



# Memorandum

## AGENDA ITEM 12

**DATE:** August 28, 2020  
**TO:** Transportation Authority Board  
**FROM:** Cynthia Fong - Deputy Director for Finance and Administration  
**SUBJECT:** 09/15/20 Board Meeting: Approval of the Revised Procurement Policy and Travel, Conference, Training and Business Expense Reimbursement Policy

<p><b>RECOMMENDATION</b>    <input type="checkbox"/> Information    <input checked="" type="checkbox"/> Action</p> <p>Recommend approval of the revised Procurement Policy and Travel, Conference, Training and Business Expense Reimbursement Policy (Travel Policy).</p> <p><b>SUMMARY</b></p> <p>We review all policies periodically to ensure compliance with current statutes and Transportation Authority objectives. We are recommending modifications to the Procurement and Travel Policies to conform to and be consistent with local government ordinances. Below are brief descriptions of each policy and attached are the proposed policies with red-line changes.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Fund Allocation</li> <li><input type="checkbox"/> Fund Programming</li> <li><input type="checkbox"/> Policy/Legislation</li> <li><input type="checkbox"/> Plan/Study</li> <li><input type="checkbox"/> Capital Project Oversight/Delivery</li> <li><input type="checkbox"/> Budget/Finance</li> <li><input type="checkbox"/> Contract/Agreement</li> <li><input checked="" type="checkbox"/> Other: Policies</li> </ul>
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## BACKGROUND

We develop and implement policies and procedures to organize and formalize agency activities, and to ensure compliance with current statutes and Transportation Authority objectives. It is the Transportation Authority’s directive to review its Procurement Policy at least once every three years and Travel Policy periodically.

Below is a brief description of the Procurement and Travel Policies, which are the subject of this memorandum.

**Procurement Policy:** The Procurement Policy is designed to guide decisions pertaining to procurement, including the modes, methods and procedures for acquiring the materials, equipment and services necessary to carry out the operations of the Transportation Authority.

**Travel, Conference, Training and Business Expense Reimbursement Policy:** This document establishes a set of policies relating to travel, conference, training and business expenses, and



establishes procedures for reimbursement of commissioners and employees. These rules and guidelines are designed to safeguard public funds and to ensure the Transportation Authority and its personnel are using the most economical and well-documented procedures in a consistent manner.

## **DISCUSSION**

At the request of Commissioner Ronen, we are proposing to update our Procurement and Travel Policies to align with Chapter 12X of the San Francisco Administrative Code, which prohibits staff travel and contracting in states that allow discrimination against lesbian, gay, bisexual and transgender individuals or has restrictive abortion laws. Ordinances under the San Francisco Administrative Code do not automatically apply to the Transportation Authority, since it is a separate governmental entity rather than a City department. However, in keeping with the public policy objectives leading to the City's adoption of the ordinances, we are proposing to adopt appropriate elements of the contracting prohibitions and travel ban contained in Ordinances 189-16 and 200-19.

The list of states banned from travel and contracting under both ordinances is known as the "Covered State List" and is maintained and updated by the City Administrator on at least a semiannual basis. The Covered State List, updated as of October 16, 2019, include: Alabama, Arkansas, Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Mississippi, Nebraska, Nevada, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, West Virginia, and Wisconsin.

The Procurement Policy and Travel Policy were last adopted by the Transportation Authority Board through Resolution 18-07. Wendel Rosen LLP have reviewed these policies and based on legal counsel review, we are recommending changes as proposed in Attachments 1 and 2. Proposed changes are shown in redline and only reflect the addition of language related to Chapter 12X.

## **FINANCIAL IMPACT**

The recommended action would not have an impact on the proposed Fiscal Year 2020/21 budget.

## **CAC POSITION**

This item will be presented to the CAC at their September 2, 2020 meeting.

## **SUPPLEMENTAL MATERIALS**

- Attachment 1 - Proposed Procurement Policy
- Attachment 2 - Proposed Travel, Conference, Training and Business Expense Reimbursement Policy



## **PROCUREMENT POLICY**

### **I. INTRODUCTION**

The Procurement Policy is designed to guide decisions pertaining to procurement, including the modes, methods and procedures for acquiring the materials, equipment and services necessary to carry out the operations of the San Francisco County Transportation Authority (Transportation Authority). This policy is intended to establish the manner in which all Transportation Authority procurement activities shall be conducted, and define the requirements and/or limitations for the Transportation Authority and those individuals, firms or agencies doing business with the Transportation Authority. It is intended to be consistent with the Transportation Authority's Administrative Code, the Proposition K Sales Tax Expenditure Plan (Expenditure Plan), federal and state regulations, and general prudent accounting and financial management practices.

### **II. SCOPE AND AUTHORITY**

The Procurement Policy applies to the operations of the Transportation Authority and is not applicable to the operations of any project sponsoring agencies of the Transportation Authority, unless otherwise specifically provided. The Transportation Authority may enter into an agreement to solicit and award contracts on behalf of a sponsoring agency, if requested and if it is determined to be in the best interest of the Transportation Authority and the sponsoring agency. The award of such contracts shall be for goods and services for programs or projects contained in the Expenditure Plan.

The Procurement Policy provides guidelines for procuring materials and supplies, professional and technical services, and lease and rental agreements. The Procurement Policy is separate from, but shall be applied in conjunction with, the Transportation Authority's Strategic Plan, adopted Fiscal Policy and Disadvantaged Business Enterprise (DBE) and Local Business Enterprise (LBE) Policy, as applicable. Overall policy direction shall be the responsibility of the Transportation Authority Board (Board). Responsibility for implementation of the Procurement Policy, and day-to-day responsibility and authority for structuring, implementing, and managing the Transportation Authority's policies, goals, and objectives, shall lie with the Executive Director. This Policy will be reviewed and updated as required or deemed advisable at least once every three years. Any changes to the policy are subject to approval by the Board at a public meeting.

### **III. PROCUREMENT PROCESS**

Open competition is the basis for efficient, economic and fair public procurement. It is the policy of the Transportation Authority to competitively bid the procurement of all goods and services, and to encourage small and local firms to do business with the Transportation Authority. All procurement activities are considered to be contractual obligations encompassing financial compensation in return for the rendering of specific goods and/or services. All procurements are to be negotiated on a fixed-price or cost plus fee basis.

#### **A. General Provisions**



All procurement transactions, regardless of purchasing methodology or dollar value, shall be conducted in a manner that maximizes open and free competition. Solicitation for offers, whether by an informal or formal bid process or through competitive negotiation shall:

1. incorporate a clear and accurate description of the technical requirements for the materials, product or services to be procured; and
2. clearly set forth all requirements which bidders must fulfill, and all other factors to be used in evaluating the proposals.

All bids or proposals must be submitted to and received at the location designated no later than the exact time and date stated in bid or proposal requirements, and must be date- and time-stamped and logged as received by Transportation Authority personnel. Bids or proposals received after the date and time deadline will be returned unopened and will be considered as disqualified. A bid or proposal may be withdrawn prior to bid or proposal opening for any reason by a bidder or his/her authorized representative, provided a written request to withdraw is received by the Transportation Authority prior to bid or proposal opening. After bid or proposal opening, a bid or proposal may be withdrawn only for material obvious error(s) and subject to written approval by the Executive Director.

The Transportation Authority reserves the right to modify and/or suspend any and all aspects, terms, conditions and requirements of any procurement, to obtain further information from any firm or person responding to the procurement, to waive any informality or irregularity as to form or content of the procurement document or any response thereto, to be the sole judge of the merits of the bids or proposals received, and to reject any or all bids or proposals for any reason provided that such actions are made in accordance with federal and state laws.

Contract awards shall be made only to responsive and responsible contractors that possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as compliance with public policy, record of past performance, and financial and technical resources. False statements in proposals will be a basis for disqualification. All contract awards shall be documented by written purchase order, written contract or written memorandum. Contracts, including all options therein, will generally be limited to a maximum period of five (5) years.

The Transportation Authority annual budget establishes the monetary limits for the procurement of goods and services subject to this Policy. All procurements, whether formal or informal, shall be in compliance with the Transportation Authority's non-discrimination policy, DBE/LBE Policy, if applicable, and any other Transportation Authority contracting policy in effect at the time of the procurement.

**B. Conflict of Interest**

No employee, officer or agent of the Transportation Authority shall participate in the procurement process, or in the award or administration of a contract, if such participation would result in a conflict of interest, real or apparent, as defined by state and federal laws. No employee, officer, or agent shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements. The Transportation Authority shall be subject to Articles 1 and 3 of Title 9, Chapter 7 of the California Government



Code and the regulations which implement those provisions as well as the San Francisco County Transportation Authority Conflict of Interest Code.

C. Informal Bid Process

Solicitations for goods and services that are anticipated to be equal to or less than \$75,000 may go through an informal Request for Proposal (RFP) or bid process. Quotes may be requested by telephone, via the Internet or through the mail from known qualified vendors or from current vendor catalogs and/or websites. Routine purchases in the amount of \$25,000 or less should be distributed equitably among qualified competitively priced suppliers, with consideration given to DBE/LBE utilization as applicable and as permitted by law. It is not permissible to segment the contract or use multiple solicitations for similar goods or services in order to circumvent the limitation for formal solicitation.

The informal bid or solicitation process shall include a minimum of three quotes from potential providers to ascertain that the proposed price is fair and reasonable. Transportation Authority files shall maintain support documentation demonstrating that a sufficient number of quotes were obtained.

Except in the case of an emergency, or a finding by the Board by two-thirds vote of all its voting members that, in its opinion, the supplies, equipment or materials may be purchased at a lower price in the open market, awards of contracts for supplies, equipment and materials in excess of \$25,000 shall be awarded to the lowest responsible and responsive bidder. Awards of contracts for supplies, equipment and materials not in excess of \$25,000 will generally be awarded to the lowest bidder after a competitive process, but other factors including but not limited to delivery date and known performance and, if applicable and permitted by law, DBE/LBE participation may be considered in selecting the vendor.

Awards of contracts for professional services, including legal, financial advisory, private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, and at a price that is fair and reasonable, in accordance with state and federal laws.

D. Formal Bid Process

Solicitation of goods and/or services that are anticipated to be in excess of \$75,000 shall be required to go through a formal Request for Proposal (RFP) or Invitation for Bid (IFB) process. An RFP process will also be used to procure professional and technical services as applicable in accordance with the provisions of California Government Code Section 4526 and applicable federal laws and regulations. Award of a contract for professional services will be qualifications-based and will consider multiple factors that will be clearly stated in the RFP, although price may be considered during the negotiation of the contract. Procurement for establishing an on-call or preapproved list of professional services providers shall be based on a qualifications-based process in accordance with state and federal law, and price may be taken into consideration when negotiating a contract with a firm selected from such a list to fulfill task orders.



For procurements anticipated to be in excess of \$75,000, an Invitation for Bids (IFB) process will be used to procure all supplies, equipment, or materials that are standard in nature, character, and quality; easily defined; and/or reasonably accessible in the open market. Award will be made to the lowest responsive and responsible bidder after competitive bidding, except in an emergency declared by the vote of two-thirds of the voting membership of the Board pursuant to California Public Utilities Code Section 131285. If, after rejecting bids received, the Transportation Authority, pursuant to California Public Utilities Code Section 131286, determines and declares by a two-thirds vote of the voting membership of the Board that, in its opinion, the supplies, equipment, or materials may be purchased at a lower price in the open market, the Transportation Authority may proceed to purchase these supplies, equipment, or materials in the open market without further observance of the provisions regarding contracts, bids, or advertisement.

Solicitation for offers in the formal bid process shall include the following:

1. A clear and accurate written description of the project scope and deliverables, and technical requirements for the materials, product, or service being procured;
2. Special conditions or restricting policies, policy goals such as DBE/LBE goals, if applicable, patents, liquidated damages and performance, bid or indemnification requirements;
3. Proposed timetable for the project or service;
4. General format requirements and number of copies/items (if applicable) to be delivered;
5. Date of pre-proposal conference, if applicable;
6. A clear definition of the evaluation criteria to be used in evaluating the bids or proposals; and
7. Date, time, and place for submission of final bids or proposals.

If a pre-proposal conference is held, a listing of those in attendance showing name(s) of attendees and agency or company represented shall be maintained in the resulting contract files.

Responses to RFPs for professional and technical services shall require identification of the bidders or proposer's key employees and subcontractors. Bidders or proposers shall be required to notify the Transportation Authority of any pending lawsuits or labor disputes that may interfere with the delivery of services.

Procurements in amounts greater than \$75,000 shall require a formal notice process including advertising requests for bids or proposals in local appropriate newspapers or other media outlets. Notice should occur with sufficient time to allow bidders or proposers reasonable time in which to respond. The term "reasonable time" may vary depending on the complexity of the proposed project. Thirty (30) calendar days shall be considered the standard time allotted in notification to potential bidders or proposers. More or less time may be allotted at the determination of the Executive Director.



RFPs and IFBs will be reviewed by a selection panel appointed by the Executive Director. The Executive Director may elect to assemble a separate cost evaluation panel to review cost proposals and evaluate cost assumptions. Based on their reviews and analysis, the selection panel and cost evaluation panel, if any, shall rank bids or proposals. The Executive Director will recommend to the Board award of a contract, based on the results of the procurement process and the recommendations the selection panel and cost evaluation panel, if any, to the bidder or proposer most advantageous to the Transportation Authority. In the case of IFBs, the Executive Director will recommend award to the lowest responsive and responsible bidder or proposer.

Copies of all correspondence, including negative response letters, copies of evaluation sheets/scores, and copies of all bids or proposals not being considered further shall be maintained in the files.

In the event that only a single bid or proposal is submitted, the Transportation Authority shall document its efforts in soliciting responses; and record the history of all correspondence, negotiations, including parties involved, etc. that took place with reference to the award of the resulting contract.

#### **IV. NONCOMPETITIVE NEGOTIATED AGREEMENTS (SOLE SOURCE)**

A noncompetitive, negotiated contract may be developed when special conditions arise. These types of agreements are defined as "Sole Source" agreements. Conditions under which noncompetitive, negotiated contracts may be acceptable include:

1. A unique commodity or specialized professional service is known to be available from only one vendor;
2. An emergency of such magnitude that cannot permit delay; or
3. Competition is determined to be inadequate after solicitation of a number of sources.

In these cases, the Transportation Authority will develop an adequate scope of work, evaluation factors and cost estimate, and conduct negotiations with the vendor to ensure a fair and reasonable cost. The Transportation Authority will document details of the special conditions and retain those details in the respective contract file for audit and grant review purposes.

#### **V. PROHIBITING CONTRACTING IN STATES THAT ALLOW DISCRIMINATION AGAINST LGBT INDIVIDUALS AND IN STATES WITH RESTRICTIVE ABORTION LAWS**

On October 14, 2016, through Ordinance 189-16, the City and County of San Francisco prohibited city contracting involving states that allow discrimination against lesbian, gay, bisexual and transgender individuals. This prohibition became effective on February 11, 2017. On August 9, 2019, through Ordinance 200-19, the City and County of San Francisco prohibited city contracting involving states with certain laws that restrict abortion access. This prohibition became effective January 1, 2020. The list of states banned from contracting under both Ordinances is known as the Covered State List and is maintained and updated by the City Administrator on at least a semiannual basis.



The Ordinances do not automatically apply to the Transportation Authority, since it is a separate governmental entity rather than a City department. In keeping with the public policy objectives leading to the City's adoption of the Ordinances, however, the Transportation Authority has adopted appropriate elements of the contracting prohibitions contained in the Ordinances, as further detailed below. Pursuant to this section, the Transportation Authority shall not: enter into a contract with a contractor that has its United States headquarters in a state on the Covered State List or where any or all of the work on the contract will be performed in a state on the Covered State List, unless it meets one or more of the exemption criteria detailed below.

This section shall not apply to contracts that meet one or more of the following circumstances:

1. The needed services are available only from one source, as supported by sufficient justification.
2. The contract is necessary to respond to an emergency which endangers the public health or safety.
3. There are no qualified responsive bidders or prospective vendors that comply with the requirement of this section; and the needed service, project or property is essential to the Transportation Authority or the public.
4. The public interest warrants the granting of an exemption due to potential adverse impact on services.
5. The services to be purchased are available under a bulk purchasing arrangement with a federal, state, or local government entity or a group purchasing organization; the purchase under such arrangement will substantially reduce the Transportation Authority's cost of purchasing such services, and the purchase under such arrangement is in the best interest of the Transportation Authority.
6. The services are planned to be funded in whole or in part by regional, state, federal, or private funding.
7. Application of this ban will violate or would be inconsistent with the terms or conditions of a grant or agreement with a public agency.

Additionally, this section shall not apply to contracts advertised, solicited, initiated, or executed prior to the effective date of this revised policy, including amendments to existing contracts and task orders under existing on-call contracts.

Application of this section does not apply to: (1) work performed on a contract by a subcontractor, subconsultant or supplier; or (2) the supply of off-the-shelf equipment.

Application of this section does not apply to procurements under on-call contracts, where on-call bench was established prior to the effective date of this revised policy.

If during the term of a contract, the contractor moves its headquarters, or the location from which it will provide services to the Transportation Authority, to a state on the Covered State List, such a move shall not constitute grounds to terminate the contract.

For the purposes of this section, "contract" means an agreement between the Transportation Authority and any person or entity that provides, at the expense of the Transportation Authority,



for public works, public improvements, commodities or services to be purchased, not including contracts for underwriting services for the purchase and sales of Transportation Authority bonds, notes, and other forms of indebtedness.

The Transportation Authority shall document any applicable contract exemption(s) and provide such documentation to the Executive Director prior to execution of the contract by the Transportation Authority, or prior to specific action by the Board authorizing award of the contract to the contractor, if applicable.

#### **V.VI. PROCUREMENT PROTEST AND APPEAL PROCEDURES**

It shall be the policy of the Transportation Authority to have established protest procedures which shall apply to all procurements of supplies, equipment, and services. A copy of these policies and procedures shall be maintained in the Transportation Authority's offices for general inspection and review by the public. In addition, the Transportation Authority shall provide, upon request, a copy of these protest policies and procedures to all individuals, associations, corporations, and companies with which the Transportation Authority conducts business.

A bidder or proposer that has timely submitted a bid or proposal in response to a procurement of the Transportation Authority may file a protest asserting that the Transportation Authority has failed to follow applicable policies or procedures relative to seeking, evaluating, and/or awarding a contract or has failed to comply with relevant specifications or procedures contained in the bid documents or request for proposals. In order to file a protest, the protester must be an actual bidder or proposer whose direct economic interests would be affected by the award of a procurement contract or by the failure to award a procurement contract.

Such protests must be filed within the earlier of five (5) business days after (i) notice, actual or constructive, of the Transportation Authority's finding that the bidder or proposer's bid or proposal is not being considered further or (ii) an award of the contract by the Transportation Authority to another bidder or proposer.

A protest shall be deemed filed when the Transportation Authority actually receives the protest by mail or personal delivery. Failure to file a timely protest shall constitute a waiver of the right to file a protest under these procedures. Within five (5) business days of receipt of an untimely protest, the Transportation Authority shall notify the individual or entity that the protest was untimely and is being rejected. Such notice shall constitute the final decision of the Transportation Authority relative to the untimely protest.

All protests filed must be filed by an actual bidder or proposer responding to the procurement and must be in writing and include the following information:

1. Name of individual or entity filing protest;
2. Business address and telephone number of individual or entity;
3. Name and title of contact person;
4. Description of specific procurement and the action or decision being protested;
5. A clear and concise statement of the protest, including identification of:



- a. procedures or specifications contained in bid documents or request for proposals which were allegedly not complied with, or
- b. specific instance(s) of Transportation Authority failure to follow its policies and procedures;
6. Detailed factual support for the protest, including relevant documents or correspondence;
7. Desired resolution of the protest; and
8. Dated signature of individual, or authorized representative of entity, filing the protest.

The Executive Director shall review and consider all stated concerns and issues alleged to be in non-compliance and issue a decision within five (5) business days of receipt of the protest. If the decision of the Executive Director is not satisfactory to the protesting party, the protesting party may appeal that decision to the Board. The appeal must be filed within five (5) business days of the date of the decision. The appeal must clearly state the basis for disputing the decision of the Executive Director.

The appeal shall be referred to the Board, which shall consider whether to accept the appeal and hold a hearing on the matter. If a majority of the Board does not wish to accept the appeal, the Board shall defer to the decision of the Executive Director as final.

If a majority of the Board agrees to accept the appeal and hold a hearing on the matter, the protesting party shall be notified of the hearing date and time, which shall be scheduled at the earliest convenience of the Board. At the hearing, the protesting party shall be allowed fifteen (15) minutes to present its case. The Transportation Authority staff shall then be allowed fifteen (15) minutes to present the Transportation Authority's case. The Board may extend these time periods at its discretion.

The Board shall review and act upon the appeal at its next regularly scheduled meeting unless it determines that additional time to consider the appeal is required. The Board shall issue written notification to the protester of its decision which shall constitute the final decision of the Transportation Authority.

#### **VI.VII. CONTRACT ADMINISTRATION**

No contractual obligations, administrative or capital, shall be assumed by the Transportation Authority in the excess of its ability to pay as defined by the adopted final budget and the Strategic Plan. Approval of the Board is required prior to the execution of any contract for the procurement of goods or professional services that authorizes payments that in the aggregate exceed \$75,000 in a fiscal year. The Executive Director is authorized to approve and execute all such contracts that authorize payments not in excess of \$75,000 per fiscal year, provided that the amounts are consistent with the adopted final budget, as amended in accordance with the Fiscal Policy for the current fiscal year or, in the event that the contract was not completed in a single fiscal year, the contiguous fiscal year(s). The Executive Director is authorized to amend contracts to extend time, to add or delete tasks of similar scope and nature, and to increase or reduce the total amount of the contract. The Executive Director may execute such amendments without prior Board approval, if the amount of the amendment does not exceed \$75,000.



All expenditures shall comply with all federal, state and local statutory requirements and other legal restrictions placed on the use of said funds. The Executive Director shall execute all contracts in conformance with the monetary limits established in the adopted final budget. The Executive Director and/or his/her designee has the responsibility for monitoring all contractual agreements for compliance with the terms and conditions established in the contract and for rendering payment upon completion of services or delivery of goods and materials as agreed.



## TRAVEL, CONFERENCE, TRAINING AND BUSINESS EXPENSE REIMBURSEMENT POLICY

### I. PURPOSE AND GENERAL POLICY

- A. **Purpose.** This document establishes a set of policies relating to travel, conference, training and business expenses, and establishes procedures for reimbursement of eligible San Francisco County Transportation Authority (Transportation Authority) Commissioners and employees, herein referred to as Transportation Authority personnel, for such expenses. These rules and guidelines are designed to safeguard public funds and to ensure the Transportation Authority and its personnel are using the most economical and well-documented procedures in a consistent manner.
- B. **General Policy.** The Transportation Authority recognizes that in some instances it is necessary and/or convenient for authorized Transportation Authority personnel to incur expenses for travel, training and other business purposes in connection with the official business of the Transportation Authority. Additionally, the Transportation Authority recognizes the benefit of attendance at meetings, conferences and other functions which advance professional knowledge and provide opportunities to exchange information related to transportation, government operations and issues. The policy of the Transportation Authority is to pay or reimburse Transportation Authority personnel for such expenses, travel and fees that a reasonable and prudent person would incur when traveling on official business and which serve a Transportation Authority purpose and are deemed necessary and/or advantageous to the Transportation Authority.
- C. **Limitations.** Travel and meeting expenditures shall not exceed the approved budget, except with justification and documentation, and shall be consistent with associated policies established by the Transportation Authority. Eligible Transportation Authority personnel are entitled to claim reimbursement for actual, reasonable and necessary expenses for eligible expenses incurred in the discharge of their official duties, subject to the limitations set forth herein.

### II. ELIGIBILITY

- A. **Eligible Personnel.** Expenses are authorized for Transportation Authority Commissioners and employees (Transportation Authority personnel). Travel expenses may be authorized for the purpose of conducting business on behalf of the Transportation Authority, including employment interviews.
- B. **Eligible Travel Expenses.** The following expenses are eligible for reimbursement in connection with authorized Transportation Authority business, travel, conferences, meetings, and training, subject to the restrictions identified in this policy. Travel expenses are subject to review by the Deputy Director for Finance and Administration and will only be approved if deemed reasonable and proper. Reimbursements shall be for actual expenditures (receipts required for expenses greater than \$25) for amounts not to exceed the per diem rates and



allowances established by the General Services Administration (GSA) and/or United States Department of Defense (USDOD) as appropriate<sup>1</sup> :

1. Meals;
  2. Lodging;
  3. Transportation charges (including commercial carrier fares, rental car charges, private car mileage allowances, parking, bridge and road tolls, and necessary taxi, transportation network company or public transit fares); and
  4. Miscellaneous expenses:
    - a. Local and long distance business telephone calls, faxes and internet access by the most economical practicable commercial service;
    - b. Registration fees for attending conferences, seminars, conventions, meetings, or other training of professional societies or community organizations;
    - c. Tips to porters, baggage carriers, bellhops, hotel staff, and stewards or stewardesses;
    - d. Purchase of necessary training or conference materials or supplies;
    - e. Business expenses in connection with the preparation of clerical or official reports while on training or travel status; and
    - f. Unforeseen or unusual expenses which are justified, necessary and substantiated.
- C. **Non-Eligible Travel Expenses.** Transportation Authority personnel are not eligible to claim reimbursement for the following items:
1. Personal telephone calls;
  2. Alcoholic beverages and entertainment expenses;
  3. Constructive expenses, which are those which might have been incurred for Transportation Authority business but were not; such as:
    - a. if two individuals traveled together to a meeting in one car and each claimed full transportation costs, then one would be making a "constructive" claim; or
    - b. if an individual on a trip stayed with friends or relatives, it would be "constructive" to claim a lodging expense.
  4. Expenses which are excessive or unreasonable as determined by the Deputy Director for Finance and Administration.
- D. **Expense Limitations.** Reimbursement of costs shall be based on the minimum number of days and hours required to transact Transportation Authority business. Costs incurred due to early or late arrival shall be at the traveler's expense unless it is shown that the savings in

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<sup>1</sup> Per diem is an allowance for lodging (excluding taxes), meals and incidental expenses. The GSA establishes per diem rates for destinations within the Continental United States. The United States Department of State establishes the foreign rates.



airfare outweighs other costs. In that event, it is up to the traveler's discretion as to whether he or she wishes to take advantage of the reduced airfare by traveling at an earlier/later date.

- E. **Cash Advance.** Cash advances may be requested to cover anticipated travel expenses for out-of-area or overnight travel if requested a minimum of ten working days before departure. Cash advances shall not be less than \$100 nor more than the estimated expenses listed on the approved travel authorization form. Advances must be refunded immediately when an authorized trip is canceled or indefinitely postponed.

### III. TRAVEL AUTHORIZATION

- A. **Approval.** Before any Transportation Authority paid or reimbursed overnight or out-of-area travel may take place, Transportation Authority personnel must first submit a travel authorization form to their supervisor for approval, who will forward the approved form to the Deputy Director for Finance and Administration to verify that sufficient funds are available in the Transportation Authority's budget for the travel. The Deputy Director for Finance and Administration will forward the approved form to the Executive Director for final approval. Transportation Authority Commissioners must submit the travel authorization form to the Executive Director for pre-approval. The Executive Director is authorized to approve travel requests for Transportation Authority personnel consistent with this policy. The Executive Director will inform the Chairperson of the Transportation Authority of all Commissioner travel requests in excess of \$5,000. All travel requests must be approved in advance, prior to incurring any reimbursable expenses.
- B. **Local Travel.** Local travel, which does not involve overnight travel, can be reimbursed by the Transportation Authority without pre-verification of travel funds availability but staff shall obtain verbal approval from their respective supervisor and the Executive Director. If overnight travel is necessary, a travel authorization form shall be submitted prior to incurring reimbursable expenses.
- C. **Out-of-Area Travel.** Out-of-area travel is defined as 50 miles or more beyond the San Francisco city limits.
- D. **Travel Authorization Form.** The travel authorization form shall list the destination, purpose and justification for the trip, departure and return dates, and the estimated costs for transportation, meals, lodging, registration, and other expenses.

### **IV. PROHIBITING STAFF TRAVEL TO STATES THAT ALLOW DISCRIMINATION AGAINST LGBT INDIVIDUALS AND IN STATES WITH RESTRICTIVE ABORTION LAWS**

On October 14, 2016, through Ordinance 189-16, the City and County of San Francisco prohibited staff travel to states that allow discrimination against lesbian, gay, bisexual and transgender individuals. This prohibition became effective on February 11, 2017. On August 9, 2019, through Ordinance 200-19, the City and County of San Francisco prohibited staff travel in states with certain laws that restrict abortion access. This prohibition became effective January 1, 2020.



The list of states banned from travel under both Ordinances is known as the Covered State List and is maintained and updated by the City Administrator on at least a semiannual basis.

The Ordinances do not automatically apply to the Transportation Authority, since it is a separate governmental entity rather than a City department. In keeping with the public policy objectives leading to the City's adoption of the Ordinances, however, the Transportation Authority has adopted appropriate elements of the travel prohibitions contained in the Ordinances, as further detailed below. Pursuant to this section, the Transportation Authority shall not: 1) require any of its employees or officers to travel to a state on the Covered State List, or 2) approve a request for Transportation Authority-funded travel to a state on the Covered State List, unless such travel meets one or more of the exemption criteria detailed below.

This section shall not apply to travel that is one or more of the following:

1. Necessary for the enforcement of any state or Transportation Authority law, rule or policy.
2. Necessary for the defense of any legal claim against the Transportation Authority.
3. Required by city, state, or federal law.
4. Required to meet contractual obligations incurred by the Transportation Authority.
5. Necessary for the protection of public health, welfare, or safety.

For purposes of this section, "travel" does not include landing in a state by plane to make a connecting flight to a destination outside that state, or traversing a state by automobile, train, bus, or otherwise, to reach a destination outside that state.

The Transportation Authority shall document any travel exemption requests and provide them to the Executive Director prior to considering the travel request.

#### **IV.V. PROCEDURES FOR CLAIMING EXPENSE REIMBURSEMENT**

- A. **Expense Report.** Any reimbursement for expenses incurred on behalf of the Transportation Authority shall be claimed on an expense report. Expense reports shall be submitted within 45 days of incurring the expenses, and the reports shall be accompanied by adequate documentation supporting the expenses.

The total amount of all expenses pertaining to a particular trip should be accounted for the traveler on an expense report form. If the total actual cost of a trip exceeds the amount listed on the travel authorization form, justification and documentation of the excess cost must be provided. In the absence of a satisfactory explanation, any amount in excess of the estimated cost approved on the travel authorization form shall not be allowed. If the cash advance exceeds the actual reimbursable expense, then the traveler shall immediately return the excess amount with the expense report.

- B. **Nature of Claim.** Claims must be for actual and necessary expenses consistent with this document; not for "constructive" expenses.
- C. **Per Diem Adjustments.** Per diem claims will be adjusted, using the appropriate per meal rate, in those instances where meals are provided gratis or as part of a registration or any other fee claimed on the expense report.



- D. **Required Information.** Each claim must clearly indicate the date, nature of expense and amount for which reimbursement is being claimed.
- E. **Receipts.** Receipts or proof of payment must be submitted with the claim to substantiate expenditures for public carrier fares, rental cars, lodging (indicating the single rate), meals, conference or seminar registration fees, and for any unusual items or items not specifically related to travel. Claims must be recorded and certified on an expense report. For any official business in-transit travel destination, Transportation Authority personnel must provide a receipt and narrative to substantiate claimed travel expenses for lodging and a receipt for any authorized expenses incurred costing over \$25. Itemized receipts shall be obtained and submitted with the expense report. If a receipt cannot be obtained or has been lost for expenses greater than \$25, a statement to that effect shall be made on the expense report and the reason given. In absence of a satisfactory explanation, the amount involved shall not be allowed.
- F. **Commissioner Reports.** Transportation Authority Commissioners attending a meeting, conference, or training at the expense of the Transportation Authority shall provide a brief written and oral report of such at the next regular Board meeting of the Transportation Authority. The report must include a statement of how the Commissioner's attendance has an impact on, or was associated with, Transportation Authority business, and include any materials distributed at the meeting, conference, or training that could be helpful to other Commissioners.
- G. **Expenses Not Covered by Transportation Authority Policy.** In the event where an expense does not qualify for reimbursement under this policy, to be reimbursable, the expense shall be approved by the Transportation Authority Board, in a public meeting before the expense is incurred, unless the expense is related to lodging in connection with a conference or organized educational activity conducted in compliance with California Government Code s. 54952.2(c), including but not limited to ethics training required by Article 2.4 (commencing with §. 53234) of the Government Code.

#### **V:VI. PREPAYMENT OF CONFERENCE/SEMINAR/TRAINING FEES**

All requests for prepayment of conference/seminar/training will be submitted for approval a minimum of ten working days in advance of the conference/seminar/training, unless reasonable justification is provided. If the ten-day requirement cannot be met, Transportation Authority personnel may personally pay registration fees and other expenses at their own risk and seek reimbursement on the expense report.

#### **VI:VII. MEAL EXPENSE**

- A. **General.** Transportation Authority personnel may incur expenses for the purchase of meals for persons not employed by the Transportation Authority, with whom the Transportation Authority is transacting business. The name and business affiliation of the person, as well as the purpose of the business meeting, must be included in the expense report. The maximum per-person expenditure shall not exceed a reasonable amount under the particular circumstances and shall not exceed the set per diem amount established by the GSA or USDOD as appropriate. Actual costs shall include reasonable and customary gratuities, but



not the cost of alcoholic beverages. All such expenditures for personnel must be approved in advance by the Executive Director.

- B. **Restrictions.** The purchase of non-travel-related meals is authorized only when Transportation Authority personnel are required, and where approved in advance by the Executive Director in the following circumstances:
1. to attend a breakfast, lunch or dinner meeting concerning Transportation Authority business affairs because of the official position or duties of the individual;
  2. to attend a meeting between Commissioners and staff when required to conduct Transportation Authority business outside of normal business hours;
  3. to attend consecutive or continuing morning and afternoon and night sessions of a Transportation Authority, Board of Supervisors, city council, commission, district or other public agency meeting to cover an agenda;
  4. to act as host for official guests of the Transportation Authority, such as members of examining boards, official visitors, and speakers or honored guests at banquets or other official functions; and
  5. to attend off-site training events (training workshops, seminars, and retreats) and ready access to reasonably priced meals is not available. The Executive Director may elect to either provide meals to the attendees or authorize individuals to purchase their own meals and claim reimbursement in accordance with provisions of this document.
- C. **Local Area Meals.** Reimbursement for employee meals in the local area must be associated with Transportation Authority business and must be approved in advance by the Executive Director. Meal expenses incurred prior to authorization will be at the risk of the employee. Meals should not exceed the per diem rates and allowances established by the GSA or USDOD as appropriate. Unusual costs must be justified in writing.
- D. **Out-of-Area Meals.** Reimbursement for employee meals during periods of approved trips out-of-area must be approved on the travel authorization form. Reimbursement for out-of-area meals will be based on either actual costs, for which receipts must be provided for expenditures exceeding \$25, and in accordance with the per diem of the federal standard meal allowance, including single day and total trip meal rates, as established by the GSA or USDOD as appropriate. Unusual costs must be justified in writing.
- E. **Special Functions.** Reimbursement for meals at special functions, such as banquet meals at authorized conferences, professional meetings, or special events or functions, may be eligible for reimbursement at rates different than the per diem allowances. Eligibility for such reimbursements is based on pre-approval by the Executive Director or the Transportation Authority Board in accordance with this policy.

## **VII.VIII. LODGING EXPENSES**

Reimbursement is allowable for single-room lodging expenses associated with attendance at out-of-area conferences or meetings. The cost of a single room will be reimbursed when travel exceeds the day's duration. Where available, government and group rates must be requested.



No reimbursement is authorized for overnight accommodations within the nine Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma unless prior authorization is granted.

Transportation Authority personnel will be expected to be prudent in the choice of lodging and will submit proper documentation to justify the expense. The Executive Director will approve the lodging as part of the approval of the travel request, and reserves the right to determine which lodging is prudent, based on economic, comfort, safety, and reasonability considerations. If lodging is required in connection with a conference or activity, lodging shall be at the location where the conference or activity is being held. Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that the lodging at the group rate is available at the time of booking. If the group rate is not available and the hotel has no remaining vacancies, comparable lodging that is consistent with the requirements of this policy shall be used. No lodging shall be reimbursed on the final day of a conference or activity unless reasonable justification is provided or unless authorized by the Executive Director.

#### **VIII.IX. MEANS OF TRANSPORTATION**

- A. **General.** All travel must utilize the most efficient, direct and economical mode of available transportation. Transportation Authority personnel shall use government and group rates offered by providers of transport where available. If for personal convenience, Transportation Authority personnel travel an indirect route and travel is interrupted, any resulting extra expense will be borne by the individual except for reasons beyond the control of the individual. For employees, any resulting excess travel time, except where beyond the control of the employee, will not be considered work time, but will be charged the appropriate type of leave.

Charges or loss of refunds resulting from failure to cancel reservations in accordance with the carrier's rules and time limits will not be reimbursed, unless it can be shown that such failure resulted from circumstances beyond the control of Transportation Authority personnel.

Unused portions of transportation tickets are subject to refund and, when purchased by the Transportation Authority, the individual traveler is responsible to see that they are turned in promptly to secure such a refund.

- B. **Local Travel.** Transportation Authority personnel are encouraged to make optimum use of available public transit services and carpooling for local area travel. The following modes of transportation are to be used in the following priority:
1. public transportation;
  2. privately-owned motor vehicles;
  3. taxis, cabs, or transportation network companies; and
  4. rental cars, after exhausting all other available options.
- C. **Air and Rail Travel.** Transportation Authority personnel shall use coach-class or equivalent accommodations for air and rail travel whenever possible. Any additional fees for seat location



upgrades, seat spacing upgrades, or preferential boarding will not be reimbursed unless documentation is provided that there were no other reasonable options available and unless authorized by the Executive Director for special circumstances (e.g. physical or medical conditions).

**D. Automobiles**

1. Privately-owned Automobile for Official Business

- a. In instances where Transportation Authority personnel use their private automobiles for transportation between their normal work location and other designated work locations (e.g., the site of a meeting), Transportation Authority personnel may be reimbursed for such mileage based upon the standard mileage rate as established by the GSA. When actual mileage exceeds by 10% the reasonable distance between points, Transportation Authority personnel must justify such excess. Inability to do so will result in the reimbursement being based on mileage for the most direct route. Mileage rate of reimbursement will be adjusted as required. Mileage reimbursement for out-of-area trips shall not exceed the cost of the most efficient and economical direct air rate. Transportation Authority personnel who use their privately-owned motor vehicles for transportation while on official Transportation Authority business must carry at least the minimum automobile liability insurance for privately-owned motor vehicles as required by the State of California. Reimbursement for this minimum automobile liability insurance coverage shall not be allowed. When using privately-owned motor vehicles, Transportation Authority personnel will not be reimbursed for any damages that may occur.
- b. Charges for ferries, bridges, tunnels, or toll roads will be allowed. Reasonable charges will also be allowed for necessary parking.
- c. Property damage to the automobile owned by Transportation Authority personnel incurred without fault or cause of the traveler shall be reimbursed in an amount up to \$250 or the amount of the deductible on the traveler's auto insurance policy, whichever is the lesser amount, for each accident. The Transportation Authority will assume an assignment of subrogation rights up to the amount expended, for recovery of such sums from third parties, known or unknown at the time of such payment.
- d. In order to be paid mileage for travel which originates other than at the normal work location, the mileage must be in excess of that normally driven from the traveler's residence to and from the normal work location. The requesting traveler will include justification in the expense report. In the absence of satisfactory justification, the mileage expense shall not be allowed.

2. Rental Automobiles

- a. Rental automobiles may be used when such rental is considered to be more advantageous to the Transportation Authority than the use of other means of transportation. Advance reservations should be made whenever possible and Transportation Authority personnel are expected to be prudent in the selection of an automobile model.



- b. The traveler must obtain full collision coverage. Any additional charge for this coverage will be allowed for reimbursement.
  - c. Charges for ferries, bridges, tunnels, or toll roads will be allowed. Reasonable charges will also be allowed for necessary parking.
- E. **Other Modes of Transportation.** Limousine, taxi and transportation network company fares will be allowed for travel where public transportation is not practical or available. Examples may include, but are not limited to, travel between transportation terminal and hotel, between hotel and place of business, and between places of business.
- F. **Reimbursement.** Unless otherwise provided above, the Transportation Authority will reimburse its personnel for transportation at the rates established by the GSA or USDOD as appropriate.

### ~~IX.X.~~ **BAGGAGE**

- A. Charges incurred for excess baggage will be reimbursed if justified as necessary for the purpose of the trip. An explanation of the circumstances and payment receipts must accompany the claim for reimbursement. Charges for checking and handling of baggage, including reasonable and customary gratuities will be allowed.