract which, by its own terms, contemplates the exchange of monies or other items with quantifiable value of \$50,000 - \$124,999		Manager, Senior Program Manager	Director over service unit or department	
Any contract which, by its own terms, contemplates the exchange of monies or other items with quantifiable value of \$125,000 - \$249,999		Director over service unit or department	Chief, or Executive Director, Chair of the Board, over the service unit or department	
Any contract which a Chief or the Authority's Legal Counsel determines to contain terms or conditions constituting a potential, material risk of liability to the Authority (notwithstanding the quantifiable value of such contract).		Chief, or Chair of the Board, over the service unit or department, or designee	Executive Director	
Any contract which, by its own terms, contemplates the exchange of monies or other items with quantifiable value of \$250,000 or over; a change-order of 25% or more to a contract with a total value over \$250,000; a change-order which increases the value of the contract to \$250,000 or more.		Chief, or Chair of the Board, over the service unit or department, or designee	Executive Director	Must be authorized by Board of Trustees

TABLE B
(Contracts for the Receipt of Funds)

APPROVAL REQUIREMENTS	Approval as to form and content	1st Signature	2nd Signature	Other Requirements
Standardized contract with no modification of terms which, by its own terms, contemplates the receipt of monies or other items with quantifiable value up to \$49,999	Any contract, agreement or modification with a value above the micro-purchase threshold.	Employee responsible for receiving such contracts.	Manager, Sr. Program Manager	
Standardized contract with no modification of terms which, by its own terms, contemplates the receipt of monies or other items with a quantifiable value from \$50,000 - \$124,999		Manager	Director over the department or service unit.	
Standardized contract with no modification which, by its own terms, contemplates the receipt of monies or other items with quantifiable value from \$125,000 - \$249,999		Director over the department or service unit.	Chief, Executive Director, or Chair of the Board, over the department or service unit	
Standardized contract with no modification which, by its own terms, contemplates the receipt of monies or other items with quantifiable value over \$250,000		Chief, Executive Director, or Chair of the Board, over the department or service unit	Executive Director	Must receive Board of Trustees Authorization
Customized contract which, by its own terms, contemplates the receipt of monies or other items with quantifiable value up to \$49,999		Employee responsible for receiving such contracts.	Manager, Sr. Program Manager	
Customized contract which, by its own terms, contemplates the receipt of monies or other items with quantifiable value from \$50,000 - \$124,999		Manager, Sr. Program Manager	Director over the department or service unit.	
Customized contract which, by its own terms, contemplates the receipt of monies or other items with quantifiable value from \$125,000 - \$249,999		Director over the department or service unit.	Chief, Executive Director, or Chair of the Board, over the department or service unit.	Chief, Executive Director, or Chair of the Board, over the department or service unit.
Customized contract which, by its own terms, contemplates the receipt of monies or other items with quantifiable value over \$250,000		Chief or Executive Director over the department or service unit.	Executive Director or Chair of the Board	
Any contract which a Chief or the Authority's Legal Counsel determines to contain terms or conditions constituting a potential, material risk of liability to the Authority (notwithstanding the quantifiable value of such contract)		Chief over the department or service unit.	Executive Director	