

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Regular Meeting of  
the Board of Directors of the District

February 20, 1968

Upon notice duly given, the Directors of the Southern California Rapid Transit District met at a regular meeting in the District Board Room, 1060 South Broadway, Los Angeles, California, at 10:00 a.m. on February 20, 1968. In the absence of President Eyraud, Vice-President Kermit M. Bill called the meeting to order and acted as Chairman throughout.

Directors Kermit M. Bill, Charles E. Compton, Gordon R. Hahn, H. Lee Hale, David K. Hayward, Herbert H. Krauch, Michael E. Macke, Don C. McMillan, Douglas A. Newcomb and Norman Topping were present. Director A. J. Eyraud, Jr. was absent.

Also present were Assistant General Manager Jack R. Gilstrap; General Counsel Milton McKay; Manager of Operations R. W. Gareau; Chief Engineer Richard Gallagher; Secretary Virginia L. Rees; and the public.

Temporary Route Diversions

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

RESOLVED, that the temporary route diversions affecting Lines 7, 25, 33, 84, 92, 113 and 116, as described in report dated February 13, 1968 filed with the Secretary, be and the same are hereby ratified and approved.

#### Changes of Bus Stop Zones

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

RESOLVED, that the report dated February 12, 1968 relating to bus stop changes, filed with the Secretary, be and the same is hereby ratified and approved.

#### Report of Purchasing Committee

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

RESOLVED, that the Report of the Purchasing Committee for the period of February 13, 1968 through February 19, 1968, as discussed at this meeting and attached to these Minutes as Exhibit 1, be and the same is hereby ratified and approved, and the appropriate payments are hereby authorized.

#### Approval of Route Change - Line No. 75

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

RESOLVED, that the General Manager be and he hereby is authorized to reroute Line No. 75, as discussed at this meeting and as described in report dated February 15, 1968 filed with the Secretary, effective as of March 11, 1968; subject to the prior approval of the Consulting Engineer;

RESOLVED FURTHER, that the General Manager be and he hereby is authorized to make appropriate revisions in the Official Route Authorizations of the District as adopted November 5, 1964 to reflect the above changes in route description.

Approval of Extension of Agreement - Lybrand, Ross Bros. & Montgomery - Review & Evaluation of Performance Under Insurance Contract

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

RESOLVED, that the General Manager be and he hereby is authorized to execute on behalf of the District an extension of agreement with Lybrand, Ross Bros. & Montgomery to cover the year ending December 31, 1968 providing for review and evaluation of the reports and performance under the District's insurance contract, on the same terms and conditions as provided in Paragraphs 3 and 4 of auditing agreement dated September 28, 1966 between the District and Lybrand, Ross Bros. & Montgomery; form of agreement subject to approval of the General Counsel.

Purchase of 15 New Suburban Type 49-Passenger Coaches - Award of Contract

At the request of Director McMillan, Manager of Operations Gareau reported in detail on the procedure and specifications of the District's invitation to bid for the purchase of fifteen new suburban type 49-passenger diesel coaches and the fact that only one bid was received in response thereto.

Director McMillan, Chairman of the Operations & Budget Committee reported that the Committee had considered the bid received from GMC Truck and Coach Division and recommended its acceptance.

After discussion, upon motion of Director McMillan, seconded and unanimously carried, the following resolution was adopted:

WHEREAS, on January 16, 1968 the Purchasing Agent was authorized to issue invitations to bid for the purchase of fifteen (15) new suburban type diesel coaches of 49-passenger capacity, in accordance with Paragraph 8.6 D of the Rules and Regula-

tions; and

WHEREAS, on January 19, 1968 the Purchasing Agent advertised for bids (Bid No. 2-68-16) on fifteen (15) new suburban type diesel coaches of 49-passenger capacity and

WHEREAS, prior to the advertising for bids on said coaches, the specifications therefor were reviewed and authorized by a committee in accordance with the provisions of Section 8.6 D of the Rules and Regulations and

WHEREAS, on February 16, 1968, the scheduled opening date of bids on said coaches, only one bid was received; namely, that of GMC Truck and Coach Division, at a unit price of \$41,932.75, or a total price of \$659,977.76, f.o.b. Pontiac, Michigan (less tires and excluding excise and use taxes); and

WHEREAS, the Purchasing Agent has certified the bid of GMC Truck and Coach Division for fifteen (15) new suburban type diesel coaches of 49-passenger capacity in the total amount of \$659,977.76, including sales tax, as being the only bid received and responsive to the bid specifications;

NOW, THEREFORE, BE IT RESOLVED, that the General Manager be and he hereby is authorized to execute on behalf of the District a purchase agreement with GMC Truck and Coach Division covering fifteen (15) Model S8M-5303A 49-passenger coaches, with diesel engine and mechanical transmission, at a cost not to exceed \$659,977.76, f.o.b. Pontiac, Michigan (less tires and excluding excise and use taxes, and unloading, shipping and freight charges): form of purchase agreement subject to approval of the General Counsel.

Amendment of Rules and Regulations - Article VIII. Purchasing

At the request of the Chairman, Manager of Operations Gareau outlined to the meeting the revisions proposed in "Article VIII. Purchasing" of the Rules and Regulations.

Thereupon, Director McMillan, Chairman of the Operations & Budget Committee, reported that the Committee had considered

the matter fully and that it was the Committee's recommendation that the proposed revisions be adopted.

After discussion, upon motion of Director McMillan, seconded and unanimously carried, it was

RESOLVED, that Article VIII, entitled "Purchasing," of the Rules and Regulations be and the same is hereby amended to read as follows:

"VIII. Purchasing

- 8.1 A. Purchases by the District shall be governed by Article 3 of Chapter 5 of the Southern California Rapid Transit District Law, and by these Rules and Regulations.
- B. In all purchases of services, supplies, equipment and materials, and the construction of facilities and works, competitive public bidding shall be used except when otherwise provided in these Rules and Regulations. Such competitive public bidding will insure an equal opportunity for all bidders and a fair and equitable treatment of all bidders. Such purchases or contracts shall be reflected in writing either by formal contract, purchase order, or memorandum, and all such writings shall be open for public inspection in the offices of the District's Purchasing Department during normal business hours.
- 8.2 Unless the Board of Directors by resolution specifically provides otherwise, all purchasing and contracting as above described or negotiations therefor shall be done exclusively through the Purchasing Department. The Purchasing Department shall submit a copy of all requisitions received (see below) to the General Manager and shall submit a report of all purchases during the month over \$99.99, except routine purchases of materials or supplies for stock and for ordinary repairs, to the Board of Directors at a meeting following the close of the month.
- 8.3 Requisitions. Any department wishing to make a purchase or contract for purchase shall file with the Purchasing Department a requisition setting forth the needs of the requisitioning department

"together with detailed specifications therefor.

- A. Requisitions are not required for purchases from petty cash (which may not exceed \$10 for any one purchase). Department head's approval must be secured for such purchases.
- B. Requisitions up to \$100 in value may be signed and approved by the department head.
- C. Requisitions from \$100 up to \$3,000 require signature of department head and approval of appropriate officer.
- D. Requisitions for routine purchases of materials or supplies for stock or for ordinary repair without dollar limit require the signature and approval of the General Manager, Manager of Operations, Purchasing Agent or Deputy Purchasing Agent. A statement of Material and Supplies Account will be presented monthly to the District for the information of the Directors.
- E. Requisitions in support of Board approved contracts or authorizations bearing signature of department head and appropriate officer require no further approval.
- F. Requisitions for purchases of \$3,000 to \$500,000 require in addition to signature of department head and approval of General Manager, the approval of the Board of Directors.
- G. Requisitions for purchases of over \$500,000 require the signature of the General Manager and the recommendation of a committee composed of the President, the General Manager, and the appropriate officer (s), and approval of the Board of Directors.

#### 8.4 Bidding Requirements.

- A. Purchases up to \$100 in value.

Such purchases do not require public bid.

- B. Purchases \$100 to \$3,000 in value.

These purchases require public bid either formal or informal at the discretion of the Purchasing Agent. Written bids are to be opened publicly by the Purchasing Agent at a specified time in

"the office of the Purchasing Agent.

C. Purchase \$3,000 to \$500,000 in value.

These purchases require formal bids which are to be publicly opened by the Purchasing Agent at a specified time in the offices of the Purchasing Agent.

D. Purchases of \$500,000 and over in value.

These purchases require formal bids. The specifications and proposed purchasing terms that are to be set forth in the invitation to bid shall be those approved for the requisition. The bids are to be publicly opened by the Purchasing Agent at a place designated by the General Manager. Following this public opening, the bids are to be referred to the Purchasing Agent for his review, analysis, and tabulation. The Purchasing Agent shall certify the lowest responsible bidder and make his recommendation to the Board of Directors. (Whenever the Purchasing Agent is required to so review and report, he may call upon any person in the District Administration for information and assistance.)

Purchases under this paragraph must be directed by the Board of Directors.

E. Purchases of an emergency nature. In case of any great public calamity, such as an extraordinary fire, flood, storm, epidemic, or other disaster, the board may, by resolution passed by a vote of two-thirds of all its members declare and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids, or notice.

8.5 All formal bids shall be submitted sealed, prior to the time specified in the invitation to bid, 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.

- 8.6 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 his opinion such request is inconsistent with the policies of the District as herein declared. For the purposes of this section, the Purchasing Agent may call upon any person in the District administration for information and assistance, and may seek appropriate authorization to procure outside assistance if he deems such assistance necessary. The Purchasing Agent may also require testing of products by appropriate departments when he deems such tests to be in the best interests of the District.
- 8.7 When a requisition is satisfactory as to form and has been approved in accordance with 8.6 above, the Purchasing Agent shall invite formal bids, invite informal bids, or make direct arrangements for supplying the needs evidenced by the requisition as these rules may require. In the event the Purchasing Agent shall make oral arrangements for such supplying, and in the event a disbursement of more than \$99.99 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 a part of the public files of the Purchasing Department.
- 8.8 Requisitions for needs to be satisfied pursuant to an existing contract which has been approved as in these Rules and Regulations provided shall not be subject to the provisions of 8.6 hereof and notwithstanding any other provision of these Rules and Regulations shall, unless the District 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. These lists will be composed of suppliers who have indicated a desire to be included and who are



"considered a responsible source based on their financial responsibility and capacity to produce the quality and quantity of material at the time it is required by the District. Evaluation necessary to determine a responsible source shall be conducted in accordance with sound commercial practices and governmental agency procedures. 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 bidder's list. The invitation shall set forth all specifications and terms of the proposed purchase on the proposed contract, the deadline for bid submission, information regarding the sealing of bids, and the specified public bid opening time and location. When the purchase exceeds \$3,000.00, notice requesting bids shall be published one time in a newspaper of general circulation, which publication shall be made at least ten (10) days before bids are received. All formal bids will be in writing.

- 8.10 The District reserves the right to reject any and all bids, and all invitations shall so state. If, after rejecting bids, the board determines and declares by a vote of two-thirds of all its members that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market, the board may proceed to purchase the supplies, equipment and materials in the open market without further observance of the provisions requiring contracts, bids, or notice. Only those bids shall be considered which are deemed responsive to the invitation for bids. The Purchasing Agent shall make such rules as he deems advisable for considering bids to insure maximum protection of the District's interest consistent with insuring an equal opportunity for all bidders and a fair and equitable treatment of all bidders. For the purposes of this section, the Purchasing Agent may call upon any person in the District administration for information and assistance and may seek appropriate authorization to procure outside assistance when he deems such assistance to be necessary. In the event all bids submitted in answer to a given invitation are not rejected, the award shall go to the lowest responsible bidder. The originals of the rejected bids, together with the invitation inviting such bid, will be kept on file in the Purchasing Agent's office as part of the public record.

- "8.11 If all bids received on a pending contract are for the same unit price or total amount, the contract may be awarded to one of the tie bidders by drawing lots in public, or all bids may be rejected.
- 8.12 Except as otherwise provided in these rules, whenever the District is billed for performance of any contract or purchase order, receipt 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 signature of the Purchasing Agent and the head of the department receiving such performance. Upon receipt of such a statement, the Auditor may authorize payment of the amount due as shown on the statement. For the purposes of this section, the Purchasing Agent's signature may be signed and initialed by such assistants to the Purchasing Agent as shall be designated by the Purchasing Agent and as shall be approved, in advance in writing, by the General Manager.
- 8.13 Whenever purchases are made of anything of value in excess of \$1,000.00, a written contract will be required, either in the form of a purchase order, written memorandum, or formal contract.
- 8.14 All of the above procedure is subject to the limitation that the aggregate of expenditures may not exceed any budget adopted by the Board of Directors without prior approval of the Board of Directors.
- 8.15 The purchasing procedure herein set forth shall not apply to the purchase of real property and no authority granted herein shall authorize any person to purchase or solicit the purchase for the District of any real property."

Operating Report - Month of January, 1968

The Operating Report for the month of January, 1968 was presented to the meeting and was ordered "Received and Filed." A copy of the Report is filed with the Secretary.

John C. Gardiner, Jr. of Coverdale & Colpitts - Announcement of Recent Illness

Director McMillan announced to the meeting that Mr. John C. Gardiner, Jr. of Coverdale & Colpitts, Consulting Engineer, had recently suffered a heart attack and that Mr. Ernest R. Gerlach had been appointed by Coverdale & Colpitts as the representative under the District's Bond Indenture to serve during Mr. Gardiner's incapacity.

Farside Bus Stop Situation, Request for Report on

After a full discussion, at the request of Director Hahn, the Operating Staff and the General Counsel were directed to submit a report on the farside bus stop situation in the Los Angeles Metropolitan area.

Appointment of Nominating Committee

Vice-President Bill announced the appointment of a Nominating Committee, composed of the following Directors:

Norman Topping, Chairman  
Gordon R. Hahn  
H. Lee Hale  
David K. Hayward  
Don C. McMillan

which Committee will report to the Board at the March 5, 1968 Regular Meeting its nominees for the offices of President and

Vice-President, in accordance with the provisions of Section 2.2 A of the Rules and Regulations.

Purchases of Small Replacement Parts for Buses, Request for Report on


In connection with the question raised at this meeting by Mr. Ben Berg, President of Harval Truck Company, as to the District's policy relating to the purchase of small parts for replacement on the buses from local suppliers or from out of state suppliers, the Manager of Operations was directed to submit to the Board a comparison of local bids and out of state bids on small replacement parts, such as fan belts, universal joints, bearings, hose clamps, diaphragms for brakes, and similar items used on buses.

Next Regular Meeting

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

RESOLVED, that the next Regular Meeting of the District be held at the District's Board Room in the Transit District Building, 1060 South Broadway, Los Angeles, California, on Tuesday, March 5, 1968, at 10:00 a.m.

There being no further business, the meeting adjourned.

  
Secretary

REPORT OF PURCHASING COMMITTEE  
FOR PERIOD OF  
FEBRUARY 13, 1968 THROUGH FEBRUARY 19, 1968  
TO DIRECTORS OF  
SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

APPROVED THE FOLLOWING:

A. REQUISITION OF \$100 AND OVER, BUT LESS THAN \$1,000:

<u>NO.</u>	<u>VENDOR</u>	<u>COVERING</u>	<u>AMOUNT</u>	<u>A.F.E.</u> <u>NO.</u>
3302-58	PROTO TOOLS CO.	1 - PROTO TORQUE LIMITING WRENCH #6017G2	\$ 135.91	367A

B. VARIOUS REQUISITIONS FOR EQUIPMENT, MATERIALS, SERVICES, ETC., THE APPROPRIATIONS FOR WHICH HAVE PREVIOUSLY BEEN APPROVED BY THE DIRECTORS.