

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT  
AUTHORITY GRANTING CONTRACT AND EXPENDITURE AUTHORITY**

No. R2018-05-09

May 23, 2018

WHEREAS, the Utah Transit Authority (the "Authority") is a public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities-Local Districts Act and the Utah Public Transit District Act; and

WHEREAS, Senate Bill 136 requires the Authority's Board of Trustees (the "Board") to review and approve any contract or expense exceeding \$200,000 or any proposed change order to an existing contract if the value of the change order exceeds 15% of the total contract or \$200,000; and

WHEREAS, these requirements went into place on May 8, 2018 and the Board previously adopted Resolution No. R2018-04-01; and

WHEREAS, the Board is currently structured as a 16-member, part-time body; and

WHEREAS, pursuant to Senate Bill 136, the structure of the Board will be modified to consist of three members, who shall all also be full-time employees of the Authority; and

WHEREAS, the three-member Board contemplated by Senate Bill 136 will not be seated and in place for several months; and

WHEREAS, the Board has the authority to provide for the governance and management of the affairs of the Authority; and

WHEREAS, in order to ensure that the Board is able to effectively manage the affairs of the Authority during this transition period, the Board must delegate the approval responsibilities with respect to certain expenses, contracts, and change orders to a working committee of the Board; and

WHEREAS, the Board desires to provide interim guidance to Authority staff regarding contracting and expenditure authority limits and the process for Board review and approval of contracts and change orders until the Board transition process is complete.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Utah Transit Authority:

1. That Resolution No. R2018-04-01 is hereby superseded.
2. That all Contracts entered into after May 23, 2018 shall conform to the following approval and review process:

- a. The Executive Director is authorized to review and approve all contracts with a value equal to or less than \$200,000.
  - b. Contracts with a value over \$200,000 but less than \$1,000,000 shall be reviewed and approved at a properly noticed regular or special meeting of the Finance and Audit Committee prior to execution. A list of all such approvals will be presented as a consent agenda item at the Board's next regular meeting.
  - c. Contracts with a value of \$1,000,000 or over shall be presented to the Board, with prior review and recommendation from the Board's committee(s), for approval prior to execution.
  - d. The Executive Director is authorized to approve contracts in excess of \$200,000 to meet an urgent need for goods and services and if the Authority will sustain serious injury if the contract is not approved immediately. Any contract authorized by the Executive Director pursuant to this authority shall be presented to the Board at its next regular meeting and the Executive Director shall detail to the Board the reasons for the Executive Director's approval of such contract.
  - e. Authority staff may not artificially divide contracts to circumvent Board review and approval requirements.
3. That all change orders after May 23, 2018 shall conform to the following approval and review process:
- a. As used in this section 3, the term "change order" includes any change orders, contract amendments, or other contract instruments that have the effect of increasing the contract price above that which was identified in the initial contract.
  - b. The Executive Director is authorized to approve any change order if the total value of the contract (inclusive of the initial contract value, all change orders previously approved, and the change order(s) currently proposed for approval) does not exceed \$200,000.
  - c. For contracts with total contract value of more than \$200,000, the Executive Director is also authorized to approve any change order that does not increase total contract price (inclusive of the initial contract price and previously approved change orders) by an amount equal to or more than the lesser of (i) 15% of the then-current contract price; or (ii) \$200,000.
  - d. Except as otherwise provided in subsection 3(b) above and subsection 3(e) below, any proposed change order that would increase such total contract price (above either of the thresholds identified in subsection 3(c)) shall require Board review and approval as follows:
    - i. If the total value of the contract (inclusive of the initial contract value, all change orders previously approved, and the change order(s)

currently proposed for approval) is greater than \$200,000, but less than \$1,000,000, then the proposed change order shall be reviewed and approved at a properly noticed regular or special meeting of the Finance and Audit Committee prior to execution. A list of all such approvals will be presented as a consent item at the Board's next regular meeting.

- ii. If the total value of the contract (inclusive of the initial contract value, all change orders previously approved, and the change order(s) currently proposed for approval) is equal to or more than \$1,000,000, then the proposed change order shall be presented to the Board, with prior review and recommendation from the Board's committee(s), for approval prior to execution.
  - e. Notwithstanding the foregoing, the Executive Director is authorized to approve change orders (that would otherwise require Board review and approval) as necessary to meet an urgent need for goods and services and the Authority will sustain serious injury if the change order is not approved immediately. Any change order authorized by the Executive Director pursuant to this authority shall be presented to the Board at its next regular meeting and the Executive Director shall detail to the Board the reasons for the Executive Director's approval of such change order.
  - f. Authority staff may not artificially divide change orders to circumvent Board review and approval requirements.
4. That all expenses (disbursements) after May 23, 2018 shall conform to the following approval and review process:
- a. The Executive Director is authorized to approve expenses if the payment is for a purpose for which the expenditure has been previously approved by the Board, or for which a contract was in place prior to May 8, 2018, in an amount no greater than the amount authorized. Expenses paid over \$200,000 shall be presented to the Board at its next regular meeting as an informational item.
  - b. That the Executive Director is authorized to approve payments to vendors for the purposes and expenditure ranges described in Exhibit A.
  - c. The Executive Director is authorized to approve all other expenses equal to or less than \$200,000.
  - d. All other proposed expenditures over \$200,000 but less than \$1,000,000 shall be reviewed and approved at a properly regular or special meeting of the Finance and Audit Committee prior to payment. A list of all such approvals will be presented as a consent agenda item at the Board's next regular meeting.

- e. All expenses over \$1,000,000 shall be presented to the Board, with prior review and recommendation from the Board's committee(s), for review and approval prior to payment.
  - f. The Executive Director is authorized to approve expenses in excess of \$200,000 to meet an urgent need for goods and services and the Authority will sustain serious injury if the expense is not approved immediately. Any expense authorized by the Executive Director pursuant to this authority shall be presented to the Board at its next regular meeting and the Executive Director shall detail to the Board the reasons for the Executive Director's approval of such expense.
  - g. Authority staff may not artificially divide expenses to circumvent Board review and approval requirements.
- 5. That the Board may establish a separate approval process for contracts, expenses, and change orders for major capital projects.
  - 6. That the Board hereby ratifies any and all actions taken by Authority management and staff in furtherance of and effectuating the intent of this Resolution.
  - 7. That the corporate seal shall be affixed hereto.

APPROVED AND ADOPTED this 23rd day of May 2018.

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Greg Bell, Chair  
Board of Trustees

ATTEST:

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Robert K. Biles, Secretary/Treasurer

(Corporate Seal)

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on the 23<sup>rd</sup> day of May, 2018.

Greg Bell, Chair  
Board of Trustees

Robert K. Biles, Secretary/Treasurer

Approved As To Form:

Legal Counsel

Exhibit A  
Disbursements Approved for Certain Vendors

Vendor	Purpose	Frequency	Expenditure Range
<b>AON Risk Insurance</b>	Insurance	Quarterly	\$800,000 to \$1,000,000
<b>Cambridge Associates</b>	Pension contributions	Bi-weekly	\$700,000 to \$900,000
<b>Vantagepoint</b>	457 contributions	Monthly	\$600,000 to \$1,400,000
<b>Mutual of America</b>	457 contributions	Monthly	\$400,000 to \$800,000
<b>Select Health</b>	Health insurance	Monthly	\$800,000 to \$1,200,000
<b>PEHP</b>	Health insurance	Monthly	\$200,000 to \$400,000
<b>UTA/Joint Insurance Trust</b>	Health insurance	Monthly	\$1,600,000 to \$2,000,000
<b>Utah State Tax</b>	Employee payroll taxes	Monthly	\$400,000 to \$800,000
<b>IRS</b>	Employee payroll taxes	Bi-weekly	\$1,200,000 to \$1,500,000
<b>Rocky Mountain Power</b>	Electricity	Monthly	\$400,000 to \$800,000
<b>Zions Bank</b>	Bond principal and interest	Monthly	\$8,400,000 to \$9,500,000
<b>Banc of America</b>	Lease payments - revenue service vehicles	Monthly	\$500,000 to \$800,000
<b>Wells Fargo</b>	Procurement Card Payment	Monthly	\$200,000 to \$2,000,000 (so long as each card transaction complies with the limits of R2018-05-XX )