

STAFF REPORT

DATE: September 23, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Shelly Valenton, Deputy General Manager/CEO
SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE INFORMATION TECHNOLOGY CONTRACTS OVER \$150,000 FOR PURCHASE AND IMPLEMENTATION OF REPLACEMENT FIREWALLS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The proposed Resolution will allow the General Manager/CEO to enter into contracts over \$150,000 to purchase goods and services for replacement of SacRT firewalls.

FISCAL IMPACT

The fiscal impact is dependent on the products and services purchased, although some level of savings is expected due to government discounts for hardware, software, and services. The independent cost estimate for products, licensing, and services to replace the identified technology is approximately \$300,000 and is included in the Fiscal Year 24-25 Operating budget.

DISCUSSION

The Information Technology Department is moving forward to replace aging SacRT firewall technology to ensure that the agency maintains a strong security posture. To meet the desired replacement date of October 31, 2024, Staff is expediting procurements to ensure that appropriate contracts are in place to meet the business needs. Staff intends to leverage cooperative purchasing agreements to obtain the required goods and services on an expedited basis.

Due to the short five-week time frame based on the end-of-life and end-of-service of the SacRT core firewalls, waiting to seek Board approval to execute information technology product and service-related procurement contracts could delay the replacement of these critical cybersecurity devices.

Therefore, Staff is asking for a temporary delegation of authority to the General Manager/CEO to take procurement actions in excess of his current authority under the Procurement Ordinance.

Currently, the General Manager/CEO's procurement contract authority is as follows:

- (1) New contracts up to \$150,000;
- (2) Amendments to Board-approved contracts up to \$150,000;
- (3) Amendments to General Manager-approved contracts up to an aggregate total (between the initial contract and amendments) of \$150,000;
- (4) Contract Change Orders for public works – authority varies based on the original value of the Contract, but the aggregate limit for smaller public works projects is generally 10% of the original contract price and the individual limit is \$150,000 for a single Contract Change Order regardless of the original contract value.

When these limits are exceeded, the Board is required to approve the contract.

Depending on the ultimate structure of the contracts that will be executed, one or more contracts could exceed \$150,000, which is why a delegation of authority is being requested. The aggregate value of all contracts entered into under this authority may not exceed a total of \$300,000.

The Procurement Department will ensure that all purchasing is compliant with the Board approved Procurement Ordinance. Procurement will identify the most-efficient path forward and will utilize cooperative agreements where available, to ensure competitive pricing is obtained.

RESOLUTION NO. 2024-09-101

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

September 23, 2024

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE INFORMATION TECHNOLOGY CONTRACTS OVER \$150,000 FOR PURCHASE AND IMPLEMENTATION OF REPLACEMENT FIREWALLS

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, authority is hereby delegated to the General Manager/CEO to approve Procurement contracts that would otherwise be in excess of his authority, as set forth in the Procurement Ordinance (22-12-001), up to a maximum aggregate amount of \$300,000 as reasonable and necessary for firewall replacement goods and services.

THAT, any Procurement undertaken pursuant to this delegation of authority must be undertaken in compliance with the otherwise-applicable provisions of the Procurement Ordinance.

THAT, this delegation of authority will expire, without further action of the Board, on December 31, 2024.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary