

LOS ANGELES METROPOLITAN TRANSIT AUTHORITY

Minutes of Regular Meeting of
the Members of the Authority

March 17, 1959

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Upon notice duly given, the members of the Los Angeles Metropolitan Transit Authority met at a regular meeting at the Authority Board Room, 1060 South Broadway, Los Angeles 15, California, at 10:00 o'clock a.m. on March 17, 1959, at which time the Chairman called the meeting to order.

Chairman Carl P. Miller, Members Don Belding, Fred S. Dean, Hayden F. Jones, Russell A. Quisenberry and Clarence A. Winder attended. Member Arthur J. Will was absent. Also present were Executive Director Ralph P. Merritt; General Attorney Gerald G. Kelly; General Manager Cone T. Bass; Director of Business Development and Information Division James H. Raport; Treasurer Wm. W. Wakelee; Ernest R. Gerlach of Coverdale & Colpitts, Consulting Engineers; Secretary Virginia L. Rees; Administrative Assistant Edwin T. Bowler; Administrative Assistant James H. Lyons; Guy G. Gifford of the Business Development and Information Division; representatives of the press; and the public.

The Minutes of the regular meeting held on March 3, 1959 were approved.

Rules and Regulations - Purchasing Procedure

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that Section 2.6 C of the Rules and Regulations be and the same is hereby deleted in its entirety and the following is substituted therefor:

"C. The Treasurer shall deposit all funds in the name and to the credit of the Authority in such depositories as may be designated by the Authority, and shall disburse the funds of the Authority as may be directed by the Authority. Except for expenditures required by contracts and purchase orders entered into pursuant to Article VIII hereof, expenditures made in payment of public utility bills, expenditures made to transmit sums lawfully deducted from the pay checks of Authority employees, and the payment of wages, no funds of the Authority shall be disbursed unless the Authority shall have received a statement in writing, setting forth the amount claimed, the date due and the nature of the claim. Such statements shall be in the form customarily used in the business of the claimant, except that the Authority may require that the claim be filed on forms prescribed by the Authority. Any such claim so filed shall be approved as to legality by the General Attorney before payment thereof. All other expenditures of the Authority may be paid upon the authorization of the Controller or the Assistant Controller without the approval of the General Attorney. Amounts to be paid to the General Attorney for legal services and reimbursement of the General Attorney for amounts disbursed on behalf of the Authority shall be governed solely by Article VI, and reimbursements of expenses of the Members, officers and employees of the Authority shall be governed solely by Article VII and the regulations established thereunder. All other expenditures to be made by the Authority shall be subject to the provisions of Article VIII."

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RESOLVED FURTHER, that Section 6.4 of the Rules and Regulations be and the same is hereby deleted in its entirety and the following is substituted therefor:

"6.4 All actions and policies of the Authority shall be subject to approval as to legality by the General Attorney. All contracts of the Authority, except as otherwise provided by Article VIII hereof, shall be in writing. All such contracts, other than routine contracts or purchase orders for the purchase of supplies, equipment or services, shall be approved as to form by the General Attorney prior to their execution."

RESOLVED FURTHER, that Article VIII, entitled "Purchasing," of the Rules and Regulations be and the same is hereby deleted in its entirety and the following is substituted therefor:

"VIII. Purchasing

- "8.1 It is the policy of the Authority that in all purchases of supplies, equipment and services, and in all contracting for such purchases or for jobbing, construction or like purposes, competitive public bidding be used whenever feasible. It is the policy of the Authority that such purchases or contracts be reflected in writing either by formal contract, purchase order or memorandum and that all such writings be open for public inspection in the offices of the Authority's Purchasing Department during normal business hours.
- 8.2 There is hereby created a Purchasing Committee consisting of the Executive Director, General Manager, Assistant General Manager, Controller and Consulting Engineer. A majority of the membership of the Committee is empowered to approve any matter calling for Committee approval. All Committee actions are to be made known to the Authority at its next regular meeting.
- 8.3 Unless the Authority by resolution specifically

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"provides otherwise, all purchasing and contract-
ing as above described or negotiation therefor
shall be done exclusively through the Purchasing
Department.

- 8.4 Any department, wishing to make such a purchase or contract for purchase shall file with the Purchasing Department on a form to be supplied by that Department, a requisition setting forth the needs of the requisitioning department together with detailed specifications therefor.
- 8.5 Requisitions are subject to approval in accordance with the following procedure:
- A. A requisition calling for a probable expenditure of not more than \$50.00 may be approved only by the Executive Director or General Manager.
 - B. A requisition calling for an expenditure without dollar limitation for purchases of materials or supplies for stock, or for ordinary repair may be approved by the Executive Director, General Manager, Purchasing Agent or deputy Purchasing Agent.
 - C. A requisition calling for a probable expenditure of not more than \$1,000.00 except as provided in A and B above and E below, may be approved by the Purchasing Committee.
 - D. A requisition calling for a probable expenditure in any amount in excess of \$1,000.00 except as provided in B above and E below, must be approved by the Authority.
 - E. A requisition calling for an expenditure without dollar limitation, made necessary by an operational emergency may be approved by the Executive Director or General Manager and such requisition and expenditure shall be subject to approval by the Authority at its next meeting.

"8.6

If the Purchasing Agent finds that the specifications on any requisition are for any reason inadequate, he shall so notify the head of the requisitioning department, and such steps as are necessary shall be taken to cure the inadequacy. The naming of a brand name is usually not an adequate statement of specifications and the Purchasing Agent may reject any requisition which simply requests the product of a particular manufacturer or supplier if in the opinion such request is inconsistent with the policies of the Authority as herein established.

When the requisition is satisfactory as to form and has been approved in accordance with the above, the Purchasing Agent shall, under rules prescribed by him, invite formal bids, invite informal bids, or make direct arrangements for supplying the needs indicated by the requisition. In the event the Purchasing Agent shall make such arrangements for such supplying, and in the event a disburse of more than \$50.00 is involved, he shall set forth, in a written memorandum, his reasons for so doing, as well as a summary of the transaction as made. This memorandum shall form part of the public files of the Purchasing Department. Unless the Authority by resolution, specifically provides otherwise, all purchases or contracts involving an expenditure of more than \$5,000.00 for the letting of which competitive bidding is appropriate, must be made only after formal bids in accordance with procedure herein set forth.

8.8 Requisitions for needs to be satisfied pursuant to an existing contract which has been approved as in these rules provided, shall not be subject to the provisions of 8.6 hereof and notwithstanding any other provision of these rules, shall, unless the Authority otherwise specifically provides, be submitted to the Purchasing Department to be processed in accordance with procedure to be prescribed by the Purchasing Agent.

"8.9 The Purchasing Agent shall maintain bidder lists which he may revise from time to time as he may deem necessary. Whenever the Purchasing Agent invites formal bids, with reference to a particular requisition, he shall send an invitation to bid to all bidders on the bidders' list. The invitation shall set forth all the terms of the proposed purchase or the proposed contract and only those bids shall be considered which are deemed responsive to the invitation. The Purchasing Agent shall make such rules as he deems advisable for considering bids to insure maximum protection for the Authority's interest consistent with insuring an equal opportunity for all bidders and a fair and equitable treatment of all bidders.

8.10 All bids shall be submitted sealed, and shall be opened in a specific place at a specific time, which place and time will be designated on the invitation. Any person shall have the right to be present at the opening of the bids and shall have the right at that time to have any part of any bid read aloud. All invitations shall so state.

8.11 The Authority reserves the right to reject any or all bids and all invitations shall so state. In the event all bids submitted in answer to a given invitation are not rejected, the award shall go to the lowest responsible bidder.

8.12 All bids submitted, together with the invitations, shall be maintained as part of the public records of the Purchasing Department.

8.13 The Purchasing Agent may make such rules and regulations not inconsistent with the rules and regulations of the Authority, as he deems necessary to the efficient operation of the Purchasing Department in accordance with the policies of the Authority.

8.14 Except as otherwise provided in these rules, whenever the Authority is billed for performance of any contract or purchase order, receipt

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"of such performance shall be evidenced by a statement setting forth what was received, the amount due therefor, and a statement that the performance of the contract or purchase order conformed to the required specifications. This statement shall be attested by the signatures of the Purchasing Agent and the head of the department receiving such performance. Upon receipt of such a statement, the controller, may authorize payment of the amount due as shown on the statement.

8.15 All of the above procedure is subject to the limitation that the aggregate of expenditures may not exceed any budget adopted by the Authority without prior approval of the Authority."

L.A. City Franchises - Recovery of Deposit

The General Attorney reported that on March 16, 1959 he concluded negotiations with Fidelity and Deposit Company of Maryland and received possession of U.S. Treasury Bearer Bonds of the total face value of \$400,000 which had been previously deposited by Los Angeles Transit Lines with the Fidelity and Deposit Company as security for the bond which Fidelity and Deposit Company had filed with the City of Los Angeles in connection with certain of LATL franchises which have now been repealed by City ordinance. The General Attorney reported that he delivered these U.S. Treasury bonds on March 16, 1959 to the Treasurer-Controller with the request that he deposit same with the Trustee for safe keeping to the credit of the Authority's Construction Fund Account. After discussion, upon motion duly made, seconded and unanimously carried, it was

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RESOLVED, that the General Attorney's report be accepted and filed and that the U.S. Treasury Bearer Bonds of the total face value of \$400,000 be deposited with the Trustee for safe keeping to the credit of the Authority's Construction Fund Account.

The Treasurer-Controller reported that the most recent quote on these U.S. Treasury Bonds was at \$85.12 (3.90 yield) and that therefore the bonds have a present value of \$340,480.00 which added to the balance in the Construction Fund as of February 28, 1959 of \$876,601.88, makes a present total in the Construction Fund of \$1,217,081.88.

Agreement with City of Long Beach - Exchange of Properties

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Executive Director be and he is hereby authorized to execute on behalf of the Authority the agreement discussed at this meeting between the Authority and the City of Long Beach covering exchange of certain properties in the vicinity of Morgan Yard, such agreement to be subject to the approval of the General Attorney and the Consulting Engineer.

Leases with Pacific Electric Railway Company (Nos. 10522 and 12810)

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Executive Director be and he is hereby authorized to execute on behalf of the Authority modifications to Leases No. 10522 and No. 12810 between Pacific Electric Railway Company, Lessor, and the Authority, Lessee, as discussed at this meeting, said modifications to be subject to approval of the General Attorney.

Lease with LAMTA Employes Federal Credit Union

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Executive Director be and he is hereby authorized to execute on behalf of the Authority as Lessor a three-year Lease, effective May 1, 1959, with LAMTA Employes Federal Credit Union for Rooms 704 and 705 of the Transit Authority Building, at a monthly rental of \$138.00, said lease to be subject to approval by the General Attorney.

Renewal Contract with Douglas Aircraft Company

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Executive Director be and he is hereby authorized to execute on behalf of the Authority an Addendum renewing for one year a contract with Douglas Aircraft Company for leased bus, said Addendum to be subject to approval of the General Attorney.

Approval of Work Order

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that Work Order No. 1177 in the amount of \$1,000.00 for purchase and preparation of a history of the various bridges, structures, etc., constructed or about to be constructed, be approved.

Secretary's Report

After discussion, good motion duly made, received and

unanimously carried, it was

RESOLVED that the Secretary's report be necessary if conservation work be carried out in connection with the above be hereby ratified and approved.

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After discussion, good motion duly made, received and

unanimously carried, it was

RESOLVED that the report of the General Manager relating to the work done at discussed at this meeting and as filed with the Secretary be and the same be hereby ratified and approved.

Report of Purchasing Committee

After discussion, good motion duly made, received and

unanimously carried, it was

RESOLVED that the report of Purchasing Committee of Authorizations for period from March 1, 1959 through March 10, 1960 be and the same be hereby ratified and approved and the appropriate payments are hereby authorized.

RESOLVED FURTHER, that said report be filed with the Secretary of the Authority.

Treasurer's Department - Revised Plan of Organization

Mr. Wakelee proposed a reorganization plan for the Treasurer's office. A chart and explanatory material showing the reorganization is attached to these Minutes as Exhibit 1. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the reorganization plan for the Treasurer's Department as discussed at this meeting and as set forth in Exhibit 1 to these Minutes be and the same is hereby approved;

RESOLVED FURTHER, that the following appointments within the Treasurer's Department be and the same are hereby ratified and approved:

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|-------------------------------|---------------|
| Assistant Treasurer | H. L. Black |
| Assistant Controller | C. P. Carter |
| Assistant Controller | J. L. Pujol |
| General Accounting Supervisor | W. Raridon |
| Machine Accounting Supervisor | D. T. Crooks |
| Process Control Supervisor | R. A. Roberts |
| Cashier Office Supervisor | S. Underwood |

Business Development and Information Division Report

Mr. Raport presented the report of the Business Development and Information Division. A copy of said report is on file in the office of the Secretary.

Administrative Assistant to Executive Director

Mr. Merritt reported that pursuant to authorization given by the Authority Board on February 17, 1959, Mr. Edwin T. Bowler was now in active service as Administrative Assis-

