Quorum = 8

Agenda

Dallas Area Rapid Transit
COMMITTEE-OF-THE-WHOLE
Tuesday, August 26, 2025, 1:00 P.M.
DART Conference Room C – 1st Floor
1401 Pacific Ave., Dallas, Texas 75202

General Items:

1. This item will be discussed at the Board meeting only.
2. Approval of Minutes: August 12, 2025
3. Items of Interest
4. Public Comments

Consent Items: 5 – 11 will be discussed at the Board meeting only.

Individual Items

Administration:

12. This item will be discussed at the Board Meeting only.
13. Approval of Modifications to the DART Procurement Regulations – Chapters 1, 2, 4, 6, 7 and 9 (Mark C. Enoch/Gene Gamez)
    [5 minutes – presentation; 5 minutes – Q&A]
14. Approval of Fiscal Year 2026 Goals and Performance Measures for President & Chief Executive Officer (Mark C. Enoch/Nadine S. Lee)
    [10 minutes – presentation; 20 minutes – Q&A]
15. Election of Trial Board Hearing Officials for the Term October 1, 2025, through September 30, 2028 (Mark C. Enoch/Jesse Salazar)
    [5 minutes – presentation; 5 minutes – Q&A]
16. Approval of Board Reapportionment Timeline
    (Mark C. Enoch/Gene Gamez/Kay Shelton)
    [15 minutes – presentation; 30 minutes – Q&A]
17. *Briefing on GoPass® Roadmap and Goals (Mark C. Enoch/Jamie Adelman)
    [15 minutes – presentation; 20 minutes – Q&A]

Development:

18. This item will be discussed at the Board meeting only.
19. This item will be discussed at the Board meeting only.
20. Approval of Amendment to DART's Fare Structure
    (Patrick J. Kennedy/Jamie Adelman)
    [5 minutes – presentation; 15 minutes – Q&A]
21. Approval of 2026 Service Changes and Title VI Services Equity Assessment
    (Patrick J. Kennedy/Dee Leggett)
    [20 minutes – presentation; 30 minutes – Q&A]
22. *Briefing on West Dallas On-Demand Shuttle Performance and Future Service
    (Patrick J. Kennedy/Dee Leggett)
    [5 minutes – presentation; 5 minutes – Q&A]

Agenda

23. *Briefing on DART Station Art and Design Program for the Silver Line Regional Rail Project (Patrick J. Kennedy/Dee Leggett)
[20 minutes – presentation; 5 minutes – Q&A]

Communications:

24. +Authorization for One Systemwide Fare-Free Day to Celebrate Silver Line Opening (Randall B. Bryant/Jeamy Molina)
[5 minutes – presentation; 5 minutes – Q&A]

Operations:

25. *Briefing on Fiscal Year 2025 Third Quarter Police Operations Update (M. Nathan Barbera/Charles Cato)
[15 minutes – presentation; 15 minutes – Q&A]

Other Items:

26. This item will be discussed at the Board meeting only.
27. Identification of Future Agenda Items
28. Adjournment

**** Briefing Item Only***
+ Same-Date Item that has not previously been presented to the Board

The Committee-of-the-Whole may go into Closed Session under the Texas Open Meetings Act, Section 551.071, Consultation with Attorney, for any Legal issues, under Section 551.072, Deliberation Regarding Real Property for real estate issues, or under Section 551.074 for Personnel matters, or under section 551.076 or Section 551.089, for Deliberation Regarding the deployment or implementation of Security Personnel or devices, arising or regarding any item listed on this Agenda.

This facility is wheelchair accessible. For accommodations for the hearing impaired, sign interpretation is available. Please contact Community Engagement at 214-749-2721, 48 hours in advance.

DATE: August 26, 2025

SUBJECT: Approval of Minutes: August 12, 2025

Placeholder for Minutes from the August 12, 2025

Minutes will be uploaded as soon as they are available

Agenda Report

Committee-of-the-Whole ☒
Board Meeting ☒

Attachments:	Voting Requirements:
1. Att 1 DPR Redline final 2. Att 2 Comparison	Majority

DATE: **August 26, 2025**

SUBJECT: **Approval of Modifications to the DART Procurement Regulations – Chapters 1, 2, 4, 6, 7 and 9**

RECOMMENDATION

Approval of a resolution to: 1) adopt modifications, as shown in Exhibit 1 to the Resolution, to Chapters 1, 2, 4, 6, 7 and 9 of the DART Procurement Regulations (DPR) based on updates in federal and state procurement statutes and regulations; and 2) authorize the President & Chief Executive Officer or her designee to incorporate modifications to Chapters 1, 2, 4, 6, 7 and 9 into the DPR.

COMMITTEE CONSIDERATIONS

- This item was briefed at the August 12, 2025, Committee-of-the-Whole meeting with no action taken. This item was postponed for further discussion and possible action to August 26, 2025, DART Board of Directors meeting.

FINANCIAL CONSIDERATIONS

- Modifications to the DPR have no financial impact on DART.

BUSINESS PURPOSE

- The DART Board of Directors adopted the DART Procurement Regulations on March 27, 1990 (Resolution No. 900044).

- The DPR has eleven chapters and establishes policies, procedures, rules, and guidelines relating to the procurement process. The DPR contains standard contract provisions that have been vetted, ensuring full and open competition while providing public confidence in the integrity, fairness, and accountability of DART's procurement process.

- The DPR was modified on October 25, 2011 (Resolution No. 110129). Chapters 5 and 11 were modified on August 27, 2024 (Resolution No. 240097). Chapter 6 was initially modified on October 22, 2024 (Resolution No. 240133). Chapters 8 & 10 were modified on January 28, 2025 (Resolution No. 250011). Chapter 3 was modified on March 25, 2025 (Resolution No. 250024).

- The DPR was reviewed over the past few months, and proposed modifications were presented to the Board in sections. The modifications are based on updates in federal and state procurement statutes and regulations. Modifications for clarity may be made to the DPR. The chapters are titled as follows:

- Chapter 1 – General Provisions;
- Chapter 2 – Procurement Authority and Officials;
- Chapter 4 – Specifications;
- Chapter 6 – Contract Clauses; (adding a modification since October 2024)
- Chapter 7 – Cost Principles; and
- Chapter 9 – Supply Management

- Approval of this item will help achieve Agency Strategic Goal 1: Empowered Agency - Build a nimble organization that can act quickly and effectively by streamlining processes and empowering employees.

- Attachment 1 provides a red-line version of the updates to Chapters 1, 2, 4, 6, 7 and 9 of the DPR.

- Attachment 2 provides a comparison of the current Chapters 1, 2, 4, 6, 7 and 9 and the proposed changes of the DPR.

LEGAL CONSIDERATIONS

Section 452.106 of the Texas Transportation Code authorizes DART to adopt and enforce procurement procedures, guidelines, and rules.

DALLAS AREA RAPID TRANSIT AUTHORITY

PROCUREMENT REGULATIONS

CHAPTER 1 - GENERAL PROVISIONS

§ 1-101 Authority and Purpose

(1) The Dallas Area Rapid Transit Authority (the "Authority") is a regional transportation authority under Chapter 452 of the Texas Transportation Code. These regulations are issued under the general authority of Chapter 452 of the Texas Transportation Code and, more specifically, Section 452.055 thereof empowering the Authority to enter into contracts, Sections 452.101 and 452.104 providing for the Board of Directors to prescribe policies for the duties of employees, Section 452.105 authorizing the Board of Directors to adopt rules and regulations, and Section 452.106 authorizing the Board of Directors to adopt and enforce procedures and rules covering all aspects of the procurement process.

(2) These regulations also constitute delegations of authority to employees of the Authority to assist the Board of Directors in discharging its management responsibility under Chapter 452 of the Texas Transportation Code.

(3) These regulations establish policies, procedures, rules, and guidelines relating to the procurement, management, control, and disposal of property, services, and construction in order to define the terms in and implement the provisions of Chapter 452 of the Texas Transportation Code, and to:

(a) Provide for public confidence in the integrity, fairness, and accountability of the Authority's procurement system.

(b) Ensure the fair and equitable treatment of all persons who deal with the procurement system of the Authority.

(c) Promote contracting opportunities for all Disadvantaged Business Enterprises (DBEs)~~,~~ Minority-Owned Business Enterprises (MBEs), and Women-Owned Business Enterprises (WBEs), both as prime contractors and subcontractors.

(d) Foster full and open competition.

(e) Meet the customer's needs in terms of cost, quality and timeliness of the delivered product or service.

(f) Promote positive relationships through courtesy and impartiality in all phases of the procurement process.

(g) Handle confidential information or proprietary information with proper consideration of the ethical and legal ramifications of disclosure.

(h) Maintain the integrity of the Authority's procurement system.

(i) Provide for the timely, impartial resolution of all procurement issues.

(j) Provide increased efficiency and effectiveness in the Authority's procurement activities, thereby exercising good stewardship of public funds and maximizing, to the fullest extent possible, the purchasing value of those public funds.

(4) Pursuant to Section 452.106(b) of the Texas Transportation Code, the procedures, guidelines, and rules in these regulations are for the benefit of the Authority and do not confer any rights on actual or potential bidders, offerors, contractors, or any other person, except as provided in Chapter 10 of these regulations.

(5) These regulations cover the procurement of real property only to the extent provided in § 1-501 (Acquisition of Real Property).

§1-102 <u>General Principles of Law and Interpretation</u>

(1) Unless modified by the particular provisions of these regulations, the principles of law and equity, including the Texas Business and Commerce Code, the law merchant, and applicable law relative to capacity to contract, agency, fraud, misrepresentation, duress, coercion, mistake, or bankruptcy shall supplement the provisions of these regulations.

(2) Unless the context of these regulations requires otherwise:

(a) words in the singular number include the plural, and those in the plural include the singular; and

(b) words of a particular gender include any gender and the neuter, and, when the sense so indicates, words of the neuter gender may refer to both genders.

(3) The titles of chapters, sections, and subsections, or other titles contained in these regulations are for convenience and reference only and in no way define, describe, extend, or limit the scope or intent of the substantive provision to which the title applies unless the context so requires.

(4) Unless otherwise stated, a listing of factors, criteria, or subjects in these regulations does not constitute an order of preference.

§ 1-103 Requirement of Good Faith

These regulations require all parties involved in the negotiation, performance, or administration of contracts with the Authority to act in good faith.

§ 1-104 Application of Regulations

(1) These regulations apply only to contracts solicited or entered into after the effective date of these regulations unless the parties agree to their application to a contract solicited or entered into prior to the effective date.

(2) These regulations shall apply to every expenditure of public funds irrespective of their source, including federal assistance monies, by the Authority under any contract, except that these regulations shall not apply to:

(a) grants;

(b) contracts between the Authority and other public agencies under Chapter 791 (Interlocal Cooperation Contracts) of the Government Code, ~~V.T.C.A.,~~ as amended; or

(c) any transaction for, or related to, the borrowing of money as described in Section 452.107(c) of the Texas Transportation Code.

These regulations also shall apply to the disposal of the Authority's supplies. Nothing in these regulations shall prevent the Authority from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement.

§ 1-105 Severability

If any provision of these regulations, or any application thereof to any person or circumstance, is held invalid, such in~~-~~validity shall not affect any other provision or application of these regulations which can be given effect without the invalid provision or application, and to this extent the provisions of these regulations are declared to be severable.

§ 1-106 Specific Repealer

All prior policies and resolutions of the Authority which are inconsistent with these regulations are superseded by these regulations.

§ 1-107 Construction Against Implicit Repealer

Since these regulations are general policies of the Authority, no part of these regulations shall be deemed to be impliedly repealed or modified by subsequent action of the Authority if such construction reasonably can be avoided.

§ 1-108 Effective Date

These regulations shall become effective at 12:01 A.M. on June 4, 1986.

§ 1-109 Dissemination of the Regulations

Private firms, individuals, and others may obtain copies of these regulations by purchasing them for a price established by the ~~Executive Director~~President & Chief Executive Officer at the offices of the Authority or at such other places as the ~~Executive Director~~President & Chief Executive Officer may designate. All operational procedures implementing these regulations shall be similarly available.

§ 1-201 Written Determinations

(1) Where these regulations require a written determination, the person responsible for making the determination may delegate its preparation, but the responsibility for and the execution ~~0~~of the determination shall not be delegated and shall be signed by the appropriate official in accordance with Authority regulations. The failure to make any written determination required by these regulations shall not affect the validity of any action taken with or relating to any other party.

(2) Written determinations shall set out sufficient facts, circumstances, and reasoning as will substantiate the specific determinations made.

(3) While a designated person is responsible for the execution of a written determination, other Authority personnel (particularly technical personnel) are responsible for furnishing to the cognizant procurement official, in an accurate and adequate fashion, the information pertinent to the determination. When requested, such information shall be furnished in writing to the cognizant procurement official, who shall have the authority to decide the final form and content of the determination and to resolve any questions or conflicts arising with respect thereto.

(4) The ~~Executive Director~~President & Chief Executive Officer is authorized to prescribe methods and operational procedures to be used in preparing written determinations.

(5) Written determinations shall be filed in the appropriate solicitation or contract file, shall be retained as part of such file for so long as the file is required to be maintained, and (except as otherwise provided by law or regulation) shall be open to public inspection.

§ 1-301 Definitions

The words defined in this section shall have the meanings set forth below whenever they appear in these regulations unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular section or provision.

(1) "Actual Costs" is defined in § 7-101(1).

(2) "Board" means the Board of Directors (Executive Committee) of the Dallas Area Rapid Transit Authority.

(3) "Brand Name or Equal Specification" is defined in § 4-101(2).

(4) "Brand Name Specification" is defined in § 4-101(1).

(5) "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

(6) "Change Order" means a written order, signed by the Contracting Officer, directing the contractor to make a change~~s~~ which the Changes Clause ~~of the contract~~ authorizes the Contracting Officer to order without the contractor's consent. ~~of the contractor.~~

(7) "Construction" is defined in § 6-401.

(8) "Contract" means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the Authority to pay for them. It includes all types of commitments that obligate the Authority to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing and signed by the parties. ~~agreements, regardless of what they may be called, for the procurement or disposal of property (other than real property), services, or construction.~~

In addition to bilateral instruments, contracts include (but are not limited to) job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements.

(9) "Contracting Officer" means a~~ny~~ person with the authority to ~~(or a duly appointed successor) authorized to~~ enter into, ~~and~~ administer, and/or terminate contracts and make related determinations and findings. ~~contracts for the Authority and make written determinations with respect thereto. The term also includes an authorized representative of the Contracting Officer acting within the limits of authority.~~The term includes certain authorized representatives (contract officer representatives) of the contracting officer acting within the limits of their authority

as delegated by the contracting officer.

(10) "Contract Modification" means any written ~~alteration~~ change in the terms of a contract~~in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract~~, as further described in § 8-303.

(11) "Contractor" means any person having a contract with the Authority.

(12) "Cost Analysis" is defined in § 3-101(1).

(13) "Cost Data" is defined in § 3-101(2).

(14) "Cost Objective" is defined in § 7-101(2).

(15) "Data" means recorded information, regardless of form or characteristic.

(16) "Day~~s~~" means, unless otherwise specified, a calendar day~~s~~. In computing any period of time prescribed by these regulations, the day of the event from which the designated period of time begins to run shall not be included, but the last day shall be included unless it is a Saturday, Sunday, or Federal or Texas holiday, in which event the period shall run to the end of the next business day.

(17) "Designee" means a duly authorized representative of a person having specific authority or holding a superior position.

(18) "Discussions" is defined in § 3-101(4).

(19) "Employee" means an individual drawing a salary or wages directly from the Authority.

(20) "Equitable Adjustment" is an adjustment to contract provisions pursuant to a contract clause specifically providing for an "equitable adjustment" and as defined in applicable court and administrative decisions construing the same clause or similar clauses. See also § 8-305.

(21) "~~Executive Director~~President & Chief Executive Officer" is the person appointed by the Board to be the chief operating officer of the Authority pursuant to Sections 452.101(1) and 452.104 of the Texas Transportation Code.

(22) "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

(23) "Joint Venture" shall be defined as a partnership, teaming arrangement or association of two or more persons or business entities to carry on a business limited to one particular enterprise for the Authority. For purposes of § 3-114, no Joint Venture shall be comprised of more than one company that has

sufficient technical capability and productive capacity for contract performance as set forth in FAR 3.303(c)(7)~~3.303(7)~~. No Joint Venture shall be comprised of two or more companies whose owners are related within the second degree of affinity (marriage) or within the third degree of consanguinity (blood).

(24) "May" denotes the permissive. However, the words "no person may…" mean that no person is ~~required,~~ authorized, or permitted to do the act prescribed.

(25) "Offer" means a response to a solicitation, that if accepted, would bind the offeror to perform the resultant contract. "Offeror" means bidder. Responses to invitation for bids (sealed bidding) are offers called "bids" or "sealed bids"; responses to requests for proposals (negotiation) are offers called "proposals"; however, responses for requests for quotations are "quotations" not offers ~~and "Offeror" a person submitting a proposal when a procurement is made by a source selection method other than competitive sealed bidding.~~.

(26) "Person" means any business, individual, union, committee, club, other organization, or group of individuals.

(27) "Price Analysis" is defined in § 3-101(7).

(28) "Price Data" is defined in § 3-101(8).

(29) "Prime Contractor" is defined in § 5-101(2).

(30) "Procurement" means acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Authority through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Procurement begins when Authority needs are established and includes the description of requirements to satisfy Authority needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling Authority needs by contract.

~~(30) buying, purchasing, renting, leasing, or otherwise acquiring any property (except real property), services, or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.~~

(31) "Property" means tangible or intangible property of any type, except real property, including supplies, material, machinery, equipment, and intellectual property.

(32) "Protest" means a written statement concerning any unresolved disagreement or controversy arising out of the solicitation or award of a contract filed in accordance with § 10-201.

(33) "Protester" is defined in § 10-202(3).

(34) "Purchase Request" or "Purchase Requisition" means that document whereby a person requests that a contract be entered into for a specific need, and may include, but is not limited to, the description of the requested item, delivery schedule, transportation data, criteria for evaluation, suggested sources of supply, and information supplied for the making of any written determination required by these regulations.

(35) "Qualified Products List" is defined in § 4-101(3).

(36) "Small Business" shall have the meaning set forth by the Small Business Administration Standards found in 13 C.F.R. §21 and in 49 C.F.R. §26.65.

(37) "Solicitation" is defined in § 3-101(13).

(38) "Specification" is defined in § 4-101(4).

(39) "Standard Commercial Products" are items and/or services regularly used, for other than Federal Government purposes, in the course of normal business operations.

a. "Items," including computer software, are those that:

i. have been sold or traded to the general public;

ii. have been offered for sale to the general public at established prices but not yet sold;

iii. although intended for sale or trade to the general public, have not yet been offered for sale but will be available for commercial delivery in a reasonable period of time; or

iv. are described in paragraphs (i), or (ii), or (iii) and would require only minor modification in order to meet the requirements of the Authority.

b. "Services" include:

i. installation, maintenance, repair, training, and other services if such services are procured for support of an item referred to in paragraphs (a)(i), (ii), (iii), or (iv) above, and the source of such services offers them to the general public under similar terms and conditions; or

ii. services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices.

(40) "Supplies" is defined, for the purposes of Chapter 9, in § 9-101(4). As used elsewhere in these regulations, "supplies" means all tangible property owned by the Authority, ~~of any type (~~except land or interest in land, and includes (but is not limited to) public works, buildings, and facilities, accessories, equipment, machine tools, and the alteration or installation of any of the foregoing. ~~real property), including material, machinery, and equipment.~~

(41) "Technical Proposal" means a solicited or unsolicited submission of information from a prospective contractor which states how that party intends to perform certain work; its technical and business qualifications; and its proposed delivery, warranty, and other terms and conditions as those might differ from or supplement the Authority's solicitation requirements. It shall include such pricing information as may be required.

§ 1-401 Public Access to Procurement Information

(1) Procurement information shall be a public record to the extent provided in Chapter 552 (Public Information Act) of the Government Code, ~~V.T.C.A.,~~ as amended, and shall be available to the public as provided in such statute.

(2) All solicitations shall contain a provision requiring all bids and proposals to identify, specifically and by page or diagram, any information deemed to be exempt from disclosure as trade secrets or commercial or financial or proprietary information.

§ 1-501 Acquisition of Real Property

(1) This section sets forth the policy of the Authority in connection with the procurement of real property. For the purpose of these regulations, "real property" includes ownership in fee, leases of real property, easements, rights-of-way, and all other ownership interests in real property.

(2) It is the policy of the Authority to make every reasonable effort to acquire real property by agreement with the owners. Where agreement is not possible, the acquisition of such property may be considered under the power of eminent domain described in Sections 452.058 and 452.059 of the Texas Transportation Code.

(3) Whenever practical, the Authority shall establish an amount estimated to be fair compensation for real property prior to initiation of negotiations with the owner. If only part of the property is to be acquired or the interest to be acquired is less than the full interest of the owner, the estimated amount will include a statement explaining the basis for the determination of fair value. Any increase or decrease in the fair market value of the real property, prior to the date of valuation, caused by the public improvement or project for which the real property is to be acquired, or by the likelihood that the real property would be acquired for

such improvement or project, should be disregarded in making the estimate.

(4) In establishing the amount estimated to be fair compensation, an appraisal of each parcel or tract may be obtained. If an appraisal is obtained, the owner or his designated representative shall be given the opportunity to accompany the appraiser during his inspection of the property. Only one appraisal should be obtained unless it is determined that special circumstances require an additional appraisal or appraisals.

(5) The ~~Executive Director~~President & Chief Executive Officer shall establish procedures for the selection and procurement of real property; provided, however, no acquisition of real property shall be made without the approval of the Board.

CHAPTER 2 – PROCUREMENT AUTHORITY AND OFFICIALS

Section 2-100 - Authority and Responsibility

§ 2-101 Procurement Authority

(1) The authorization to enter into contracts on behalf of the Authority will be conferred only by resolution of the Board of Directors providing general authorizations to enter into contracts or authority for specific contracts or types of contracts. Any provision in these procurement regulations describing the methods and procedure for procurement and designating Authority representatives for procurement actions shall be subject to authorization from the Board to award a contract.

(2) No contract, modification, change order, or commitment shall be made on behalf of the Authority unless it is made in writing and executed by a representative of the Authority acting within the scope of his actual authority. Contracts, modifications, change orders, or commitments made on behalf of the Authority by Authority personnel acting outside the scope of their actual authority may be ratified by the ~~Executive Director~~President & Chief Executive Officer, provided the President & Chief Executive Officer ~~Executive Director~~ determines in writing that such action is in the Authority's best interest and all such ratification actions (together with a description of the circumstances and the justification therefor) shall be reported quarterly by the ~~Executive Director~~ President & Chief Executive Officer in a written report to the Board of Directors.

(3) No person shall be authorized or permitted to commence work for or on behalf of the Authority in contemplation of a contract prior to the execution of a written contract.

(4) Except for multi-year contracts authorized by Section 452.108 of the Texas Transportation Code, no contract, modification, change order, or contract price adjustment shall be made unless sufficient funds are authorized and available for expenditure for such purpose in the Authority's current budget; provided, however, that with respect to the validity, as to the contractor, of any contract, modification, change order, or adjustment in contract price which the contractor has reasonably relied upon, there shall be a rebuttable presumption that there has been compliance with this provision.

(5) No contract for the services of legal counsel may be entered into without the approval of the Board of Directors.

§ 2-102 Procurement Responsibility

(1) The ~~Executive Director~~President & Chief Executive Officer shall be responsible for the procurement of property, services, and construction in accordance with these regulations as well as the management and disposal of supplies.

(2) In accordance with these regulations and subject to **§** 2-101, the ~~Executive Director~~President & Chief Executive Officer shall:

(a) procure or supervise the procurement of all property, services, and construction needed by the Authority;

(b) supervise and control all assets, equipment, and inventories of supplies belonging to the Authority;

(c) sell, trade, or otherwise dispose of surplus assets, equipment, or supplies belonging to the Authority; and

(d) establish and maintain programs for specification development, contract administration, and inspection and acceptance of supplies, services, and construction.

(3) The ~~Executive Director~~President & Chief Executive Officer may adopt operational procedures consistent with these regulations pertaining to the execution of procurement duties.

Section 2-200 - Delegations of Authority

§ 2-201 Authority to Delegate

(1) As authorized by Sections 452.104(a) and 452.108(b) of the Texas Transportation Code, and with the approval of the Board, the ~~Executive Director~~President & Chief Executive Officer may delegate authority to purchase certain property, services, or construction to persons designated, and within budgeted amounts approved~~,~~ by the Board.

(2) The authority conferred on the ~~Executive Director~~President & Chief Executive Officer in these regulations with respect to the following matters shall not be delegated:

(a) appointment of contracting officers under § 2-203;
(b) deviations from these regulations under § 2-301;
(c) reduction of bond amounts under § 5-302(3);
(d) stay of procurements during protests under § 10-204; and
(e) authority to debar or suspend under § 10-302(1).

§ 2-202 Delegations and Revocations of Authority

(1) The ~~Executive Di~~President & Chief Executive Officer~~rector~~'s delegations of authority shall be in writing and shall specify:

(a) the activity or function authorized;

(b) any limits or restrictions on the exercise of the delegated authority; and

(c) the duration of the delegation.

(2) Any authority delegated by the ~~Executive Director~~President & Chief Executive Officer may be revoked at any time and without prior approval of the Board.

§ 2-203 Contracting Officers

(1) The selection, appointment, and terminations of appointments of contracting officers shall be made only by the ~~Executive Director~~President & Chief Executive Officer in writing, which shall state any limitations on the scope of authority to be exercised, other than limitations contained in applicable law or regulation. In selecting contracting officers, the ~~Executive Director~~President & Chief Executive Officer shall consider public contract experience, training, education, business acumen, judgment, character, reputation, and ethics.

(2) Appointment of contracting officers shall be made in a Certificate of Appointment signed by the ~~Executive Director~~President & Chief Executive Officer in the following form:

CERTIFICATE OF APPOINTMENT

Pursuant to the authority vested in the undersigned by the Dallas Area Rapid Transit Authority Procurement Regulations,

____

is hereby appointed Contracting Officer for the Dallas Area Rapid Transit Authority subject to the limitations in the Authority's Procurement Regulations and to the following:

____
____
____

Unless sooner revoked, this appointment is effective as long as the appointee named herein is an employee of the Authority.

Date Signature of ~~Executive Director~~President & Chief Executive Officer

Section 2-300 - Deviations from Regulations

§ 2-301 Deviations from Regulations

The ~~Executive Director~~President & Chief Executive Officer may approve deviations from these regulations with respect to an individual procurement; provided, however, that any such deviation (together with a description of the circumstances and the justification therefor) shall be reported quarterly by the ~~Executive Director~~President & Chief Executive Officer in a written report to the Board of Directors.

Section 2-400 - Changes to Regulations

§ 2-401 Changes to Regulations

The ~~Executive Director~~President & Chief Executive Officer is empowered to approve one-time deviations from the regulations in accordance with the provisions of Section 2-301. No permanent change shall be made to the Procurement Regulations without the express approval of the Board of Directors, except for minor, insignificant changes that are matters of form rather than substance, e.g., style changes, typographical, punctuation, and transposition errors. All permanent changes approved pursuant to the provisions of this section shall be incorporated into a Procurement Circular and promulgated by the President & Chief Executive Officer~~Executive Director~~.

Section 2-500 Procurements Using Federal Funds

§ 2-501 Procedures

Procurements involving the use of federal assistance grant funds will be conducted in accordance with the terms of these Procurement Regulations and requirements of the grantor agency. In the instance of Federal Transit Administration (FTA) grants, the requirements contained in the grant itself, the FTA Circular 4220.1 in effect on the applicable date, and any other requirements of the Federal Government will be followed. In the event of any inconsistency with these Procurement Regulations, the provisions of any required federal rules, regulations or grant terms shall be controlling.

§ 2-502 Procurement Clauses

The ~~Executive Director~~President & Chief Executive Officer shall promulgate required clauses to be used in all federally-funded solicitations and contracts.

CHAPTER 4 - SPECIFICATIONS

Section 4-100 - General

§ 4-101 Definitions

(1) "Brand Name Specification" means a specification limited to one or more items by manufacturers' brand names and make or model ~~or catalogue~~ numbers.

(2) "Brand Name or Equal Specification" means a specification which uses one or more manufacturer's brand names and make or model ~~or catalogue~~ numbers to describe the salient physical, functional, or performance ~~standard of quality, performance, and other~~ characteristics needed to meet the Authority's requirements and which provides for the submission of equivalent products.

(3) "Qualified Products List" means an approved list of property, services, or construction items described by make or model ~~or catalogue numbers~~ numbers, which, prior to competitive solicitation, the Authority has determined will meet the applicable specification requirements.

(4) "Specification" means any statement of work or any description of the physical, functional, or performance characteristics, or of the nature of property, service, or construction. A specification includes, as appropriate, requirements for inspecting, testing, or preparing a property, service, or construction item for delivery. Whenever possible, Contracting Officers shall ensure that references in specifications are to widely recognized standards or specifications promulgated by governments, industries, or technical societies. Unless the context requires otherwise, the terms "specification" and "purchase description" are used interchangeably throughout these procurement regulations.

Section 4-200 - Policies and Requirements

§ 4-201 Purpose and Policies

(1) The purpose of a specification is to serve as a basis for obtaining a property, service, or construction item adequate and suitable for the Authority's needs in a ~~cost effective~~cost-effective manner taking into account, to the extent practicable, the ~~01~~costs of ownership and operation as well as initial acquisition costs. It is a requirement of law and the policy of the Authority that specifications permit full and open competition consistent with this purpose. Specifications shall be drafted with the objective of clearly describing the Authority's requirements.

(2) Specifications shall, to the extent practicable, emphasize functional or performance criteria while limiting design or other detailed physical descriptions to those necessary to meet the needs of the Authority. It is recognized, however, that the preference for use of functional or performance specifications is primarily applicable to the procurement of property and services. Such preference often is not

practicable in construction apart from the procurement of supply-type items for a construction project.

(3) It is the general policy of the Authority to procure standard commercial products whenever practicable. In developing specifications, accepted commercial standards or specifications promulgated by governments, industries, or technical societies shall be used and unique requirements shall be avoided, to the extent practicable.

§ 4-202 Authority to Prepare Specifications

The President & Chief Executive Officer~~Director~~ or their~~his~~ designee shall be responsible for preparing, approving, revising, and maintaining all specifications used by the Authority for procurement. Such procedures shall ensure that specifications are completed a sufficient time in advance of the Authority's requirements to permit selection and implementation of the appropriate procurement method under these regulations. When there will be no substantial conflict of interest and it is otherwise in the best interest of the Authority, a contract may be entered into to prepare specifications for the Authority's use in the procurement of property, services, or construction. In an emergency under § 3-206 (Emergency Procurements), any necessary specifications may be utilized without regard to provisions of this Chapter.

§ 4-203 Procedures for the Development of Specifications

(1) This section applies to all persons who may prepare a specification for the Authority's use. A specification may provide alternate descriptions of property, services, or construction items where two or more design, functional, or performance criteria will satisfactorily meet the Authority's requirements. Specifications should not include any solicitation or contract term or condition such as a requirement for time or place of bid opening, time of delivery, payment, liquidated damages, or qualification of bidders.

(2) This subsection covers brand name or equal specifications and shall apply whenever brand names are used in specifications, except as provided in § 4-203(3), below.

(a) Brand name or equal specifications may be prepared to be used when the Contracting Officer determines in writing that:

(i) no specification for a common or general use item or qualified products list is available;

(ii) time does not permit the preparation of an~~-~~other form of specification, not including a brand name specification;

(iii) the nature of the product or the nature of the Authority's requirements makes use of a brand name or equal specification suitable for the procurement; or

(iv) use of a brand name or equal specification is in the Authority's best interest.

(b) Brand name or equal specifications shall seek to designate three or as many different brands as are practicable as "or equal" references and shall further state that substantially equivalent products to those designated will be considered for award. Brand name or equal specifications shall include a description of the particular design, functional, or performance characteristics which are required to meet the needs of the Authority.

(c) Where a brand name or equal specification is used in a solicitation, the solicitation shall clearly identify and describe the particular physical, functional, or other characteristics of the brand-name items which are considered essential to satisfying the requirement, including ~~contain~~ any explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition.

(3) A brand name specification is restrictive and may be used only when the Contracting Officer makes a written determination that only the identified brand name item or items will satisfy the Authority's needs. The Contracting Officer shall seek to identify sources from which the designated brand name item or items can be obtained and shall solicit such sources to achieve whatever degree of competition is practicable.

§ 4-204 Qualified Products List

A qualified products list may be developed when testing or examination of manufacturer or distributor products,~~the~~ property or construction items, ~~-~~ prior to issuance of the solicitation is desirable or necessary in order to best satisfy the Authority's requirements or specifications. ~~—~~When developing a qualified products list, a representative group of potential suppliers shall be solicited in writing to submit products for testing or examination to determine acceptability for inclusion on a qualified products list. Any potential supplier, even though not solicited, may offer its products for consideration. Generally, qualification is performed in advance and independent of any specific acquisition action, and i~~I~~nclusion on a qualified products list shall be based on results of tests or examinations conducted in accordance with prior published requirements. Except as otherwise provided by law, trade secrets, test data, and similar information provided by the supplier will be kept confidential when requested in writing by the supplier. However, test results used in formulating qualified products lists shall be made public but in a manner so as to protect the confidentiality of the identity of the competitors by, for example, using numerical designations.

§ 4-205 Full and Open Competition

Whenever possible, contracting officers shall ensure that references in ~~All~~ specifications shall be written in such a manner as to describe widely recognized standards or specifications promulgated by governments, industries, or technical societies~~the requirements to be met~~, without having the effect of exclusively requiring a proprietary supply, service, or construction item, or procurement from a sole source, unless no other manner of description will suffice. In that event, a written determination shall be made that it is not practicable to use a less restrictive specification.

§ 4-206 Specifications Prepared by Others

The requirements of this Chapter shall apply to all specifications prepared by other than Authority personnel, including, but not limited to, those prepared by consultants, architects, engineers, designers, and other draftsmen of specifications for public contracts. Contracts for the preparation of specifications by other than Authority personnel shall require the specification writer to adhere to such requirements.

CHAPTER 6 - CONTRACT CLAUSES

Section 6-100 Scope of Coverage

This chapter sets forth standard contract clauses to be used in contracts entered into by the Authority. Any clause designated as "required" for the particular type of contract must be used unless a deviation from these regulations is authorized pursuant to § 2-301. The clauses in this chapter shall not be modified unless such modification is authorized by these regulations or a deviation under § 2-301 authorizes such modification.

Section 6-200 - Fixed Price Supply Contracts

§ 6-201 Applicability

The provisions of this section apply to all fixed price supply contracts. As used in this section, the phrase "fixed price supply contract" shall mean any contract:

(1) entered into either by competitive sealed bidding or by competitive sealed proposals other than small purchases;

(2) at a fixed price (with or without provision for price redetermination, economic price adjustment, or other form of price revision);

(3) for property other than (a) the construction, alteration, or repair of buildings, roads, or other kinds of real property, or (b) experimental, developmental, or research work.

The Contracting Officer may adapt and abbreviate the clauses in this § 6-200 for use in small purchase and purchase order forms.

§ 6-202 Required Clauses for Fixed Price Supply Contracts

The following clauses shall be included in all fixed price supply contracts.

§ 6-202.01 Definitions

As used throughout this contract, the following terms shall have the meaning set forth below:

(a) The term "the Authority" means the Dallas Area Rapid Transit Authority; and the term "duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized in writing to act for the Authority.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the Authority or their duly appointed successor; and the term includes, except as otherwise provided in this contract, the authorized representative of the Contracting Officer acting within the limits of their authority.

or otherwise) to any employee, official, or member of the Board (Executive Committee) of the Authority with a view toward securing favorable treatment in the awarding, amending, or evaluating the performance of this contract. For breach of any representation or warranty in this clause, the Authority shall have the right to annul this contract without liability and/or have recourse to any other remedy it may have at law.

§ 6-202.17 Order of Precedence

Include the clause at § 3-802.10.

§ 6-202.18 Governing Law and Required Clauses in Federally-Funded Third Party Contracts

In addition to other applicable provisions of federal law, regulations, requirements, and guidance, all third party federally-funded contracts made by the Authority must contain provisions covering the following, as applicable:

(a) Governing Law. The rights, obligations, and remedies of the parties shall be governed by the laws of the State of Texas. Whenever there is no applicable state statute or decisional precedent governing the interpretation of, or disputes arising under or related to, this contract, then federal common law, including the law developed by federal boards of contract appeals, the United States Claims Court (formerly the Court of Claims), and the Comptroller General of the United States, shall govern. Venue for any action shall lie exclusively in Dallas County, Texas. This is the complete agreement between the parties. If any provision of the contract is found to be invalid or unenforceable, the remaining provisions shall not be impaired.

(b) Davis-Bacon Act, as amended (40 U.S.C. §§ 3141 - 3148).
(c) Contact Work Hours and Safety Standards (40 U.S.C. §§ 3701 – 3708).
(d) Rights to Inventions Made Under a Contract or Agreement pursuant to 37 CFR Part 401.
(e) Clean Air Act (42 U.S.C. §§ 7401 – 7671q.) and the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 – 1388), as amended.
(f) Debarment and Suspension (Executive Orders 12549 and 12689).
(g). Restrictions on Lobbying)31 U.S.C. § 1352).
(h) Solid Wastes pursuant to § 6002 at 40 CFR Part 247.

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§ 6-203 Clauses to be Used When Applicable

The clauses in this § 6-203 may be used when applicable to the circumstances of the particular procurement. In addition, clauses contained in sections of these regulations for other types of contracts may be used if the circumstances warrant.

§ 6-203.01 Pricing of Adjustments

When costs are a factor in any determination of a contract price adjustment pursuant to the Changes Clause or any other provision of this contract, such costs shall be in accordance with Chapter 7 (Cost Principles) of the Authority's Procurement Regulations in effect on the date of this contract.

CHAPTER 7 - COST PRINCIPLES

§ 7-101 Definitions

(1) "Actual Costs" are all direct and indirect costs which have been incurred for services rendered, property delivered, or construction built, as distinguished from allowable costs only.

(2) "Cost Objective" is any unit of work such as a function, an organizational subdivision, or a contract for which provision is made to accumulate and measure separately the cost of processes, products, jobs, capitalized projects, and similar items. A final cost objective is one that has allocated to it both direct and indirect costs and, in the contractor's accumulation system, is one of the final accumulation points.

§ 7-102 Applicability of Cost Principles

(1) The cost principles and procedures contained in this Chapter shall be used to determine the allowability of incurred costs for the purpose of reimbursing costs under contract provisions which provide for the reimbursement of costs; provided, that any deviation from these cost principles may be made as provided in § 7-111 (Authority to Deviate from Cost Principles).The cost principles and procedures set forth in this Chapter may be used as guidance in:

(a) the establishment of contract cost estimates and prices under contracts awarded on the basis of competitive proposals where the award may not be based on adequate price competition (§ ~~3-503~~3-203); sole source procurement (§ 3-205); statutory professional services (§ 3-207); and ~~architect- engineer~~architect-engineer and land surveying services (§ 5-100);

(b) the establishment of price adjustments for contract changes, including contracts that have been let on the basis of competitive sealed bidding or otherwise based on adequate price competition;

(c) the pricing of termination for convenience settlements; and

(d) any other situation in which cost analysis is used.

(2) These cost principles regulations are not applicable to:

(a) the establishment of prices under contracts awarded on the basis of competitive sealed bidding or otherwise based on adequate price competition rather than the analysis of individual, specific cost elements, except that this Chapter does apply to the establishment of adjustments of price for changes made to such contracts;

(b) prices which are fixed by law or regulation; and

(c) prices which are based on established catalogue prices as defined in § 3-101(5) (Established Catalogue Price).

§ 7-103 Allowable Costs

(1) Any contract costs proposed for estimating purposes or invoiced for cost-reimbursement purposes are allowable to the ex- tent provided in the contract, and costs inconsistent with these cost principles are allowable only if approved as a deviation ~~un-der7-111~~under § 7-111 (Authority to Deviate from Cost Principles.). The contract shall provide that the total allowable cost of a contract is the sum of the allowable direct costs actually incurred in the performance of the contract in accordance with its terms, plus the properly allocable portion of the allowable indirect costs, less any applicable credits (such as discounts, rebates, refunds, and property disposal income).

(2) All costs shall be accounted for in accordance with generally accepted accounting principles and in a manner that is consistent with the contractor's usual accounting practices in charging costs to its other activities. In pricing a proposal, a contractor shall estimate costs in a manner consistent with its cost accounting practices used in accumulating and reporting costs.

(3) The contract shall provide that costs shall be allowed to the extent they are:

(a) reasonable, as defined in § 7-104 (Reasonable Costs);

(b) allocable, as defined in § 7-105 (Allocable Costs);

(c) lawful under any applicable law;

(d) not unallowable under § 7-106 (Treatment of Specific Costs) or § 7-107 (Costs Requiring Prior Approval); and

(e) in the case of costs invoiced for reimbursement, actually incurred or accrued and accounted for in accordance with generally accepted accounting principles.

§ 7-104 Reasonable Costs

Any cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business in that industry. In determining the reasonableness of a given cost, consideration shall be given to:

(1) requirements imposed by the contract terms and conditions;

(2) whether the cost is of a type generally recognized as ordinary and necessary for the conduct of the contractor's business or the performance of the contract;

(3) the restraints inherent in, and the requirements imposed by, such factors as generally accepted sound business practices, arms' length bargaining, and federal and state laws and regulations;

(4) the action that a prudent business manager would take under the circumstances, including general public policy and considering responsibilities to the owners of the business, employees, customers, and the Authority;

(5) significant deviations from the contractor's established practices which may unjustifiably increase the contract costs; and

(6) any other relevant circumstances.

§ 7-105 Allocable Costs

(1) A cost is allocable if it is assignable or chargeable to one or more cost objectives in accordance with relative benefits received and if it:

(a) is incurred specifically for the contract;

(b) benefits both the contract and other work and can be distributed to both in reasonable proportion to the benefits received; or

(c) is necessary to the overall operation of the business, although a direct relationship to any particular cost objective may not be evident.

(2) Costs are allocable as direct or indirect costs. Similar costs (those incurred for the same purpose in like circumstances) shall be treated consistently either as direct costs or indirect costs except as provided by these regulations. When a cost is treated as a direct cost in respect to one cost objective, it and all similar costs shall be treated as a direct cost for all cost objectives. Further, all costs similar to those included in any indirect cost pool shall be treated as indirect costs. All distributions to cost objectives from a cost pool shall be on the same basis.

(3) A direct cost is any cost which can be identified specifically with a particular final cost objective. A direct cost shall be allocated only to its specific cost objective. To be allowable, a direct cost must be incurred in accordance with the terms of the contract.

(4) Indirect costs shall be determined in accordance with this subsection.

(a) An indirect cost is one identified with no specific final cost objective or with more than one final cost objective. Indirect costs are those remaining to be allocated to the several final cost objectives after direct costs have been determined and charged directly to the contract or other work as appropriate. Any direct costs of minor dollar amount may be treated as indirect costs; provided, that such treatment produces substantially the same results as treating the cost as a direct cost.

(b) Indirect costs shall be accumulated into logical cost groups (or pools), with consideration of the reasons for incurring the costs. Each group should be distributed to cost objectives benefiting from the costs in the group. Each indirect cost group shall be distributed to the cost objectives substantially in proportion to the benefits received by the cost objectives. The number and composition of the groups and the method of distribution should not unduly complicate indirect cost allocation where substantially the same results could be achieved through less precise methods.

(c) The contractor's method of distribution may require examination when:

(i) any substantial difference exists between the cost patterns of the work performed under the contract and the contractor's other work;

(ii) any significant change occurs in the nature of the business, the extent of subcontracting, fixed asset improvement programs, inventories, the volume of sales and production, manufacturing processes, the contractor's products, or other relevant circumstances; or

(iii) indirect cost groups developed for a contractor's primary location are applied to off-site locations. Separate cost groups for costs allocable to offsite locations may be necessary to distribute the con- tractor's costs on the basis of the benefits accruing to the appropriate cost objectives.

(d) The base period for indirect cost allocation is the one in which such costs are incurred and accumulated for distribution to work performed in that period. Normally, the base period is the contractor's fiscal year. A different base period may be appropriate under unusual circumstances. In such cases, an appropriate period should be agreed to in advance.

§ 7-106 <u>Treatment of Specific Costs</u>

The specific types of costs covered in this section shall be accorded the treatment provided herein.

§ 7-106.01 Advertising

(1) Advertising costs are those incurred in using any advertising media when the advertiser has control over the form and content of what will appear, the media in which it will appear, or when it will appear. Advertising media include newspapers, magazines, radio, television, direct mail, trade papers, billboards, window displays, conventions, exhibits, free samples, and the like. All advertising costs except those set forth in subsection (2) of this section are unallowable.

(2) The only allowable advertising costs are those for:

(a) the recruitment of personnel;

(b) the procurement of scarce items;

(c) the disposal of scrap or surplus materials; and

(d) the listing of a business name and location in a classified directory.

§ 7-106.02 Bad Debts

Bad debts include losses arising from uncollectible accounts and other claims, such as dishonored checks, uncollected employee advances, and related collection and legal costs. All bad debt costs are unallowable.

§ 7-106.03 Contingencies

(1) Contingency costs are contributions to a reserve account for unforeseen costs. Such contingency costs are unallowable except as provided in subsection (2) of this section.

(2) For the purpose of establishing a contract cost estimate or price in advance of performance of the contract, recognition of uncertainties within a reasonably anticipated range of costs may be required and is not prohibited by this subsection. However, where contract clauses are present which serve to remove risks from the contractor, there shall not be included in the contract price a contingency factor for such risks. Further, contributions to a reserve for self- insurance in lieu of, and not in excess of, commercially available liability insurance premiums are allowable as an indirect charge.

§ 7-106.04 Depreciation and Use Allowances

(1) Depreciation and use allowances (that is, the allowance made for fully depreciated assets) are allowable to compensate contractors for the use of buildings, capital improvements, and equipment or for the provision of such facilities on a standby basis for subsequent use when such facilities are temporarily idle because of suspensions or delays not caused by the contractor, not reasonably foreseeable, and not other wise avoidable when the contract was awarded. Depreciation is a method of allocating the acquisition cost of an asset to periods of its useful life. Useful life refers to the asset's period of economic usefulness in the particular contractor's operation as distinguished from its physical life. Use allowances provide compensation in lieu of depreciation or other equivalent costs. Consequently, these two methods may not be combined to compensate contractors for the use of any one type of property.

(2) The computation of depreciation or use allowances shall be based on acquisition costs. When the acquisition costs are unknown, reasonable estimates may be used.

(3) Depreciation shall be computed using any generally accepted method; provided that the method is consistently applied and results in equitable charges considering the use of the property. The straight-line method of depreciation is preferred unless the circumstances warrant some other method. However, the Authority will accept any method which is accepted by the Internal Revenue Service.

(4) In order to compensate the contractor for use of depreciated contractor-owned property which has been fully depreciated on the contractor's books and records and is being used in the performance of a contract, use allowances may be allowed as a cost of that contract. Use allowances are allowable; provided that they are computed in accordance with an established industry schedule or other method mutually agreed upon by the parties. If a schedule is not used, factors to consider in establishing the allowance are the original cost, remaining estimated useful life, the reasonable fair market value, and the effect of any increased maintenance or decreased efficiency.

§ 7-106.05 <u>Entertainment</u>

(1) Entertainment costs include costs of amusement, social activities, and incidental costs relating thereto, such as meals, beverages, lodging, transportation, and gratuities. Entertainment costs are unallowable.

(2) Nothing herein shall make unallowable a legitimate expense for employee morale, health, welfare, food service, or lodging costs; except that, where a net profit is generated by such services, it shall be treated as a credit as provided in7-108 (Applicable Credits). This section shall not make unallowable costs incurred for meetings or conferences, including, but not limited to, costs of food, rental facilities, and transportation where the primary purpose of incurring such cost is the dissemination of technical information or the stimulation of production.

§ 7-106.06 Fines and Penalties

Fines and penalties include all costs incurred as the result of violations of, or failure to comply with, federal, state, and local laws and regulations. Fines and penalties are unallowable costs unless incurred as a direct result of compliance with specific provisions of the contract or written instructions of the Contracting Officer.

§ 7-106.07 Gifts, Contributions, and Donations

A gift is property transferred to another person without the other person providing return consideration of equivalent value. Reasonable costs for employee morale, health, welfare, food services, or lodging are not gifts and are allowable. Contributions and donations are property transferred to a nonprofit institution which is not transferred in exchange for supplies or services of equivalent fair market value rendered by a nonprofit institution. Gifts, contributions, and donations are unallowable.

§ 7-106.08 Interest Costs

(1) Interest generally is an unallowable cost for purposes of determining the original contract price. Compensation for any interest expense incurred in connection with work originally contemplated under the contract will be deemed to be included in the fee or profit negotiated on the contract.

(2) Imputed interest on a contractor's expenditures made to pay allowable costs which are allocable to the performance of work required by change orders, suspension of work, or other acts of the Authority requiring additional work over and above that required by the original contract (hereinafter called "Additional Work") shall be an allowable cost. Imputed interest is an allowable cost in relation to such Additional Work in a negotiated settlement, if one can be agreed upon, or to the extent that it is determined administratively or judicially that the Authority is liable for such Additional Work. Such imputed interest shall be computed on expenditures from the date or dates on which the contractor made expenditures for the performance of such Additional Work until the date of payment therefore by the Authority. The rate of interest shall be the prevailing prime rate published in the Wall Street Journal at the time or times the contractor made such expenditures for Additional Work.~~charged by the three largest banks in the city of Dallas as determined by the Executive Director at the time or times the contractor made such expenditures for Additional Work.~~ Imputed interest on the costs of Additional Work shall not be allowable to the extent that it is otherwise recovered as profit, fee, or as interest on contractor claims.

§ 7-106.09 Losses Incurred Under Other Contracts

A loss is the excess of costs over income earned under a particular contract.

Losses may include both direct and indirect costs. A loss incurred under one contract may not be charged to any other contract.

§ 7-106.10 Material Costs

(1) Material costs are the costs of all supplies, including raw materials, parts, and components (whether acquired by purchase from an outside source or acquired by transfer from any division, subsidiary, or affiliate under the common control of the contractor), which are acquired in order to perform the contract. Material costs are allowable, subject to subsection (2) and (3) of this section. In determining material costs, consideration shall be given to reasonable spoilage, reasonable inventory losses, and reasonable overages.

(2) Material costs shall include adjustments for all available discounts, refunds, rebates, and allowances which the contractor reasonably should take under the circumstances, and for credits for proceeds the contractor received or reasonably should receive from salvage and material returned to suppliers.

(3) Allowance for all materials transferred from any division (including the division performing the contract), subsidiary, or affiliate under the common control of the contractor shall be made on the basis of costs incurred by the transferor (determined in accordance with this Chapter), except that the transfer may be made at the established price; provided, that the price of materials is not determined to be unreasonable by the Contracting Officer, the price is not higher than the transferor's current sales price to its most favored customer for a like quantity under similar payment and delivery conditions, and the price is established either:

(a) by the established catalogue price, as defined in § 3-101(5); or

(b) by the lowest price offer obtained as a result of competitive sealed bidding or competitive sealed proposals conducted with other businesses that normally produce the item in similar quantities.

§ 7-106.11 Taxes

(1) Except as limited in subsection (2) of this section, all allocable taxes which the contractor is required to pay and which are paid and accrued in accordance with generally accepted ac- counting principles are allowable.

(2) The following costs are unallowable:

(a) federal income taxes and federal excess profit taxes;

(b) all taxes from which the contractor could have obtained an exemption but failed to do so, except where the administrative cost of obtaining the exemption would have exceeded the tax savings realized from the exemption;

(c) any interest, fines, or penalties paid on delinquent taxes, unless incurred at the written direction of the Contracting Officer; ~~and~~

(d) income tax accruals designed to account for the tax effects of differences between taxable income and pretax income as reflected by the contractor's books of account and financial statements~~.~~; and

(e) any tax imposed under 26 U.S.C. 5000C.[1]

(3) Any refund of taxes which were allowed as a direct cost under the contract shall be credited to the contract. Any refund of taxes which were allowed as an indirect cost under a contract shall be credited to the indirect cost group applicable to any contracts being priced or costs being reimbursed during the period in which the refund is made.

(4) Direct government charges for services (such as water) or capital improvements (such as sidewalks) are not considered taxes and are allowable costs.

§ 7-107 Costs Requiring Prior Approval

The costs described in this § 7-107 are allowable as direct costs to cost-reimbursement type contracts to the extent that they have been approved in advance by the Contracting Officer. In other situations, the allowability of these costs shall be determined in accordance with general standards set out in these cost principles.

§ 7-107.01 Pre-Contract Costs

Pre-contract costs are those incurred in anticipation of, and prior to, the effective date of the contract. Such costs are allowable to the extent that they would have been allowable if incurred after the date of the contract; provided, that in the case of a cost-reimbursement type contract, a special provision is inserted in the contract setting forth the period of time and maximum amount of cost which will be covered as allowable pre-contract costs.

§ 7-107.02 Bid and Proposal Costs

Bid and proposal costs are the costs incurred in preparing, submitting, and supporting bids and proposals. Reasonable ordinary bid and proposal costs are allowable as indirect costs in accordance with these cost principles. Bid and proposal costs are allowable as direct costs only to the extent that they are specifically permitted by a provision of the contract or solicitation document. Where bid and proposal costs are allowable as direct costs, to avoid double accounting, the same

[1] FAR 32.205-41(b)(8), added 2013.

bid and proposal costs shall not be charged as indirect costs.

§ 7-107.03 <u>Insurance</u>

(1) Ordinary and necessary insurance costs normally are allowable as indirect costs. Direct insurance costs are the costs of obtaining insurance in connection with performance of the contract or contributions to a reserve account for the purpose of self-insurance. Self-insurance contributions are allowable only to the extent of the cost to the contractor to obtain similar insurance.

(2) Insurance costs may be approved as a direct cost only if the insurance is specifically required for the performance of the contract.

(3) Actual losses which reasonably should have been covered by permissible insurance or were expressly covered by self-insurance are unallowable unless the parties expressly agree otherwise in the terms of the contract.

§ 7-107.04 <u>Litigation Costs</u>

Litigation costs include all filing fees, legal fees, expert witness fees, and all other costs involved in litigating claims in court or under administrative procedures. Litigation costs incident to the contract are allowable as indirect costs in accordance with these cost principles, except that costs incurred in litigation by or against the Authority are unallowable.

§ 7-108 <u>Applicable Credits</u>

(1) Applicable credits are receipts or price reductions which offset or reduce expenditures allocable to contracts as direct or indirect costs. Examples include purchase discounts, rebates, allowances, recoveries or indemnification for losses, sale of scrap and surplus equipment and materials, adjustments for overpayments or erroneous charges, and income from employee recreational or incidental services and food sales.

(2) Credits shall be applied to reduce related direct or in- direct costs.

(3) The Authority shall be entitled to a cash refund if the related expenditures have been paid to the contractor under a cost-reimbursement type contract.

§ 7-109 <u>Advance Agreements</u>

(1) Both the Authority and the contractor should seek to avoid disputes and litigation arising from potential problems by providing in the terms of the solicitation and the contract the treatment to be accorded special or unusual costs which are expected to be incurred.

(2) Advance agreements may be negotiated either before or after contract award (depending upon when the parties realize the cost may be incurred) but shall be negotiated before a significant portion of the cost covered by the agreement has been incurred. Advance agreements shall be in writing, executed by both contracting parties, and incorporated in the contract.

(3) An advance agreement shall not provide for any treatment of costs inconsistent with these cost principles unless a determination has been made pursuant ~~to7-111~~to § 7-111 (Authority to Deviate from Cost Principles).

§ 7-110 Use of Federal Cost Principles

In dealing with contractors operating according to federal government cost principles, the Contracting Officer, after notifying the contractor, may use the federal cost principles as guidance in contract negotiations. In addition, the Contracting Officer may utilize applicable overhead and G&A rates determined by audit by any federal audit agency for the applicable period.

§ 7-111 Authority to Deviate from Cost Principles

When the best interest of the Authority would be served by a deviation, the Contracting Officer may deviate from the cost principles set forth in these regulations; provided, that a written determination shall be made by such officer specifying the reasons for the deviation. Such determination shall be effective only upon approval by the Vice President of Contracts and upon incorporation into the contract. However, all costs must be reasonable, lawful, allocable, and accounted for in accordance with generally accepted accounting principles to be reimbursed, and a deviation shall not contravene this principle.

CHAPTER 9 - SUPPLY MANAGEMENT

Section 9-100 - General Provisions

§ 9-101 Definitions of Terms

(1) "Excess Supplies" means any supplies, other than expendable~~,~~ supplies, under the control of the Authority ~~which have a remaining useful life but~~ which the Authority determines is not required for its needs or for the discharge of its responsibilities. ~~are no longer required by the Authority.~~

(2) "Expendable Supplies" means all tangible supplies other than nonexpendable supplies.

(3) "Nonexpendable Supplies" means all tangible supplies having an original acquisition cost of over $100 per unit ~~and~~ or a probable useful life of more than one year.

(4) "Supplies" means, for purposes of this section, tangible personal property ~~-~~owned by the Authority~~.~~

(5) "Surplus Supplies" means any excess supplies, other than expendable supplies, not required by ~~no longer having any use to~~ the Authority. This includes obsolete supplies, scrap materials, and nonexpendable supplies that have completed their useful life cycle.

§ 9-102 Purpose

Objectives of supply management include preventing waste, continuing utilization of supplies, and obtaining a fair return of value upon disposal of supplies. In order to achieve these objectives, sound inspection, testing, warehousing, and inventory practices are called for, and effective means of transferring and disposing of property must be employed.

§ 9-103 Inventory Management

The President & Chief Executive Officer or their designee~~Executive Director~~ shall have general supervision of all inventories of tangible personal property, whether warehoused or in use, belonging to the Authority. Any warehouses and similar storage areas shall be inventoried at least annually.

§ 9-104 Warehousing and Storage

The ~~Executive Director~~President & Chief Executive Officer or their designee shall exercise general supervision of any receiving, storage, and distribution facilities and services.

Section 9-200 - Surplus Supplies

§ 9-201 Disposition

Surplus supplies shall be offered through competitive sealed bids, public auction, or posted prices. It is recognized, however, that some types and classes of items can be sold or disposed of more readily and advantageously by other means, including barter. In such cases, and also where the nature of the supply or unusual circumstances call for its sale to be restricted or controlled, the ~~Executive Director~~President & Chief Executive Officer or their designee may employ such other means, including appraisal, provided a written determination is made that such procedure is advantageous to the Authority. The Authority shall attempt to realize the maximum benefit in selling or disposing of surplus supplies. Only United States Postal Money Orders, certified checks, wire transfers from any U.S. bank, or cashiers' checks shall be accepted for sales of surplus property (except that cash or a personal check may be accepted for petty cash sales of less than $100).

§ 9-202 Competitive Sealed Bidding

(1) When making sales by competitive sealed bidding, notice of the sale should be given at least 10 days before the date set for opening bids. Notice shall be given by mailing a Request for Sale Bids to prospective bidders, including those bidders on lists maintained for this purpose, and by making the Request for Sale Bids publicly available. Newspaper advertisement also may be used. The Request for Sale Bids shall list the supplies offered for sale, designate their location and how they may be inspected, and state the terms and conditions of sale and instructions to bidders including the place, date, and time set for bid opening. Bids shall be opened publicly.

(2) Award shall be made in accordance with the provisions of the Request for Sale Bids to the highest responsive and responsible bidder; provided, that the price offered by such bidder is acceptable to the Contracting Officer. Where such price is not acceptable, the Contracting Officer may reject the bids in whole or in part and negotiate the sale; provided, that the negotiated sale price is higher than the highest responsive and responsible bidder's price, or such officer may resolicit bids.

§ 9-203 Auctions

Supplies may be sold at auction. When appropriate, an experienced auctioneer should be used to cry the sale and assist in preparation of the sale. The solicitation to bidders should stipulate, at a minimum, all the terms and conditions of any sale; that a deposit may be required in order to participate in the bidding; that the purchaser must remove within a stated time all surplus supplies purchased; and that the Authority retains the right to reject any and all bids.

§ 9-204 ~~Posted~~ Fixed Prices

If the President & Chief Executive Officer or their designee determines that selling the property by competitive bid or auction would not maximize the resale value of the property to the Authority, the President & Chief Executive Officer or their designee may set a fixed price for the ~~S~~surplus supplies ~~may be sold at posted prices as determined by the Executive Director~~ when such prices are based on fair market value.

§ 9-205 Trade-In

Surplus supplies may be traded-in only when the Vice President of ~~Contracts~~ Procurement or their designee determines that the trade-in value is expected to exceed the value estimated to be obtained through the sale or other disposition of such supplies.

§ 9-206 Proceeds

Net proceeds from the disposition of excess or surplus supplies shall be credited to the appropriate account from which funds were originally used to acquire the supplies.

DPR Chapter 1 – GENERAL PROVISIONS
Current vs. Proposed

CURRENT	PROPOSED
§ 1-104 Application of Regulations	**§ 1-104 Application of Regulations**
(2) (b) contracts between the Authority and other public agencies under Chapter 791 (Interlocal Cooperation Act) or Chapter 741 (Intergovernmental Cooperation Act) of the Government Code, V.T.C.A., as amended; or	(2) (b) contracts between the Authority and other public agencies under Chapter 791 (Interlocal Cooperation Act) or Chapter 741 (Intergovernmental Cooperation Act) of the Government Code~~, V.T.C.A.~~, as amended; or
§ 1-105 Severability	**§ 1-105 Severability**
If any provision of these regulations, or any application thereof to any person or circumstance, is held invalid, such in- validity shall not affect any other provision or application of these regulations which can be given effect without the invalid provision or application, and to this extent the provisions of these regulations are declared to be severable.	If any provision of these regulations, or any application thereof to any person or circumstance, is held invalid, such in~~-~~validity shall not affect any other provision or application of these regulations which can be given effect without the invalid provision or application, and to this extent the provisions of these regulations are declared to be severable.
§ 1-109 Dissemination of the Regulations	**§ 1-109 Dissemination of the Regulations**
Private firms, individuals, and others may obtain copies of these regulations by purchasing them for a price established by the Executive Director at the offices of the Authority or at such other places as the Executive Director may designate. All operational procedures implementing these regulations shall be similarly available.	Private firms, individuals, and others may obtain copies of these regulations by purchasing them for a price established by the ~~Executive Director~~ President & Chief Executive Officer at the offices of the Authority or at such other places as the ~~Executive Director~~ President & Chief Executive Officer may designate. All operational procedures implementing these regulations shall be similarly available.
§ 1-201 Written Determinations	**§ 1-201 Written Determinations**
(1) Where these regulations require a written determination, the person responsible for making the determination may delegate its preparation, but the responsibility for and the execution of the determination shall not be delegated. The failure to make any written determination required by these regulations shall not affect the validity of any action taken with or relating to any other party.	(1) Where these regulations require a written determination, the person responsible for making the determination may delegate its preparation, but the responsibility for and the execution of the determination shall not be delegated and shall be signed by the appropriate official in accordance with Authority regulations. The failure to make any written determination required by these regulations shall not affect the validity of any action taken with or relating to any other party.
(4) The Executive Director is authorized to prescribe methods and operational procedures to be used in preparing written determinations.	(4) The ~~Executive Director~~ President & Chief Executive Officer is authorized to prescribe methods and operational procedures to be used in preparing written determinations.
§ 1-301 Definitions	**§ 1-301 Definitions**

(6) "Change Order" means a written order signed by the Contracting Officer directing the contractor to make changes which the Changes Clause of the contract authorizes the Contracting Officer to order without the consent of the contractor.	(6) "Change Order" means a written order signed by the Contracting Officer directing the contractor to make changes which the Changes Clause ~~of the contract~~ authorizes the Contracting Officer to order without the contractor's consent ~~of the contractor~~.
(8) "Contract" means all types of agreements, regardless of what they may be called, for the procurement or disposal of property (other than real property), services, or construction.	(8) "Contract" means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the Authority to pay for them. It includes all types of commitments that obligate the Authority to an expenditure of appropriate funds and that , except as otherwise authorized, are in writing and signed by the parties ~~agreements, regardless of what they may be called, for the procurement or disposal of property (other than real property), services, or construction~~. In addition to bilateral instruments, contracts include (but are not limited to) job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements
(9) "Contracting Officer" means any person (or a duly appointed successor) authorized to enter into and administer contracts for the Authority and make written determinations with respect thereto. The term also includes an authorized representative of the Contracting Officer acting within the limits of authority.	(9) "Contracting Officer" means a~~ny~~ person with the authority to ~~(or a duly appointed successor) authorized to~~ enter into, ~~and~~ administer, and/or terminate contracts and make related determinations and findings. ~~contracts for the Authority and make written determinations with respect thereto. The term also includes an authorized representative of the Contracting Officer acting within the limits of authority.~~The term includes certain authorized representatives (contract officer representatives) of the contracting officer acting within the limits of their authority as delegated by the contracting officer.
(10) "Contract Modification" means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract, as further described in § 8-303.	(10) "Contract Modification" means any written ~~alteration~~ change in the terms of a contract~~in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract~~, as further described in § 8-303.

(16) "Days" means calendar days. In computing any period of time prescribed by these regulations, the day of the event from which the designated period of time begins to run shall not be included, but the last day shall be included unless it is a Saturday, Sunday, or Federal or Texas holiday, in which event the period shall run to the end of the next business day.	(16) "Day~~s~~" means, unless otherwise specified, a calendar day~~s~~. In computing any period of time prescribed by these regulations, the day of the event from which the designated period of time begins to run shall not be included, but the last day shall be included unless it is a Saturday, Sunday, or Federal or Texas holiday, in which event the period shall run to the end of the next business day.
(21) "Executive Director" is the person appointed by the Board to be the chief operating officer of the Authority pursuant to Sections 452.101(1) and 452.104 of the Texas Transportation Code.	(21) "~~Executive Director~~President & Chief Executive Officer" is the person appointed by the Board to be the chief operating officer of the Authority pursuant to Sections 452.101(1) and 452.104 of the Texas Transportation Code.
(23) "Joint Venture" shall be defined as a partnership, teaming arrangement or association of two or more persons or business entities to carry on a business limited to one particular enterprise for the Authority. For purposes of § 3-114, no Joint Venture shall be comprised of more than one company that has sufficient technical capability and productive capacity for contract performance as set forth in FAR 3.303(7). No Joint Venture shall be comprised of two or more companies whose owners are related within the second degree of affinity (marriage) or within the third degree of consanguinity (blood).	(23) "Joint Venture" shall be defined as a partnership, teaming arrangement or association of two or more persons or business entities to carry on a business limited to one particular enterprise for the Authority. For purposes of § 3-114, no Joint Venture shall be comprised of more than one company that has sufficient technical capability and productive capacity for contract performance as set forth in FAR 3.303(c)(7)~~3.303(7)~~. No Joint Venture shall be comprised of two or more companies whose owners are related within the second degree of affinity (marriage) or within the third degree of consanguinity (blood).
(24) "May" denotes the permissive. However, the words "no person may" mean that no person is required, authorized, or permitted to do the act prescribed.	(24) "May" denotes the permissive. However, the words "no person may…" mean that no person is ~~required,~~ authorized, or permitted to do the act prescribed.
(25) "Offer" means proposal and "Offeror" a person submitting a proposal when a procurement is made by a source selection method other than competitive sealed bidding.	(25) "Offer" means a response to a solicitation, that if accepted, would bind the offeror to perform the resultant contract. "Offeror" means bidder. Responses to invitation for bids (sealed bidding) are offers called "bids" or "sealed bids"; responses to requests for proposals (negotiation) are offers called "proposals"; however, responses for requests for quotations are "quotations" not offers~~ and "Offeror" a person submitting a proposal when a procurement is made by a source selection method other than competitive sealed bidding.~~.
(30) "Procurement" means buying, purchasing, renting, leasing, or otherwise acquiring any property (except real property), services, or construction. It also includes all functions that pertain to the	(30) "Procurement" means acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Authority through purchase or lease, whether the

obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.	supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Procurement begins when Authority needs are established and includes the description of requirements to satisfy Authority needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling Authority needs by contract. ~~(30) buying, purchasing, renting, leasing, or otherwise acquiring any property (except real property), services, or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.~~
§ 1-401 Public Access to Procurement Information	**§ 1-401 Public Access to Procurement Information**
(1) Procurement information shall be a public record to the extent provided in Chapter 552 (Open Records Act) of the Government Code, V.T.C.A., as amended, and shall be available to the public as provided in such statute.	(1) Procurement information shall be a public record to the extent provided in Chapter 552 (Open Records Act) of the Government Code~~, V.T.C.A.~~, as amended, and shall be available to the public as provided in such statute.
(2) All solicitations shall contain a provision requiring all bids and proposals to identify any information deemed to be exempt from disclosure as trade secrets or commercial or financial information.	(2) All solicitations shall contain a provision requiring all bids and proposals to identify, specifically and by page or diagram, any information deemed to be exempt from disclosure as trade secrets or commercial or financial or proprietary information
(5) The Executive Director shall establish procedures for the selection and procurement of real property; provided, however, no acquisition of real property shall be made without the approval of the Board.	(5) The ~~Executive Director~~President & Chief Executive Officer shall establish procedures for the selection and procurement of real property; provided, however, no acquisition of real property shall be made without the approval of the Board.

DPR Chapter 2 – PROCUREMENT AUTHORITY AND OFFICIALS
Current vs. Proposed

CURRENT	PROPOSED
§ 2-101 Procurement Authority	**§ 2-101 Procurement Authority**
(2) No contract, modification, change order, or commitment shall be made on behalf of the Authority unless it is made in writing and executed by a representative of the Authority acting within the scope of his actual authority. Contracts, modifications, change orders, or commitments made on behalf of the Authority by Authority personnel acting outside the scope of their actual authority may be ratified by the Executive Director provided the Executive Director determines in writing that such action is in the Authority's best interest and all such ratification actions (together with a description of the circumstances and the justification therefor) shall be reported quarterly by the Executive Director in a written report to the Board of Directors.	(2) No contract, modification, change order, or commitment shall be made on behalf of the Authority unless it is made in writing and executed by a representative of the Authority acting within the scope of his actual authority. Contracts, modifications, change orders, or commitments made on behalf of the Authority by Authority personnel acting outside the scope of their actual authority may be ratified by the ~~Executive Director~~ President & Chief Executive Officer provided the Executive Director determines in writing that such action is in the Authority's best interest and all such ratification actions (together with a description of the circumstances and the justification therefor) shall be reported quarterly by the ~~Executive Director~~ President & Chief Executive Officer in a written report to the Board of Directors.
§ 2-102 <u>Procurement Responsibility</u>	**§ 2-102 <u>Procurement Responsibility</u>**
(1) The Executive Director shall be responsible for the procurement of property, services, and construction in accordance with these regulations as well as the management and disposal of supplies.	(1) The ~~Executive Director~~ President & Chief Executive Officer shall be responsible for the procurement of property, services, and construction in accordance with these regulations as well as the management and disposal of supplies.
(2) In accordance with these regulations and subject to § 2-101, the Executive Director shall:	(2) In accordance with these regulations and subject to § 2-101, the ~~Executive Director~~ President & Chief Executive Officer shall:
(3) The Executive Director may adopt operational procedures consistent with these regulations pertaining to the execution of procurement duties.	(3) The ~~Executive Director~~ President & Chief Executive Officer may adopt operational procedures consistent with these regulations pertaining to the execution of procurement duties.
(1) As authorized by Sections 452.104(a) and 452.108(b) of the Texas Transportation Code, and with the approval of the Board, the Executive Director may delegate authority to purchase certain property, services, or construction to persons designated, and within budgeted amounts approved, by the Board.	(1) As authorized by Sections 452.104(a) and 452.108(b) of the Texas Transportation Code, and with the approval of the Board, the ~~Executive Director~~ President & Chief Executive Officer may delegate authority to purchase certain property, services, or construction to persons designated, and within budgeted amounts approved, by the Board.
(2) The authority conferred on the Executive Director in these regulations with respect to the following matters shall not be delegated:	(2) The authority conferred on the ~~Executive Director~~ President & Chief Executive Officer in these regulations with respect to the following matters shall

	not be delegated:
(1) The Executive Director's delegations of authority shall be in writing and shall specify:	(1) The ~~Executive Director's~~ President & Executive Director's delegations of authority shall be in writing and shall specify:
(2) Any authority delegated by the Executive Director may be revoked at any time and without prior approval of the Board.	(2) Any authority delegated by the ~~Executive Director~~ President & Chief Executive Officer may be revoked at any time and without prior approval of the Board.
§ 2-203 Contracting Officers	**§ 2-203 Contracting Officers**
(1) The selection, appointment, and terminations of appointments of contracting officers shall be made only by the Executive Director. In selecting contracting officers, the Executive Director shall consider public contract experience, training, education, judgment, character, and ethics.	(1) The selection, appointment, and terminations of appointments of contracting officers shall be made only by the ~~Executive Director~~President & Chief Executive Officer in writing, which shall state any limitations on the scope of authority to be exercised, other than limitations contained in applicable law or regulation. In selecting contracting officers, the ~~Executive Director~~ President & Chief Executive Officer shall consider public contract experience, training, education, business acumen, judgment, character, reputation, and ethics.
(2) Appointment of contracting officers shall be made in a Certificate of Appointment signed by the Executive Director in the following form:	(2) Appointment of contracting officers shall be made in a Certificate of Appointment signed by the ~~Executive Director~~ President & Chief Executive Officer in the following form:
Unless sooner revoked, this appointment is effective as long as the appointee named herein is an employee of the Authority. ________ ______________________________ Date Signature of Executive Director	Unless sooner revoked, this appointment is effective as long as the appointee named herein is an employee of the Authority. ________ ______________________________ Date Signature of ~~Executive Director~~President & Chief Executive Officer
§ 2-301 Deviations from Regulations	**§ 2-301 Deviations from Regulations**
The Executive Director may approve deviations from these regulations with respect to an individual procurement; provided, however, that any such deviation (together with a description of the circumstances and the justification therefor) shall be reported quarterly by the Executive Director in a written report to the Board of Directors.	The ~~Executive Director~~President & Chief Executive Officer may approve deviations from these regulations with respect to an individual procurement; provided, however, that any such deviation (together with a description of the circumstances and the justification therefor) shall be reported quarterly by the ~~Executive Director~~President & Chief Executive Officer in a written report to the Board of Directors.
§ 2-401 Changes to Regulations	**§ 2-401 Changes to Regulations**
The Executive Director is empowered to approve one-time deviations from the regulations in accordance with the provisions of Section 2-301. No permanent change shall be made to the	The ~~Executive Director~~ President & Chief Executive Officer is empowered to approve one-time deviations from the regulations in accordance with the provisions of Section 2-301. No permanent change

Procurement Regulations without the express approval of the Board of Directors, except for minor, insignificant changes that are matters of form rather than substance, e.g., style changes, typographical, punctuation, and transposition errors. All permanent changes approved pursuant to the provisions of this section shall be incorporated into a Procurement Circular and promulgated by the Executive Director.	shall be made to the Procurement Regulations without the express approval of the Board of Directors, except for minor, insignificant changes that are matters of form rather than substance, e.g., style changes, typographical, punctuation, and transposition errors. All permanent changes approved pursuant to the provisions of this section shall be incorporated into a Procurement Circular and promulgated by the ~~Executive Director.~~President & Chief Executive Officer.
§ 2-502 Procurement Clauses	**§ 2-502 Procurement Clauses**
The Executive Director shall promulgate required clauses to be used in all federally-funded solicitations and contracts.	The ~~Executive Director~~President & Chief Executive Officer shall promulgate required clauses to be used in all federally-funded solicitations and contracts.

DPR Chapter 4 – SPECIFICATIONS
Current vs. Proposed

CURRENT	PROPOSED
§ 4-101 Definitions	**§ 4-101 Definitions**
(1) "Brand Name Specification" means a specification limited to one or more items by manufacturers' names or catalogue numbers.	(1) "Brand Name Specification" means a specification limited to one or more items by manufacturers' brand names and make or model~~or catalogue~~ numbers.
(2) "Brand Name or Equal Specification" means a specification which uses one or more manufacturer's names or catalogue numbers to describe the standard of quality, performance, and other characteristics needed to meet the Authority's requirements and which provides for the submission of equivalent products.	(2) "Brand Name or Equal Specification" means a specification which uses one or more manufacturer's brand names and make or model ~~or catalogue~~ numbers to describe the salient physical, functional, or performance ~~standard of quality, performance, and other~~ characteristics needed to meet the Authority's requirements and which provides for the submission of equivalent products.
(3) "Qualified Products List" means an approved list of property, services, or construction items described by model or catalogue numbers, which, prior to competitive solicitation, the Authority has determined will meet the applicable specification requirements.	(3) "Qualified Products List" means an approved list of property, services, or construction items described by make or model ~~or catalogue~~ numbers, which, prior to competitive solicitation, the Authority has determined will meet the applicable specification requirements.
(4) "Specification" means any statement of work or any description of the physical, functional, or performance characteristics, or of the nature of property, service, or construction. A specification includes, as appropriate, requirements for inspecting, testing, or preparing a property, service, or construction item for delivery. Unless the context requires otherwise, the terms "specification" and "purchase description" are used interchangeably throughout these procurement regulations.	(4) "Specification" means any statement of work or any description of the physical, functional, or performance characteristics, or of the nature of property, service, or construction. A specification includes, as appropriate, requirements for inspecting, testing, or preparing a property, service, or construction item for delivery. Whenever possible, Contracting Officers shall ensure that references in specifications are to widely recognized standards or specifications promulgated by governments, industries, or technical societies. Unless the context requires otherwise, the terms "specification" and "purchase description" are used interchangeably throughout these procurement regulations.
§ 4-201 Purpose and Policies	**§ 4-201 Purpose and Policies**
(1) The purpose of a specification is to serve as a basis for obtaining a property, service, or construction item adequate and suitable for the Authority's needs in a cost effective manner taking into account, to the extent practicable, the costs of ownership and operation as well as initial acquisition costs. It is a requirement of law and the policy of the Authority that specifications permit full and open	(1) The purpose of a specification is to serve as a basis for obtaining a property, service, or construction item adequate and suitable for the Authority's needs in a ~~cost effective~~cost-effective manner taking into account, to the extent practicable, the costs of ownership and operation as well as initial acquisition costs. It is a requirement of law and the policy of the Authority that specifications permit full and open

competition consistent with this purpose. Specifications shall be drafted with the objective of clearly describing the Authority's requirements.	competition consistent with this purpose. Specifications shall be drafted with the objective of clearly describing the Authority's requirements.
(3) It is the general policy of the Authority to procure standard commercial products whenever practicable. In developing specifications, accepted commercial standards shall be used and unique requirements shall be avoided, to the extent practicable.	(3) It is the general policy of the Authority to procure standard commercial products whenever practicable. In developing specifications, accepted commercial standards or specifications promulgated by governments, industries, or technical societies shall be used and unique requirements shall be avoided, to the extent practicable.
§ 4-202 Authority to Prepare Specifications	**§ 4-202 Authority to Prepare Specifications**
The Executive Director or his designee shall be responsible for preparing, approving, revising, and maintaining all specifications used by the Authority for procurement. Such procedures shall ensure that specifications are completed a sufficient time in advance of the Authority's requirements to permit selection and implementation of the appropriate procurement method under these regulations. When there will be no substantial conflict of interest and it is otherwise in the best interest of the Authority, a contract may be entered into to prepare specifications for the Authority's use in the procurement of property, services, or construction. In an emergency under § 3-206 (Emergency Procurements), any necessary specifications may be utilized without regard to provisions of this Chapter.	The ~~Executive Director~~ President & Chief Executive Officer or ~~his~~their designee shall be responsible for preparing, approving, revising, and maintaining all specifications used by the Authority for procurement. Such procedures shall ensure that specifications are completed a sufficient time in advance of the Authority's requirements to permit selection and implementation of the appropriate procurement method under these regulations. When there will be no substantial conflict of interest and it is otherwise in the best interest of the Authority, a contract may be entered into to prepare specifications for the Authority's use in the procurement of property, services, or construction. In an emergency under § 3-206 (Emergency Procurements), any necessary specifications may be utilized without regard to provisions of this Chapter.
§ 4-203 Procedures for the Development of Specifications	**§ 4-203 Procedures for the Development of Specifications**
(2)(c) Where a brand name or equal specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition.	(2)(c) Where a brand name or equal specification is used in a solicitation, the solicitation shall clearly identify and describe the particular physical, functional, or other characteristics of the brand-name items which are considered essential to satisfying the requirement, including~~contain~~ any explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition.
§ 4-204 Qualified Products List	**§ 4-204 Qualified Products List**
A qualified products list may be developed when testing or examination of the property or construction items prior to issuance of the solicitation is desirable or necessary in order to best	A qualified products list may be developed when testing or examination of manufacturer or distributor products,~~the~~ property or construction items prior to issuance of the solicitation is desirable or necessary in

satisfy the Authority's requirements. When developing a qualified products list, a representative group of potential suppliers shall be solicited in writing to submit products for testing or examination to determine acceptability for inclusion on a qualified products list. Any potential supplier, even though not solicited, may offer its products for consideration. Inclusion on a qualified products list shall be based on results of tests or examinations conducted in accordance with prior published requirements. Except as otherwise provided by law, trade secrets, test data, and similar information provided by the supplier will be kept confidential when requested in writing by the supplier. However, test results used in formulating qualified products lists shall be made public but in a manner so as to protect the confidentiality of the identity of the competitors by, for example, using numerical designations.	order to best satisfy the Authority's requirements or specifications. When developing a qualified products list, a representative group of potential suppliers shall be solicited in writing to submit products for testing or examination to determine acceptability for inclusion on a qualified products list. Any potential supplier, even though not solicited, may offer its products for consideration. Generally, qualification is performed in advance and independent of any specific acquisition action, and ~~I~~inclusion on a qualified products list shall be based on results of tests or examinations conducted in accordance with prior published requirements. Except as otherwise provided by law, trade secrets, test data, and similar information provided by the supplier will be kept confidential when requested in writing by the supplier. However, test results used in formulating qualified products lists shall be made public but in a manner so as to protect the confidentiality of the identity of the competitors by, for example, using numerical designations.
§ 4-205 Full and Open Competition	**§ 4-205 Full and Open Competition**
All specifications shall be written in such a manner as to describe the requirements to be met, without having the effect of exclusively requiring a proprietary supply, service, or construction item, or procurement from a sole source, unless no other manner of description will suffice. In that event, a written determination shall be made that it is not practicable to use a less restrictive specification.	Whenever possible, contracting officers shall ensure that references in~~All~~ specifications shall be written in such a manner as to describe widely recognized standards or specifications promulgated by governments, industries, or technical societiesthe requirements to be met, without having the effect of exclusively requiring a proprietary supply, service, or construction item, or procurement from a sole source, unless no other manner of description will suffice. In that event, a written determination shall be made that it is not practicable to use a less restrictive specification.

DPR Chapter 6 – CONTRACT CLAUSES
Current vs. Proposed

CURRENT	PROPOSED
§ 6-202.18 Governing Law	**§ 6-202.18 Governing Law and Required Clauses in Federally-Funded Third Party Contracts**
The rights, obligations, and remedies of the parties shall be governed by the laws of the State of Texas. Whenever there is no applicable state statute or decisional precedent governing the interpretation of, or disputes arising under or related to, this contract, then federal common law, including the law developed by federal boards of contract appeals, the United States Claims Court (formerly the Court of Claims), and the Comptroller General of the United States, shall govern. Venue for any action shall lie exclusively in Dallas County, Texas. This is the complete agreement between the parties. If any provision of the contract is found to be in- valid or unenforceable, the remaining provisions shall not be impaired.	In addition to other applicable provisions of federal law, regulations, requirements, and guidance, all third party federally-funded contracts made by the Authority must contain provisions covering the following, as applicable: (a) Governing Law. The rights, obligations, and remedies of the parties shall be governed by the laws of the State of Texas. Whenever there is no applicable state statute or decisional precedent governing the interpretation of, or disputes arising under or related to, this contract, then federal common law, including the law developed by federal boards of contract appeals, the United States Claims Court (formerly the Court of Claims), and the Comptroller General of the United States, shall govern. Venue for any action shall lie exclusively in Dallas County, Texas. This is the complete agreement between the parties. If any provision of the contract is found to be in- valid or unenforceable, the remaining provisions shall not be impaired. (b) Davis-Bacon Act, as amended (40 U.S.C. §§ 3141 - 3148). (c) Contact Work Hours and Safety Standards (40 U.S.C. §§ 3701 – 3708). (d) Rights to Inventions Made Under a Contract or Agreement pursuant to 37 CFR Part 401. (e) Clean Air Act (42 U.S.C. §§ 7401 – 7671q.) and the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 – 1388), as amended. (f) Debarment and Suspension (Executive Orders 12549 and 12689). (g) Restrictions on Lobbying)31 U.S.C. § 1352). (h) Solid Wastes pursuant to § 6002 at 40 CFR Part 247.

DPR Chapter 7 – COST PRINCIPLES
Current vs. Proposed

CURRENT	PROPOSED
§ 7-102 <u>Applicability of Cost Principles</u>	**§ 7-102 <u>Applicability of Cost Principles</u>**
(1)(a) the establishment of contract cost estimates and prices under contracts awarded on the basis of competitive proposals where the award may not be based on adequate price competition (§ 3-503); sole source procurement (§ 3-205); statutory professional services (§ 3-207); and architect- engineer and land surveying services (§ 5-100);	(1)(a) the establishment of contract cost estimates and prices under contracts awarded on the basis of competitive proposals where the award may not be based on adequate price competition (§~~ 3-503~~<u>3-203</u>); sole source procurement (§ 3-205); statutory professional services (§ 3-207); and architect~~-~~<u>-</u>engineer and land surveying services (§ 5-100);
§ 7-103 <u>Allowable Costs</u>	**§ 7-103 <u>Allowable Costs</u>**
(1) Any contract costs proposed for estimating purposes or invoiced for cost-reimbursement purposes are allowable to the ex- tent provided in the contract, and costs inconsistent with these cost principles are allowable only if approved as a deviation un-der7-111 (Authority to Deviate from Cost Principles.). The contract shall provide that the total allowable cost of a contract is the sum of the allowable direct costs actually incurred in the performance of the contract in accordance with its terms, plus the properly allocable portion of the allowable indirect costs, less any applicable credits (such as discounts, rebates, refunds, and property disposal income).	(1) Any contract costs proposed for estimating purposes or invoiced for cost-reimbursement purposes are allowable to the ex- tent provided in the contract, and costs inconsistent with these cost principles are allowable only if approved as a deviation ~~un-der7-111~~<u>§7-111</u> (Authority to Deviate from Cost Principles.). The contract shall provide that the total allowable cost of a contract is the sum of the allowable direct costs actually incurred in the performance of the contract in accordance with its terms, plus the properly allocable portion of the allowable indirect costs, less any applicable credits (such as discounts, rebates, refunds, and property disposal income).
§ 7-106.08 <u>Interest Costs</u>	**§ 7-106.08 <u>Interest Costs</u>**
(2) Imputed interest on a contractor's expenditures made to pay allowable costs which are allocable to the performance of work required by change orders, suspension of work, or other acts of the Authority requiring additional work over and above that required by the original contract (hereinafter called "Additional Work") shall be an allowable cost. Imputed interest is an allowable cost in relation to such Additional Work in a negotiated settlement, if one can be agreed upon, or to the extent that it is determined administratively or judicially that the Authority is liable for such Additional Work. Such imputed interest shall be computed on expenditures from the date or dates on which the contractor made expenditures for the performance of such Additional Work until the date of payment therefor by the Authority. The rate of interest shall be the	(2) Imputed interest on a contractor's expenditures made to pay allowable costs which are allocable to the performance of work required by change orders, suspension of work, or other acts of the Authority requiring additional work over and above that required by the original contract (hereinafter called "Additional Work") shall be an allowable cost. Imputed interest is an allowable cost in relation to such Additional Work in a negotiated settlement, if one can be agreed upon, or to the extent that it is determined administratively or judicially that the Authority is liable for such Additional Work. Such imputed interest shall be computed on expenditures from the date or dates on which the contractor made expenditures for the performance of such Additional Work until the date of payment therefor<u>e</u> by the Authority. The rate of interest shall be the prevailing prime rate <u>published in the Wall Street Journal at the</u>

prevailing prime rate charged by the three largest banks in the city of Dallas as determined by the Executive Director at the time or times the contractor made such expenditures for Additional Work. Imputed interest on the costs of Additional Work shall not be allowable to the extent that it is otherwise recovered as profit, fee, or as interest on contractor claims.	time or times the contractor made such expenditures for Additional Work. ~~charged by the three largest banks in the city of Dallas as determined by the Executive Director at the time or times the contractor made such expenditures for Additional Work.~~ Imputed interest on the costs of Additional Work shall not be allowable to the extent that it is otherwise recovered as profit, fee, or as interest on contractor claims.
§ 7-106.11 Taxes	**§ 7-106.11 Taxes**
(2)(c) any interest, fines, or penalties paid on delinquent taxes, unless incurred at the written direction of the Contracting Officer; and (d) income tax accruals designed to account for the tax effects of differences between taxable income and pretax income as reflected by the contractor's books of account and financial statements.	(2)(c) any interest, fines, or penalties paid on delinquent taxes, unless incurred at the written direction of the Contracting Officer; ~~and~~ (d) income tax accruals designed to account for the tax effects of differences between taxable income and pretax income as reflected by the contractor's books of account and financial statements~~.~~; and (e) any tax imposed under 26 U.S.C. 5000C.
§ 7-109 Advance Agreements	**§ 7-109 Advance Agreements**
(3) An advance agreement shall not provide for any treatment of costs inconsistent with these cost principles unless a determination has been made pursuant to7-111 (Authority to Deviate from Cost Principles).	(3) An advance agreement shall not provide for any treatment of costs inconsistent with these cost principles unless a determination has been made pursuant to~~7-111~~ § 7-111 (Authority to Deviate from Cost Principles).

DPR Chapter 9 –SUPPLY MANAGEMENT
Current vs. Proposed

CURRENT	PROPOSED
§ 9-101 Definitions of Terms	**§ 9-101 Definitions of Terms**
(1) "Excess Supplies" means any supplies, other than expendable, supplies which have a remaining useful life but which are no longer required by the Authority.	(1) "Excess Supplies" means any supplies, other than expendable~~,~~ supplies, under the control of the Authority ~~which have a remaining useful life but~~ which the Authority determines is not required for its needs or for the discharge of its responsibilities ~~are no longer required by the Authority~~.
(5) "Surplus Supplies" means any supplies, other than expendable supplies, no longer having any use to the Authority. This includes obsolete supplies, scrap materials, and nonexpendable supplies that have completed their useful life cycle.	(5) "Surplus Supplies" means any excess supplies, other than expendable supplies, not required by ~~no longer having any use to~~ the Authority. This includes obsolete supplies, scrap materials, and nonexpendable supplies that have completed their useful life cycle.
§ 9-103 Inventory Management	**§ 9-103 Inventory Management**
The Executive Director shall have general supervision of all inventories of tangible personal property, whether warehoused or in use, belonging to the Authority. Any warehouses and similar storage areas shall be inventoried at least annually.	The ~~Executive Director~~ President & Chief Executive Officer shall have general supervision of all inventories of tangible personal property, whether warehoused or in use, belonging to the Authority. Any warehouses and similar storage areas shall be inventoried at least annually.
§ 9-104 Warehousing and Storage	**§ 9-104 Warehousing and Storage**
The Executive Director shall exercise general supervision of any receiving, storage, and distribution facilities and services.	The ~~Executive Director~~ President & Chief Executive Officer or their designee shall exercise general supervision of any receiving, storage, and distribution facilities and services.
§ 9-201 Disposition	**§ 9-201 Disposition**
Surplus supplies shall be offered through competitive sealed bids, public auction, or posted prices. It is recognized, however, that some types and classes of items can be sold or disposed of more readily and advantageously by other means, including barter. In such cases, and also where the nature of the supply or unusual circumstances call for its sale to be restricted or controlled, the Executive Director may employ such other means, including appraisal, provided a written determination is made that such procedure is advantageous to the Authority. Only United States Postal Money Orders, certified checks, or cashiers' checks shall be accepted for sales of surplus property (except that cash or a personal check may be accepted for petty cash sales of less	Surplus supplies shall be offered through competitive sealed bids, public auction, or posted prices. It is recognized, however, that some types and classes of items can be sold or disposed of more readily and advantageously by other means, including barter. In such cases, and also where the nature of the supply or unusual circumstances call for its sale to be restricted or controlled, the ~~Executive Director~~ President & Chief Executive Officer or their designee may employ such other means, including appraisal, provided a written determination is made that such procedure is advantageous to the Authority. The Authority shall attempt to realize the maximum benefit in selling or disposing of surplus supplies. Only United States Postal Money Orders, certified checks, wire transfers from any

than $100).	U.S. bank, or cashiers' checks shall be accepted for sales of surplus property (except that cash or a personal check may be accepted for petty cash sales of less than $100).
§ 9-204 Posted Prices	**§ 9-204 ~~Posted~~Fixed- Prices**
Surplus supplies may be sold at posted prices as determined by the Executive Director when such prices are based on fair market value.	If the President & Chief Executive Officer or their designee determines that selling the property by competitive bid or auction would not maximize the resale value of the property to the Authority, the President & Chief Executive Officer or their designee may set a fixed price for the ~~S~~surplus supplies ~~may be sold at posted prices as determined by the Executive Director~~ when such prices are based on fair market value.
§ 9-205 Trade-In	**§ 9-205 Trade-In**
Surplus supplies may be traded-in only when the Vice President of Contracts determines that the trade-in value is expected to exceed the value estimated to be obtained through the sale or other disposition of such supplies.	Surplus supplies may be traded-in only when the Vice President of ~~Contracts~~ Procurement or their designee determines that the trade-in value is expected to exceed the value estimated to be obtained through the sale or other disposition of such supplies.

DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Approval of Modifications to the DART Procurement Regulations – Chapters 1, 2, 4, 6, 7 and 9

WHEREAS, Section 452.106 of the Texas Transportation Code authorizes the Board of Directors to adopt procurement procedures, guidelines or rules; and

WHEREAS, the Board of Directors adopted the DART Procurement Regulations (DPR) on March 27, 1990 (Resolution No. 900044) and approved modifications of the DPR on October 25, 2011 (Resolution No. 110129), August 27, 2024 (Resolution No. 240097), October 22, 2024 (Resolution No. 240133), January 28, 2025 (Resolution No. 250011), and March 25, 2025 (Resolution No. 250024); and

WHEREAS, the DPR has eleven chapters and establishes policies, procedures, rules, and guidelines relating to the procurement process. The DPR contains standard contract provisions that have been vetted, ensuring full and open competition while providing public confidence in the integrity, fairness, and accountability of DART's procurement process; and

WHEREAS, there is a need to make modifications to Chapters 1, 2, 4, 6, 7 and 9 of the DPR; and

WHEREAS, these modifications have no financial impact on DART.

NOW, THEREFORE, BE IT RESOLVED, by the Dallas Area Rapid Transit Board of Directors that:

Section 1:	The modifications to Chapters 1, 2, 4, 6, 7 and 9 of the DART Procurement Regulations (DPR) specified in Exhibit 1 to this resolution are hereby adopted.
Section 2:	The President & Chief Executive Officer or her designee is authorized to incorporate the updates to Chapters 1, 2, 4, 6, 7 and 9 into the DPR and disseminate the updates to Chapters 1, 2, 4, 6, 7 and 9 of the DPR as required under Chapter 1-109 of the DPR.

Approval of Modifications to the DART Procurement Regulations – Chapters 1, 2, 4, 6, 7 and 9

/s/ Gene Gamez

Approved as to form: Gene Gamez
General Counsel

/s/ Nadine S. Lee

Approved by: Nadine S. Lee
President & Chief Executive Officer

DALLAS AREA RAPID TRANSIT AUTHORITY

PROCUREMENT REGULATIONS

CHAPTER 1 - GENERAL PROVISIONS

§ 1-101 Authority and Purpose

(1) The Dallas Area Rapid Transit Authority (the "Authority") is a regional transportation authority under Chapter 452 of the Texas Transportation Code. These regulations are issued under the general authority of Chapter 452 of the Texas Transportation Code and, more specifically, Section 452.055 thereof empowering the Authority to enter into contracts, Sections 452.101 and 452.104 providing for the Board of Directors to prescribe policies for the duties of employees, Section 452.105 authorizing the Board of Directors to adopt rules and regulations, and Section 452.106 authorizing the Board of Directors to adopt and enforce procedures and rules covering all aspects of the procurement process.

(2) These regulations also constitute delegations of authority to employees of the Authority to assist the Board of Directors in discharging its management responsibility under Chapter 452 of the Texas Transportation Code.

(3) These regulations establish policies, procedures, rules, and guidelines relating to the procurement, management, control, and disposal of property, services, and construction in order to define the terms in and implement the provisions of Chapter 452 of the Texas Transportation Code, and to:

(a) Provide for public confidence in the integrity, fairness, and accountability of the Authority's procurement system.

(b) Ensure the fair and equitable treatment of all persons who deal with the procurement system of the Authority.

(c) Promote contracting opportunities for all Disadvantaged Business Enterprises (DBEs) Minority-Owned Business Enterprises (MBEs), and Women-Owned Business Enterprises (WBEs), both as prime contractors and subcontractors.

(d) Foster full and open competition.

(e) Meet the customer's needs in terms of cost, quality and timeliness of the delivered product or service.

(f) Promote positive relationships through courtesy and impartiality in all phases of the procurement process.

(g) Handle confidential information or proprietary information with proper consideration of the ethical and legal ramifications of disclosure.

(h) Maintain the integrity of the Authority's procurement system.

(i) Provide for the timely, impartial resolution of all procurement issues.

(j) Provide increased efficiency and effectiveness in the Authority's procurement activities, thereby exercising good stewardship of public funds and maximizing, to the fullest extent possible, the purchasing value of those public funds.

(4) Pursuant to Section 452.106(b) of the Texas Transportation Code, the procedures, guidelines, and rules in these regulations are for the benefit of the Authority and do not confer any rights on actual or potential bidders, offerors, contractors, or any other person, except as provided in Chapter 10 of these regulations.

(5) These regulations cover the procurement of real property only to the extent provided in § 1-501 (Acquisition of Real Property).

§1-102 General Principles of Law and Interpretation

(1) Unless modified by the particular provisions of these regulations, the principles of law and equity, including the Texas Business and Commerce Code, the law merchant, and applicable law relative to capacity to contract, agency, fraud, misrepresentation, duress, coercion, mistake, or bankruptcy shall supplement the provisions of these regulations.

(2) Unless the context of these regulations requires otherwise:

(a) words in the singular number include the plural, and those in the plural include the singular; and

(b) words of a particular gender include any gender and the neuter, and, when the sense so indicates, words of the neuter gender may refer to both genders.

(3) The titles of chapters, sections, and subsections, or other titles contained in these regulations are for convenience and reference only and in no way define, describe, extend, or limit the scope or intent of the substantive provision to which the title applies unless the context so requires.

(4) Unless otherwise stated, a listing of factors, criteria, or subjects in these regulations does not constitute an order of preference.

§ 1-103 Requirement of Good Faith

These regulations require all parties involved in the negotiation, performance, or administration of contracts with the Authority to act in good faith.

§ 1-104 Application of Regulations

(1) These regulations apply only to contracts solicited or entered into after the effective date of these regulations unless the parties agree to their application to a contract solicited or entered into prior to the effective date.

(2) These regulations shall apply to every expenditure of public funds irrespective of their source, including federal assistance monies, by the Authority under any contract, except that these regulations shall not apply to:

(a) grants;

(b) contracts between the Authority and other public agencies under Chapter 791 (Interlocal Cooperation Contracts) of the Government Code, as amended; or

(c) any transaction for, or related to, the borrowing of money as described in Section 452.107(c) of the Texas Transportation Code.

These regulations also shall apply to the disposal of the Authority's supplies. Nothing in these regulations shall prevent the Authority from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement.

§ 1-105 Severability

If any provision of these regulations, or any application thereof to any person or circumstance, is held invalid, such invalidity shall not affect any other provision or application of these regulations which can be given effect without the invalid provision or application, and to this extent the provisions of these regulations are declared to be severable.

§ 1-106 Specific Repealer

All prior policies and resolutions of the Authority which are inconsistent with these regulations are superseded by these regulations.

§ 1-107 Construction Against Implicit Repealer

Since these regulations are general policies of the Authority, no part of these regulations shall be deemed to be impliedly repealed or modified by subsequent action of the Authority if such construction reasonably can be avoided.

§ 1-108 Effective Date

These regulations shall become effective at 12:01 A.M. on June 4, 1986.

§ 1-109 Dissemination of the Regulations

Private firms, individuals, and others may obtain copies of these regulations by purchasing them for a price established by the President & Chief Executive Officer at the offices of the Authority or at such other places as the President & Chief Executive Officer may designate. All operational procedures implementing these regulations shall be similarly available.

§ 1-201 Written Determinations

(1) Where these regulations require a written determination, the person responsible for making the determination may delegate its preparation, but the responsibility for and the execution of the determination shall not be delegated and shall be signed by the appropriate official in accordance with Authority regulations. The failure to make any written determination required by these regulations shall not affect the validity of any action taken with or relating to any other party.

(2) Written determinations shall set out sufficient facts, circumstances, and reasoning as will substantiate the specific determinations made.

(3) While a designated person is responsible for the execution of a written determination, other Authority personnel (particularly technical personnel) are responsible for furnishing to the cognizant procurement official, in an accurate and adequate fashion, the information pertinent to the determination. When requested, such information shall be furnished in writing to the cognizant procurement official, who shall have the authority to decide the final form and content of the determination and to resolve any questions or conflicts arising with respect thereto.

(4) The President & Chief Executive Officer is authorized to prescribe methods and operational procedures to be used in preparing written determinations.

(5) Written determinations shall be filed in the appropriate solicitation or contract file, shall be retained as part of such file for so long as the file is required to be maintained, and (except as otherwise provided by law or regulation) shall be open to public inspection.

§ 1-301 <u>Definitions</u>

The words defined in this section shall have the meanings set forth below whenever they appear in these regulations unless the context in which they are used clearly requires a different meaning or a different definition is prescribed for a particular section or provision.

(1) "Actual Costs" is defined in § 7-101(1).

(2) "Board" means the Board of Directors (Executive Committee) of the Dallas Area Rapid Transit Authority.

(3) "Brand Name or Equal Specification" is defined in § 4-101(2).

(4) "Brand Name Specification" is defined in § 4-101(1).

(5) "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

(6) "Change Order" means a written order, signed by the Contracting Officer, directing the contractor to make a change which the Changes Clause authorizes the Contracting Officer to order without the contractor's consent.

(7) "Construction" is defined in § 6-401.

(8) "Contract" means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the Authority to pay for them. It includes all types of commitments that obligate the Authority to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing and signed by the parties. In addition to bilateral instruments, contracts include (but are not limited to) job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements.

(9) "Contracting Officer" means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives (contract officer representatives) of the contracting officer acting within the limits of their authority as delegated by the contracting officer.

(10) "Contract Modification" means any written change in the terms of a contract, as further described in § 8-303.

(11) "Contractor" means any person having a contract with the Authority.

(12) "Cost Analysis" is defined in § 3-101(1).

(13) "Cost Data" is defined in § 3-101(2).

(14) "Cost Objective" is defined in § 7-101(2).

(15) "Data" means recorded information, regardless of form or characteristic.

(16) "Day" means, unless otherwise specified, a calendar day. In computing any period of time prescribed by these regulations, the day of the event from which the designated period of time begins to run shall not be included, but the last day shall be included unless it is a Saturday, Sunday, or Federal or Texas holiday, in which event the period shall run to the end of the next business day.

(17) "Designee" means a duly authorized representative of a person having specific authority or holding a superior position.

(18) "Discussions" is defined in § 3-101(4).

(19) "Employee" means an individual drawing a salary or wages directly from the Authority.

(20) "Equitable Adjustment" is an adjustment to contract provisions pursuant to a contract clause specifically providing for an "equitable adjustment" and as defined in applicable court and administrative decisions construing the same clause or similar clauses. See also § 8-305.

(21) "President & Chief Executive Officer" is the person appointed by the Board to be the chief operating officer of the Authority pursuant to Sections 452.101(1) and 452.104 of the Texas Transportation Code.

(22) "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

(23) “Joint Venture” shall be defined as a partnership, teaming arrangement or association of two or more persons or business entities to carry on a business limited to one particular enterprise for the Authority. For purposes of § 3-114, no Joint Venture shall be comprised of more than one company that has sufficient technical capability and productive capacity for contract performance as set forth in FAR 3.303(c)(7). No Joint Venture shall be comprised of two or more companies whose owners are related within the second degree of affinity (marriage) or within the third degree of consanguinity (blood).

(24) "May" denotes the permissive. However, the words "no person may…" mean that no person is authorized, or permitted to do the act prescribed.

(25) "Offer" means a response to a solicitation, that if accepted, would bind the offeror to perform the resultant contract. “Offeror” means bidder. Responses to invitation for bids (sealed bidding) are offers called “bids” or “sealed bids”; responses to requests for proposals (negotiation) are offers called “proposals”; however, responses for requests for quotations are “quotations” not

offers.

(26) "Person" means any business, individual, union, committee, club, other organization, or group of individuals.

(27) "Price Analysis" is defined in § 3-101(7).

(28) "Price Data" is defined in § 3-101(8).

(29) "Prime Contractor" is defined in § 5-101(2).

(30) "Procurement" means acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Authority through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Procurement begins when Authority needs are established and includes the description of requirements to satisfy Authority needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling Authority needs by contract.

(31) "Property" means tangible or intangible property of any type, except real property, including supplies, material, machinery, equipment, and intellectual property.

(32) "Protest" means a written statement concerning any unresolved disagreement or controversy arising out of the solicitation or award of a contract filed in accordance with § 10-201.

(33) "Protester" is defined in § 10-202(3).

(34) "Purchase Request" or "Purchase Requisition" means that document whereby a person requests that a contract be entered into for a specific need, and may include, but is not limited to, the description of the requested item, delivery schedule, transportation data, criteria for evaluation, suggested sources of supply, and information supplied for the making of any written determination required by these regulations.

(35) "Qualified Products List" is defined in § 4-101(3).

(36) “Small Business” shall have the meaning set forth by the Small Business Administration Standards found in 13 C.F.R. §21 and in 49 C.F.R. §26.65.

(37) "Solicitation" is defined in § 3-101(13).

(38) "Specification" is defined in § 4-101(4).

(39) "Standard Commercial Products" are items and/or services regularly used, for other than Federal Government purposes, in the course of normal business

operations.

a. "Items," including computer software, are those that:

i. have been sold or traded to the general public;

ii. have been offered for sale to the general public at established prices but not yet sold;

iii. although intended for sale or trade to the general public, have not yet been offered for sale but will be available for commercial delivery in a reasonable period of time; or

iv. are described in paragraphs (i), or (ii), or (iii) and would require only minor modification in order to meet the requirements of the Authority.

b. "Services" include:

i. installation, maintenance, repair, training, and other services if such services are procured for support of an item referred to in paragraphs (a)(i), (ii), (iii), or (iv) above, and the source of such services offers them to the general public under similar terms and conditions; or

ii. services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices.

(40) "Supplies" is defined, for the purposes of Chapter 9, in § 9-101(4). As used elsewhere in these regulations, "supplies" means all tangible property owned by the Authority, except land or interest in land, and includes (but is not limited to) public works, buildings, and facilities, accessories, equipment, machine tools, and the alteration or installation of any of the foregoing.

(41) "Technical Proposal" means a solicited or unsolicited submission of information from a prospective contractor which states how that party intends to perform certain work; its technical and business qualifications; and its proposed delivery, warranty, and other terms and conditions as those might differ from or supplement the Authority's solicitation requirements. It shall include such pricing information as may be required.

§ 1-401 <u>Public Access to Procurement Information</u>

(1) Procurement information shall be a public record to the extent provided in Chapter 552 (Public Information Act) of the Government Code, as amended, and shall be available to the public as provided in such statute.

(2) All solicitations shall contain a provision requiring all bids and proposals to identify, specifically and by page or diagram, any information deemed to be exempt from disclosure as trade secrets or commercial or financial or proprietary information.

§ 1-501 <u>Acquisition of Real Property</u>

(1) This section sets forth the policy of the Authority in connection with the procurement of real property. For the purpose of these regulations, "real property" includes ownership in fee, leases of real property, easements, rights-of-way, and all other ownership interests in real property.

(2) It is the policy of the Authority to make every reasonable effort to acquire real property by agreement with the owners. Where agreement is not possible, the acquisition of such property may be considered under the power of eminent domain described in Sections 452.058 and 452.059 of the Texas Transportation Code.

(3) Whenever practical, the Authority shall establish an amount estimated to be fair compensation for real property prior to initiation of negotiations with the owner. If only part of the property is to be acquired or the interest to be acquired is less than the full interest of the owner, the estimated amount will include a statement explaining the basis for the determination of fair value. Any increase or decrease in the fair market value of the real property, prior to the date of valuation, caused by the public improvement or project for which the real property is to be acquired, or by the likelihood that the real property would be acquired for such improvement or project, should be disregarded in making the estimate.

(4) In establishing the amount estimated to be fair compensation, an appraisal of each parcel or tract may be obtained. If an appraisal is obtained, the owner or his designated representative shall be given the opportunity to accompany the appraiser during his inspection of the property. Only one appraisal should be obtained unless it is determined that special circumstances require an additional appraisal or appraisals.

(5) The President & Chief Executive Officer shall establish procedures for the selection and procurement of real property; provided, however, no acquisition of real property shall be made without the approval of the Board.

CHAPTER 2 – PROCUREMENT AUTHORITY AND OFFICIALS

Section 2-100 - Authority and Responsibility

§ 2-101 Procurement Authority

(1) The authorization to enter into contracts on behalf of the Authority will be conferred only by resolution of the Board of Directors providing general authorizations to enter into contracts or authority for specific contracts or types of contracts. Any provision in these procurement regulations describing the methods and procedure for procurement and designating Authority representatives for procurement actions shall be subject to authorization from the Board to award a contract.

(2) No contract, modification, change order, or commitment shall be made on behalf of the Authority unless it is made in writing and executed by a representative of the Authority acting within the scope of his actual authority. Contracts, modifications, change orders, or commitments made on behalf of the Authority by Authority personnel acting outside the scope of their actual authority may be ratified by the President & Chief Executive Officer, provided the President & Chief Executive Officer determines in writing that such action is in the Authority's best interest and all such ratification actions (together with a description of the circumstances and the justification therefor) shall be reported quarterly by the President & Chief Executive Officer in a written report to the Board of Directors.

(3) No person shall be authorized or permitted to commence work for or on behalf of the Authority in contemplation of a contract prior to the execution of a written contract.

(4) Except for multi-year contracts authorized by Section 452.108 of the Texas Transportation Code, no contract, modification, change order, or contract price adjustment shall be made unless sufficient funds are authorized and available for expenditure for such purpose in the Authority's current budget; provided, however, that with respect to the validity, as to the contractor, of any contract, modification, change order, or adjustment in contract price which the contractor has reasonably relied upon, there shall be a rebuttable presumption that there has been compliance with this provision.

(5) No contract for the services of legal counsel may be entered into without the approval of the Board of Directors.

§ 2-102 <u>Procurement Responsibility</u>

(1) The President & Chief Executive Officer shall be responsible for the procurement of property, services, and construction in accordance with these regulations as well as the management and disposal of supplies.

(2) In accordance with these regulations and subject to **§** 2-101, the President & Chief Executive Officer shall:

(a) procure or supervise the procurement of all property, services, and construction needed by the Authority;

(b) supervise and control all assets, equipment, and inventories of supplies belonging to the Authority;

(c) sell, trade, or otherwise dispose of surplus assets, equipment, or supplies belonging to the Authority; and

(d) establish and maintain programs for specification development, contract administration, and inspection and acceptance of supplies, services, and construction.

(3) The President & Chief Executive Officer may adopt operational procedures consistent with these regulations pertaining to the execution of procurement duties.

Section 2-200 - Delegations of Authority

§ 2-201 <u>Authority to Delegate</u>

(1) As authorized by Sections 452.104(a) and 452.108(b) of the Texas Transportation Code, and with the approval of the Board, the President & Chief Executive Officer may delegate authority to purchase certain property, services, or construction to persons designated, and within budgeted amounts approved by the Board.

(2) The authority conferred on the President & Chief Executive Officer in these regulations with respect to the following matters shall not be delegated:

(a) appointment of contracting officers under § 2-203;
(b) deviations from these regulations under § 2-301;
(c) reduction of bond amounts under § 5-302(3);
(d) stay of procurements during protests under § 10-204; and
(e) authority to debar or suspend under § 10-302(1).

§ 2-202 <u>Delegations and Revocations of Authority</u>

(1) The President & Chief Executive Officer's delegations of authority shall be in writing and shall specify:

(a) the activity or function authorized;

(b) any limits or restrictions on the exercise of the delegated authority; and

(c) the duration of the delegation.

(2) Any authority delegated by the President & Chief Executive Officer may be revoked at any time and without prior approval of the Board.

§ 2-203 <u>Contracting Officers</u>

(1) The selection, appointment, and terminations of appointments of contracting officers shall be made only by the President & Chief Executive Officer in writing, which shall state any limitations on the scope of authority to be exercised, other than limitations contained in applicable law or regulation. In selecting contracting officers, the President & Chief Executive Officer shall consider public contract experience, training, education, business acumen, judgment, character, reputation, and ethics.

(2) Appointment of contracting officers shall be made in a Certificate of Appointment signed by the President & Chief Executive Officer in the following form:

CERTIFICATE OF APPOINTMENT

Pursuant to the authority vested in the undersigned by the Dallas Area Rapid Transit Authority Procurement Regulations,

____

is hereby appointed Contracting Officer for the Dallas Area Rapid Transit Authority subject to the limitations in the Authority's Procurement Regulations and to the following:

____
____
____

Unless sooner revoked, this appointment is effective as long as the appointee named herein is an employee of the Authority.

_____________ ____

Date Signature of President & Chief Executive Officer

Section 2-300 - Deviations from Regulations

§ 2-301 Deviations from Regulations

The President & Chief Executive Officer may approve deviations from these regulations with respect to an individual procurement; provided, however, that any such deviation (together with a description of the circumstances and the justification therefor) shall be reported quarterly by the President & Chief Executive Officer in a written report to the Board of Directors.

Section 2-400 - Changes to Regulations

§ 2-401 Changes to Regulations

The President & Chief Executive Officer is empowered to approve one-time deviations from the regulations in accordance with the provisions of Section 2-301. No permanent change shall be made to the Procurement Regulations without the express approval of the Board of Directors, except for minor, insignificant changes that are matters of form rather than substance, e.g., style changes, typographical, punctuation, and transposition errors. All permanent changes approved pursuant to the provisions of this section shall be incorporated into a Procurement Circular and promulgated by the President & Chief Executive Officer.

Section 2-500 Procurements Using Federal Funds

§ 2-501 Procedures

Procurements involving the use of federal assistance grant funds will be conducted in accordance with the terms of these Procurement Regulations and requirements of the grantor agency. In the instance of Federal Transit Administration (FTA) grants, the requirements contained in the grant itself, the FTA Circular 4220.1 in effect on the applicable date, and any other requirements of the Federal Government will be followed. In the event of any inconsistency with these Procurement Regulations, the provisions of any required federal rules, regulations or grant terms shall be controlling.

§ 2-502 Procurement Clauses

The President & Chief Executive Officer shall promulgate required clauses to be used in all federally-funded solicitations and contracts.

<u>CHAPTER 4 - SPECIFICATIONS</u>

<u>Section 4-100 - General</u>

§ 4-101 <u>Definitions</u>

(1) "Brand Name Specification" means a specification limited to one or more items by manufacturers' brand names and make or model numbers.

(2) "Brand Name or Equal Specification" means a specification which uses one or more manufacturer's brand names and make or model numbers to describe the salient physical, functional, or performance characteristics needed to meet the Authority's requirements and which provides for the submission of equivalent products.

(3) "Qualified Products List" means an approved list of property, services, or construction items described by make or model numbers, which, prior to competitive solicitation, the Authority has determined will meet the applicable specification requirements.

(4) "Specification" means any statement of work or any description of the physical, functional, or performance characteristics, or of the nature of property, service, or construction. A specification includes, as appropriate, requirements for inspecting, testing, or preparing a property, service, or construction item for delivery. Whenever possible, Contracting Officers shall ensure that references in specifications are to widely recognized standards or specifications promulgated by governments, industries, or technical societies. Unless the context requires otherwise, the terms "specification" and "purchase description" are used interchangeably throughout these procurement regulations.

<u>Section 4-200 - Policies and Requirements</u>

§ 4-201 <u>Purpose and Policies</u>

(1) The purpose of a specification is to serve as a basis for obtaining a property, service, or construction item adequate and suitable for the Authority's needs in a cost-effective manner taking into account, to the extent practicable, the costs of ownership and operation as well as initial acquisition costs. It is a requirement of law and the policy of the Authority that specifications permit full and open competition consistent with this purpose. Specifications shall be drafted with the objective of clearly describing the Authority's requirements.

(2) Specifications shall, to the extent practicable, emphasize functional or performance criteria while limiting design or other detailed physical descriptions to those necessary to meet the needs of the Authority. It is recognized, however, that the preference for use of functional or performance specifications is primarily applicable to the procurement of property and services. Such preference often is not practicable in construction apart from the procurement of supply-type items for a

construction project.

(3) It is the general policy of the Authority to procure standard commercial products whenever practicable. In developing specifications, accepted commercial standards or specifications promulgated by governments, industries, or technical societies shall be used and unique requirements shall be avoided, to the extent practicable.

§ 4-202 Authority to Prepare Specifications

The President & Chief Executive Officer or their designee shall be responsible for preparing, approving, revising, and maintaining all specifications used by the Authority for procurement. Such procedures shall ensure that specifications are completed a sufficient time in advance of the Authority's requirements to permit selection and implementation of the appropriate procurement method under these regulations. When there will be no substantial conflict of interest and it is otherwise in the best interest of the Authority, a contract may be entered into to prepare specifications for the Authority's use in the procurement of property, services, or construction. In an emergency under § 3-206 (Emergency Procurements), any necessary specifications may be utilized without regard to provisions of this Chapter.

§ 4-203 Procedures for the Development of Specifications

(1) This section applies to all persons who may prepare a specification for the Authority's use. A specification may provide alternate descriptions of property, services, or construction items where two or more design, functional, or performance criteria will satisfactorily meet the Authority's requirements. Specifications should not include any solicitation or contract term or condition such as a requirement for time or place of bid opening, time of delivery, payment, liquidated damages, or qualification of bidders.

(2) This subsection covers brand name or equal specifications and shall apply whenever brand names are used in specifications, except as provided in § 4-203(3), below.

(a) Brand name or equal specifications may be prepared to be used when the Contracting Officer determines in writing that:

(i) no specification for a common or general use item or qualified products list is available;

(ii) time does not permit the preparation of another form of specification, not including a brand name specification;

(iii) the nature of the product or the nature of the Authority's requirements makes use of a brand name or equal specification suitable for the procurement; or

(iv) use of a brand name or equal specification is in the Authority's best interest.

(b) Brand name or equal specifications shall seek to designate three or as many different brands as are practicable as "or equal" references and shall further state that substantially equivalent products to those designated will be considered for award. Brand name or equal specifications shall include a description of the particular design, functional, or performance characteristics which are required to meet the needs of the Authority.

(c) Where a brand name or equal specification is used in a solicitation, the solicitation shall clearly identify and describe the particular physical, functional, or other characteristics of the brand-name items which are considered essential to satisfying the requirement, including any explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition.

(3) A brand name specification is restrictive and may be used only when the Contracting Officer makes a written determination that only the identified brand name item or items will satisfy the Authority's needs. The Contracting Officer shall seek to identify sources from which the designated brand name item or items can be obtained and shall solicit such sources to achieve whatever degree of competition is practicable.

§ 4-204 <u>Qualified Products List</u>

A qualified products list may be developed when testing or examination of manufacturer or distributor products, property or construction items, prior to issuance of the solicitation is desirable or necessary in order to best satisfy the Authority's requirements or specifications. When developing a qualified products list, a representative group of potential suppliers shall be solicited in writing to submit products for testing or examination to determine acceptability for inclusion on a qualified products list. Any potential supplier, even though not solicited, may offer its products for consideration. Generally, qualification is performed in advance and independent of any specific acquisition action, and inclusion on a qualified products list shall be based on results of tests or examinations conducted in accordance with prior published requirements. Except as otherwise provided by law, trade secrets, test data, and similar information provided by the supplier will be kept confidential when requested in writing by the supplier. However, test results used in formulating qualified products lists shall be made public but in a manner so as to protect the confidentiality of the identity of the competitors by, for example, using numerical designations.

§ 4-205 <u>Full and Open Competition</u>

Whenever possible, contracting officers shall ensure that references in specifications shall be written in such a manner as to describe widely recognized standards or specifications promulgated by governments, industries, or technical societies, without having the effect of exclusively requiring a proprietary supply, service, or construction item, or procurement from a sole source, unless no other manner of description will suffice. In that event, a written determination shall be made that it is not practicable to use a less restrictive specification.

§ 4-206 <u>Specifications Prepared by Others</u>

The requirements of this Chapter shall apply to all specifications prepared by other than Authority personnel, including, but not limited to, those prepared by consultants, architects, engineers, designers, and other draftsmen of specifications for public contracts. Contracts for the preparation of specifications by other than Authority personnel shall require the specification writer to adhere to such requirements.

CHAPTER 6 - CONTRACT CLAUSES

Section 6-100 Scope of Coverage

This chapter sets forth standard contract clauses to be used in contracts entered into by the Authority. Any clause designated as "required" for the particular type of contract must be used unless a deviation from these regulations is authorized pursuant to § 2-301. The clauses in this chapter shall not be modified unless such modification is authorized by these regulations or a deviation under § 2-301 authorizes such modification.

Section 6-200 - Fixed Price Supply Contracts

§ 6-201 Applicability

The provisions of this section apply to all fixed price supply contracts. As used in this section, the phrase "fixed price supply contract" shall mean any contract:

(1) entered into either by competitive sealed bidding or by competitive sealed proposals other than small purchases;

(2) at a fixed price (with or without provision for price redetermination, economic price adjustment, or other form of price revision);

(3) for property other than (a) the construction, alteration, or repair of buildings, roads, or other kinds of real property, or (b) experimental, developmental, or research work.

The Contracting Officer may adapt and abbreviate the clauses in this § 6-200 for use in small purchase and purchase order forms.

§ 6-202 Required Clauses for Fixed Price Supply Contracts

The following clauses shall be included in all fixed price supply contracts.

§ 6-202.01 Definitions

As used throughout this contract, the following terms shall have the meaning set forth below:

(a) The term "the Authority" means the Dallas Area Rapid Transit Authority; and the term "duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized in writing to act for the Authority.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the Authority or their duly appointed successor; and the term includes, except as otherwise provided in this contract, the authorized representative of the Contracting Officer acting within the limits of their authority.

or otherwise) to any employee, official, or member of the Board (Executive Committee) of the Authority with a view toward securing favorable treatment in the awarding, amending, or evaluating the performance of this contract. For breach of any representation or warranty in this clause, the Authority shall have the right to annul this contract without liability and/or have recourse to any other remedy it may have at law.

§ 6-202.17 Order of Precedence

Include the clause at § 3-802.10.

§ 6-202.18 Governing Law and Required Clauses in Federally-Funded Third Party Contracts

In addition to other applicable provisions of federal law, regulations, requirements, and guidance, all third party federally-funded contracts made by the Authority must contain provisions covering the following, as applicable:

(a) Governing Law. The rights, obligations, and remedies of the parties shall be governed by the laws of the State of Texas. Whenever there is no applicable state statute or decisional precedent governing the interpretation of, or disputes arising under or related to, this contract, then federal common law, including the law developed by federal boards of contract appeals, the United States Claims Court (formerly the Court of Claims), and the Comptroller General of the United States, shall govern. Venue for any action shall lie exclusively in Dallas County, Texas. This is the complete agreement between the parties. If any provision of the contract is found to be invalid or unenforceable, the remaining provisions shall not be impaired.
(b) Davis-Bacon Act, as amended (40 U.S.C. §§ 3141 - 3148).
(c) Contact Work Hours and Safety Standards (40 U.S.C. §§ 3701 – 3708).
(d) Rights to Inventions Made Under a Contract or Agreement pursuant to 37 CFR Part 401.
(e) Clean Air Act (42 U.S.C. §§ 7401 – 7671q.) and the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 – 1388), as amended.
(f) Debarment and Suspension (Executive Orders 12549 and 12689).
(g). Restrictions on Lobbying)31 U.S.C. § 1352).
(h) Solid Wastes pursuant to § 6002 at 40 CFR Part 247.

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§ 6-203 Clauses to be Used When Applicable

The clauses in this § 6-203 may be used when applicable to the circumstances of the particular procurement. In addition, clauses contained in sections of these regulations for other types of contracts may be used if the circumstances warrant.

§ 6-203.01 Pricing of Adjustments

When costs are a factor in any determination of a contract price adjustment pursuant to the Changes Clause or any other provision of this contract, such costs shall be in accordance with Chapter 7 (Cost Principles) of the Authority's Procurement Regulations in effect on the date of this contract.

CHAPTER 7 - COST PRINCIPLES

§ 7-101 Definitions

(1) "Actual Costs" are all direct and indirect costs which have been incurred for services rendered, property delivered, or construction built, as distinguished from allowable costs only.

(2) "Cost Objective" is any unit of work such as a function, an organizational subdivision, or a contract for which provision is made to accumulate and measure separately the cost of processes, products, jobs, capitalized projects, and similar items. A final cost objective is one that has allocated to it both direct and indirect costs and, in the contractor's accumulation system, is one of the final accumulation points.

§ 7-102 Applicability of Cost Principles

(1) The cost principles and procedures contained in this Chapter shall be used to determine the allowability of incurred costs for the purpose of reimbursing costs under contract provisions which provide for the reimbursement of costs; provided, that any deviation from these cost principles may be made as provided in § 7-111 (Authority to Deviate from Cost Principles).The cost principles and procedures set forth in this Chapter may be used as guidance in:

(a) the establishment of contract cost estimates and prices under contracts awarded on the basis of competitive proposals where the award may not be based on adequate price competition (§ 3-203); sole source procurement (§ 3-205); statutory professional services (§ 3-207); and architect-engineer and land surveying services (§ 5-100);

(b) the establishment of price adjustments for contract changes, including contracts that have been let on the basis of competitive sealed bidding or otherwise based on adequate price competition;

(c) the pricing of termination for convenience settlements; and

(d) any other situation in which cost analysis is used.

(2) These cost principles regulations are not applicable to:

(a) the establishment of prices under contracts awarded on the basis of competitive sealed bidding or otherwise based on adequate price competition rather than the analysis of individual, specific cost elements, except that this Chapter does apply to the establishment of adjustments of price for changes made to such contracts;

(b) prices which are fixed by law or regulation; and

(c) prices which are based on established catalogue prices as defined in § 3-101(5) (Established Catalogue Price).

§ 7-103 <u>Allowable Costs</u>

(1) Any contract costs proposed for estimating purposes or invoiced for cost-reimbursement purposes are allowable to the ex- tent provided in the contract, and costs inconsistent with these cost principles are allowable only if approved as a deviation under § 7-111 (Authority to Deviate from Cost Principles.). The contract shall provide that the total allowable cost of a contract is the sum of the allowable direct costs actually incurred in the performance of the contract in accordance with its terms, plus the properly allocable portion of the allowable indirect costs, less any applicable credits (such as discounts, rebates, refunds, and property disposal income).

(2) All costs shall be accounted for in accordance with generally accepted accounting principles and in a manner that is consistent with the contractor's usual accounting practices in charging costs to its other activities. In pricing a proposal, a contractor shall estimate costs in a manner consistent with its cost accounting practices used in accumulating and reporting costs.

(3) The contract shall provide that costs shall be allowed to the extent they are:

(a) reasonable, as defined in § 7-104 (Reasonable Costs);

(b) allocable, as defined in § 7-105 (Allocable Costs);

(c) lawful under any applicable law;

(d) not unallowable under § 7-106 (Treatment of Specific Costs) or § 7-107 (Costs Requiring Prior Approval); and

(e) in the case of costs invoiced for reimbursement, actually incurred or accrued and accounted for in accordance with generally accepted accounting principles.

§ 7-104 <u>Reasonable Costs</u>

Any cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by an ordinarily prudent person in the conduct of competitive business in that industry. In determining the reasonableness of a given cost, consideration shall be given to:

(1) requirements imposed by the contract terms and conditions;

(2) whether the cost is of a type generally recognized as ordinary and necessary for the conduct of the contractor's business or the performance of the contract;

(3) the restraints inherent in, and the requirements imposed by, such factors as generally accepted sound business practices, arms' length bargaining, and federal and state laws and regulations;

(4) the action that a prudent business manager would take under the circumstances, including general public policy and considering responsibilities to the owners of the business, employees, customers, and the Authority;

(5) significant deviations from the contractor's established practices which may unjustifiably increase the contract costs; and

(6) any other relevant circumstances.

§ 7-105 Allocable Costs

(1) A cost is allocable if it is assignable or chargeable to one or more cost objectives in accordance with relative benefits received and if it:

(a) is incurred specifically for the contract;

(b) benefits both the contract and other work and can be distributed to both in reasonable proportion to the benefits received; or

(c) is necessary to the overall operation of the business, although a direct relationship to any particular cost objective may not be evident.

(2) Costs are allocable as direct or indirect costs. Similar costs (those incurred for the same purpose in like circumstances) shall be treated consistently either as direct costs or indirect costs except as provided by these regulations. When a cost is treated as a direct cost in respect to one cost objective, it and all similar costs shall be treated as a direct cost for all cost objectives. Further, all costs similar to those included in any indirect cost pool shall be treated as indirect costs. All distributions to cost objectives from a cost pool shall be on the same basis.

(3) A direct cost is any cost which can be identified specifically with a particular final cost objective. A direct cost shall be allocated only to its specific cost objective. To be allowable, a direct cost must be incurred in accordance with the terms of the contract.

(4) Indirect costs shall be determined in accordance with this subsection.

(a) An indirect cost is one identified with no specific final cost objective or with more than one final cost objective. Indirect costs are those remaining to be allocated to the several final cost objectives after direct costs have been determined and charged directly to the contract or other work as appropriate. Any direct costs of minor dollar amount may be treated as indirect costs; provided, that such treatment produces substantially the same results as treating the cost as a direct cost.

(b) Indirect costs shall be accumulated into logical cost groups (or pools), with consideration of the reasons for incurring the costs. Each group should be distributed to cost objectives benefiting from the costs in the group. Each indirect cost group shall be distributed to the cost objectives substantially in proportion to the benefits received by the cost objectives. The number and composition of the groups and the method of distribution should not unduly complicate indirect cost allocation where substantially the same results could be achieved through less precise methods.

(c) The contractor's method of distribution may require examination when:

(i) any substantial difference exists between the cost patterns of the work performed under the contract and the contractor's other work;

(ii) any significant change occurs in the nature of the business, the extent of subcontracting, fixed asset improvement programs, inventories, the volume of sales and production, manufacturing processes, the contractor's products, or other relevant circumstances; or

(iii) indirect cost groups developed for a contractor's primary location are applied to off-site locations. Separate cost groups for costs allocable to offsite locations may be necessary to distribute the con- tractor's costs on the basis of the benefits accruing to the appropriate cost objectives.

(d) The base period for indirect cost allocation is the one in which such costs are incurred and accumulated for distribution to work performed in that period. Normally, the base period is the contractor's fiscal year. A different base period may be appropriate under unusual circumstances. In such cases, an appropriate period should be agreed to in advance.

§ 7-106 Treatment of Specific Costs

The specific types of costs covered in this section shall be accorded the treatment provided herein.

§ 7-106.01 Advertising

(1) Advertising costs are those incurred in using any advertising media when the advertiser has control over the form and content of what will appear, the media in which it will appear, or when it will appear. Advertising media include newspapers, magazines, radio, television, direct mail, trade papers, billboards, window displays, conventions, exhibits, free samples, and the like. All advertising costs except those set forth in subsection (2) of this section are unallowable.

(2) The only allowable advertising costs are those for:

(a) the recruitment of personnel;

(b) the procurement of scarce items;

(c) the disposal of scrap or surplus materials; and

(d) the listing of a business name and location in a classified directory.

§ 7-106.02 Bad Debts

Bad debts include losses arising from uncollectible accounts and other claims, such as dishonored checks, uncollected employee advances, and related collection and legal costs. All bad debt costs are unallowable.

§ 7-106.03 Contingencies

(1) Contingency costs are contributions to a reserve account for unforeseen costs. Such contingency costs are unallowable except as provided in subsection (2) of this section.

(2) For the purpose of establishing a contract cost estimate or price in advance of performance of the contract, recognition of uncertainties within a reasonably anticipated range of costs may be required and is not prohibited by this subsection. However, where contract clauses are present which serve to remove risks from the contractor, there shall not be included in the contract price a contingency factor for such risks. Further, contributions to a reserve for self- insurance in lieu of, and not in excess of, commercially available liability insurance premiums are allowable as an indirect charge.

§ 7-106.04 <u>Depreciation and Use Allowances</u>

(1) Depreciation and use allowances (that is, the allowance made for fully depreciated assets) are allowable to compensate contractors for the use of buildings, capital improvements, and equipment or for the provision of such facilities on a standby basis for subsequent use when such facilities are temporarily idle because of suspensions or delays not caused by the contractor, not reasonably foreseeable, and not other wise avoidable when the contract was awarded. Depreciation is a method of allocating the acquisition cost of an asset to periods of its useful life. Useful life refers to the asset's period of economic usefulness in the particular contractor's operation as distinguished from its physical life. Use allowances provide compensation in lieu of depreciation or other equivalent costs. Consequently, these two methods may not be combined to compensate contractors for the use of any one type of property.

(2) The computation of depreciation or use allowances shall be based on acquisition costs. When the acquisition costs are unknown, reasonable estimates may be used.

(3) Depreciation shall be computed using any generally accepted method; provided that the method is consistently applied and results in equitable charges considering the use of the property. The straight-line method of depreciation is preferred unless the circumstances warrant some other method. However, the Authority will accept any method which is accepted by the Internal Revenue Service.

(4) In order to compensate the contractor for use of depreciated contractor-owned property which has been fully depreciated on the contractor's books and records and is being used in the performance of a contract, use allowances may be allowed as a cost of that contract. Use allowances are allowable; provided that they are computed in accordance with an established industry schedule or other method mutually agreed upon by the parties. If a schedule is not used, factors to consider in establishing the allowance are the original cost, remaining estimated useful life, the reasonable fair market value, and the effect of any increased maintenance or decreased efficiency.

§ 7-106.05 <u>Entertainment</u>

(1) Entertainment costs include costs of amusement, social activities, and incidental costs relating thereto, such as meals, beverages, lodging, transportation, and gratuities. Entertainment costs are unallowable.

(2) Nothing herein shall make unallowable a legitimate expense for employee morale, health, welfare, food service, or lodging costs; except that, where a net profit is generated by such services, it shall be treated as a credit as provided in7-108 (Applicable Credits). This section shall not make unallowable costs incurred for meetings or conferences, including, but not limited to, costs of food, rental

facilities, and transportation where the primary purpose of incurring such cost is the dissemination of technical information or the stimulation of production.

§ 7-106.06 Fines and Penalties

Fines and penalties include all costs incurred as the result of violations of, or failure to comply with, federal, state, and local laws and regulations. Fines and penalties are unallowable costs unless incurred as a direct result of compliance with specific provisions of the contract or written instructions of the Contracting Officer.

§ 7-106.07 Gifts, Contributions, and Donations

A gift is property transferred to another person without the other person providing return consideration of equivalent value. Reasonable costs for employee morale, health, welfare, food services, or lodging are not gifts and are allowable. Contributions and donations are property transferred to a nonprofit institution which is not transferred in exchange for supplies or services of equivalent fair market value rendered by a nonprofit institution. Gifts, contributions, and donations are unallowable.

§ 7-106.08 Interest Costs

(1) Interest generally is an unallowable cost for purposes of determining the original contract price. Compensation for any interest expense incurred in connection with work originally contemplated under the contract will be deemed to be included in the fee or profit negotiated on the contract.

(2) Imputed interest on a contractor's expenditures made to pay allowable costs which are allocable to the performance of work required by change orders, suspension of work, or other acts of the Authority requiring additional work over and above that required by the original contract (hereinafter called "Additional Work") shall be an allowable cost. Imputed interest is an allowable cost in relation to such Additional Work in a negotiated settlement, if one can be agreed upon, or to the extent that it is determined administratively or judicially that the Authority is liable for such Additional Work. Such imputed interest shall be computed on expenditures from the date or dates on which the contractor made expenditures for the performance of such Additional Work until the date of payment therefore by the Authority. The rate of interest shall be the prevailing prime rate published in the Wall Street Journal at the time or times the contractor made such expenditures for Additional Work. Imputed interest on the costs of Additional Work shall not be allowable to the extent that it is otherwise recovered as profit, fee, or as interest on contractor claims.

§ 7-106.09 Losses Incurred Under Other Contracts

A loss is the excess of costs over income earned under a particular contract.

Losses may include both direct and indirect costs. A loss incurred under one contract may not be charged to any other contract.

§ 7-106.10 <u>Material Costs</u>

(1) Material costs are the costs of all supplies, including raw materials, parts, and components (whether acquired by purchase from an outside source or acquired by transfer from any division, subsidiary, or affiliate under the common control of the contractor), which are acquired in order to perform the contract. Material costs are allowable, subject to subsection (2) and (3) of this section. In determining material costs, consideration shall be given to reasonable spoilage, reasonable inventory losses, and reasonable overages.

(2) Material costs shall include adjustments for all available discounts, refunds, rebates, and allowances which the contractor reasonably should take under the circumstances, and for credits for proceeds the contractor received or reasonably should receive from salvage and material returned to suppliers.

(3) Allowance for all materials transferred from any division (including the division performing the contract), subsidiary, or affiliate under the common control of the contractor shall be made on the basis of costs incurred by the transferor (determined in accordance with this Chapter), except that the transfer may be made at the established price; provided, that the price of materials is not determined to be unreasonable by the Contracting Officer, the price is not higher than the transferor's current sales price to its most favored customer for a like quantity under similar payment and delivery conditions, and the price is established either:

(a) by the established catalogue price, as defined in § 3-101(5); or

(b) by the lowest price offer obtained as a result of competitive sealed bidding or competitive sealed proposals conducted with other businesses that normally produce the item in similar quantities.

§ 7-106.11 <u>Taxes</u>

(1) Except as limited in subsection (2) of this section, all allocable taxes which the contractor is required to pay and which are paid and accrued in accordance with generally accepted ac- counting principles are allowable.

(2) The following costs are unallowable:

(a) federal income taxes and federal excess profit taxes;

(b) all taxes from which the contractor could have obtained an exemption but failed to do so, except where the administrative cost of obtaining the exemption would have exceeded the tax savings realized from the exemption;

(c) any interest, fines, or penalties paid on delinquent taxes, unless incurred at the written direction of the Contracting Officer;

(d) income tax accruals designed to account for the tax effects of differences between taxable income and pretax income as reflected by the contractor's books of account and financial statements; and

(e) any tax imposed under 26 U.S.C. 5000C.[1]

(3) Any refund of taxes which were allowed as a direct cost under the contract shall be credited to the contract. Any refund of taxes which were allowed as an indirect cost under a contract shall be credited to the indirect cost group applicable to any contracts being priced or costs being reimbursed during the period in which the refund is made.

(4) Direct government charges for services (such as water) or capital improvements (such as sidewalks) are not considered taxes and are allowable costs.

§ 7-107 Costs Requiring Prior Approval

The costs described in this § 7-107 are allowable as direct costs to cost-reimbursement type contracts to the extent that they have been approved in advance by the Contracting Officer. In other situations, the allowability of these costs shall be determined in accordance with general standards set out in these cost principles.

§ 7-107.01 Pre-Contract Costs

Pre-contract costs are those incurred in anticipation of, and prior to, the effective date of the contract. Such costs are allowable to the extent that they would have been allowable if incurred after the date of the contract; provided, that in the case of a cost-reimbursement type contract, a special provision is inserted in the contract setting forth the period of time and maximum amount of cost which will be covered as allowable pre-contract costs.

§ 7-107.02 Bid and Proposal Costs

Bid and proposal costs are the costs incurred in preparing, submitting, and supporting bids and proposals. Reasonable ordinary bid and proposal costs are allowable as indirect costs in accordance with these cost principles. Bid and proposal costs are allowable as direct costs only to the extent that they are specifically permitted by a provision of the contract or solicitation document. Where bid and proposal costs are allowable as direct costs, to avoid double accounting, the same

[1] FAR 32.205-41(b)(8), added 2013.

bid and proposal costs shall not be charged as indirect costs.

§ 7-107.03 <u>Insurance</u>

(1) Ordinary and necessary insurance costs normally are allowable as indirect costs. Direct insurance costs are the costs of obtaining insurance in connection with performance of the contract or contributions to a reserve account for the purpose of self-insurance. Self-insurance contributions are allowable only to the extent of the cost to the contractor to obtain similar insurance.

(2) Insurance costs may be approved as a direct cost only if the insurance is specifically required for the performance of the contract.

(3) Actual losses which reasonably should have been covered by permissible insurance or were expressly covered by self-insurance are unallowable unless the parties expressly agree otherwise in the terms of the contract.

§ 7-107.04 <u>Litigation Costs</u>

Litigation costs include all filing fees, legal fees, expert witness fees, and all other costs involved in litigating claims in court or under administrative procedures. Litigation costs incident to the contract are allowable as indirect costs in accordance with these cost principles, except that costs incurred in litigation by or against the Authority are unallowable.

§ 7-108 <u>Applicable Credits</u>

(1) Applicable credits are receipts or price reductions which offset or reduce expenditures allocable to contracts as direct or indirect costs. Examples include purchase discounts, rebates, allowances, recoveries or indemnification for losses, sale of scrap and surplus equipment and materials, adjustments for overpayments or erroneous charges, and income from employee recreational or incidental services and food sales.

(2) Credits shall be applied to reduce related direct or in- direct costs.

(3) The Authority shall be entitled to a cash refund if the related expenditures have been paid to the contractor under a cost-reimbursement type contract.

§ 7-109 <u>Advance Agreements</u>

(1) Both the Authority and the contractor should seek to avoid disputes and litigation arising from potential problems by providing in the terms of the solicitation and the contract the treatment to be accorded special or unusual costs which are expected to be incurred.

(2) Advance agreements may be negotiated either before or after contract award (depending upon when the parties realize the cost may be incurred) but shall be negotiated before a significant portion of the cost covered by the agreement has been incurred. Advance agreements shall be in writing, executed by both contracting parties, and incorporated in the contract.

(3) An advance agreement shall not provide for any treatment of costs inconsistent with these cost principles unless a determination has been made pursuant to § 7-111 (Authority to Deviate from Cost Principles).

§ 7-110 <u>Use of Federal Cost Principles</u>

In dealing with contractors operating according to federal government cost principles, the Contracting Officer, after notifying the contractor, may use the federal cost principles as guidance in contract negotiations. In addition, the Contracting Officer may utilize applicable overhead and G&A rates determined by audit by any federal audit agency for the applicable period.

§ 7-111 <u>Authority to Deviate from Cost Principles</u>

When the best interest of the Authority would be served by a deviation, the Contracting Officer may deviate from the cost principles set forth in these regulations; provided, that a written determination shall be made by such officer specifying the reasons for the deviation. Such determination shall be effective only upon approval by the Vice President of Contracts and upon incorporation into the contract. However, all costs must be reasonable, lawful, allocable, and accounted for in accordance with generally accepted accounting principles to be reimbursed, and a deviation shall not contravene this principle.

CHAPTER 9 - SUPPLY MANAGEMENT

Section 9-100 - General Provisions

§ 9-101 Definitions of Terms

(1) "Excess Supplies" means any supplies, other than expendable supplies, under the control of the Authority which the Authority determines is not required for its needs or for the discharge of its responsibilities.

(2) "Expendable Supplies" means all tangible supplies other than nonexpendable supplies.

(3) "Nonexpendable Supplies" means all tangible supplies having an original acquisition cost of over $100 per unit or a probable useful life of more than one year.

(4) "Supplies" means, for purposes of this section, tangible personal property owned by the Authority

(5) "Surplus Supplies" means any excess supplies, other than expendable supplies, not required by the Authority. This includes obsolete supplies, scrap materials, and nonexpendable supplies that have completed their useful life cycle.

§ 9-102 Purpose

Objectives of supply management include preventing waste, continuing utilization of supplies, and obtaining a fair return of value upon disposal of supplies. In order to achieve these objectives, sound inspection, testing, warehousing, and inventory practices are called for, and effective means of transferring and disposing of property must be employed.

§ 9-103 Inventory Management

The President & Chief Executive Officer or their designee shall have general supervision of all inventories of tangible personal property, whether warehoused or in use, belonging to the Authority. Any warehouses and similar storage areas shall be inventoried at least annually.

§ 9-104 Warehousing and Storage

The President & Chief Executive Officer or their designee shall exercise general supervision of any receiving, storage, and distribution facilities and services.

Section 9-200 - Surplus Supplies

§ 9-201 Disposition

Surplus supplies shall be offered through competitive sealed bids, public auction, or posted prices. It is recognized, however, that some types and classes of items can be sold or disposed of more readily and advantageously by other means, including barter. In such cases, and also where the nature of the supply or unusual circumstances call for its sale to be restricted or controlled, the President & Chief Executive Officer or their designee may employ such other means, including appraisal, provided a written determination is made that such procedure is advantageous to the Authority. The Authority shall attempt to realize the maximum benefit in selling or disposing of surplus supplies. Only United States Postal Money Orders, certified checks, wire transfers from any U.S. bank, or cashiers' checks shall be accepted for sales of surplus property (except that cash or a personal check may be accepted for petty cash sales of less than $100).

§ 9-202 Competitive Sealed Bidding

(1) When making sales by competitive sealed bidding, notice of the sale should be given at least 10 days before the date set for opening bids. Notice shall be given by mailing a Request for Sale Bids to prospective bidders, including those bidders on lists maintained for this purpose, and by making the Request for Sale Bids publicly available. Newspaper advertisement also may be used. The Request for Sale Bids shall list the supplies offered for sale, designate their location and how they may be inspected, and state the terms and conditions of sale and instructions to bidders including the place, date, and time set for bid opening. Bids shall be opened publicly.

(2) Award shall be made in accordance with the provisions of the Request for Sale Bids to the highest responsive and responsible bidder; provided, that the price offered by such bidder is acceptable to the Contracting Officer. Where such price is not acceptable, the Contracting Officer may reject the bids in whole or in part and negotiate the sale; provided, that the negotiated sale price is higher than the highest responsive and responsible bidder's price, or such officer may resolicit bids.

§ 9-203 Auctions

Supplies may be sold at auction. When appropriate, an experienced auctioneer should be used to cry the sale and assist in preparation of the sale. The solicitation to bidders should stipulate, at a minimum, all the terms and conditions of any sale; that a deposit may be required in order to participate in the bidding; that the purchaser must remove within a stated time all surplus supplies purchased; and that the Authority retains the right to reject any and all bids.

§ 9-204 Fixed Prices

If the President & Chief Executive Officer or their designee determines that selling the property by competitive bid or auction would not maximize the resale value of the property to the Authority, the President & Chief Executive Officer or their designee may set a fixed price for the surplus supplies when such prices are based on fair market value.

§ 9-205 Trade-In

Surplus supplies may be traded-in only when the Vice President of Procurement or their designee determines that the trade-in value is expected to exceed the value estimated to be obtained through the sale or other disposition of such supplies.

§ 9-206 Proceeds

Net proceeds from the disposition of excess or surplus supplies shall be credited to the appropriate account from which funds were originally used to acquire the supplies.

Agenda Report

Voting Requirements: Majority

DATE: **August 26, 2025**

SUBJECT: **Approval of Fiscal Year 2026 Goals and Performance Measures for President & Chief Executive Officer**

BOARD ACTION

Approval of a resolution adopting the Fiscal Year (FY) 2026 goals and performance measures for Nadine S. Lee, President & Chief Executive Officer, as shown in Exhibit 1 to the Resolution.

COMMITTEE CONSIDERATIONS

On June 24, 2025, the Administration Committee unanimously approved moving the President & Chief Executive Officer's proposed FY 2026 goals and performance measures to the Committee of the Whole.

Approval of this item was discussed at the August 12, 2025, Committee of the Whole meeting with several modifications recommended for the Goals and Performance Measures. Prior to a vote on this item, Administration Committee Chair Enoch made a motion to table this item for further discussion at the August 26, 2025, Committee of the Whole meeting.

PURPOSE

- DART has consistently used a system of establishing goals and tracking performance measures to provide a focus for strategic and operational improvement, create an analytical basis for decision making, and provide focus on the priorities set by the Board.
- On June 11, 2024 (Resolution No. 240063), the Board established the following Strategic Goals:
  - 1: Empowered Agency – Build a nimble organization that can act quickly and effectively by streamlining processes and empowering employees.
  - 2: Culture of Contribution – Create a culture that aligns roles and responsibilities with the DART vision, deepens organizational trust, and encourages growth
  - 3: Quality Service – Deliver a quality customer experience defined by strong rider advocacy and built on professional pride and continuous improvement.
  - 4: Seamless Mobility – Integrate mobility options to create a seamless travel experience defined by frequency and reliability that positions DART as first in mind.

- 5: Fantastic Spaces – Create fantastic spaces that add value to our communities, enhance the rider experience, and foster a sustainable and thriving region.
- 6: Strategic Relationships – Position DART as a collaborative leader and recognized regional economic and mobility asset.

- In order to move the agency in the direction described in the Strategic Goals, the Board establishes annual goals and performance measures for the President & Chief Executive Officer. These goals and performance measures in turn guide the development of the annual budget and financial plan, department work plans, specific projects, and ultimately performance plans for employees. Creating a clear "line of sight" through all levels creates accountability throughout the agency and helps maintain focus on the Strategic Goals.
- The Employment Agreement with Ms. Lee requires that methods and criteria, including specific goals and other performance indicators, are to be developed for use in evaluating Ms. Lee's performance.
- The purpose of this item is to review and approve the FY 2026 goals and performance measures for Nadine Lee.

LEGAL CONSIDERATIONS

- Section 452.104 of the Texas Transportation Code provides that the Executive Director shall administer the daily operation of the authority.
- Section V, Performance Evaluation, of the Employment Agreement between DART and Nadine S. Lee contains provisions under which the Board approves goals and performance measures to use in evaluating Ms. Lee's performance.

DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Approval of Fiscal Year 2026 Goals and Performance Measures for President & Chief Executive Officer

WHEREAS, DART has consistently used a system of establishing goals and tracking performance measures to provide a focus for strategic and operational improvement, create an analytical basis for decision making, and provide focus on the priorities set by the Board; and

WHEREAS, in order to move the agency in the direction described in the Strategic Goals, the Board establishes annual goals and performance measures for the President & Chief Executive Officer which guide the development of the annual budget and financial plan, department work plans, specific projects, and ultimately performance plans for employees, thereby creating a clear "line of sight" through all levels of the organization and accountability throughout the agency; and

WHEREAS, the Board desires to establish goals and performance measures for the President & Chief Executive Officer for Fiscal Year 2026.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the Board adopts the goals and performance measures for the President & Chief Executive Officer for Fiscal Year 2026 as shown in Exhibit 1 to this Resolution.

Approval of Fiscal Year 2026 Goals and Performance Measures for President & Chief Executive Officer

M. Nathan Barbera Secretary	Gary Slagel Chair
APPROVED AS TO FORM:	ATTEST:
Gene Gamez General Counsel	Nadine S. Lee President & Chief Executive Officer
	Date

Approval of Fiscal Year 2026 Goals and Performance Measures for President & Chief Executive Officer

This information will be provided separately.

Agenda Report

Committee-of-the-Whole ☒
Board Meeting ☒

Voting Requirements:
Majority

DATE: **August 26, 2025**

SUBJECT: **Election of Trial Board Hearing Officials for the Term October 1, 2025, through September 30, 2028**

BOARD ACTION

Approval of a resolution codifying the election of nine Trial Board Hearing Officials for the term October 1, 2025, through September 30, 2028.

PURPOSE

- The DART Hourly Employment Manual (HEM) outlines the process to be followed for hourly employee grievances and provides procedures for the election of DART Trial Board Hearing Officials by the DART Board.
- The Trial Board is the final step in the hourly employee grievance process. Employees may file an appeal at the third step of the grievance process to the Secretary of the Trial Board.
- The appeal must be filed timely, according to proper procedures for filing an appeal outlined in the HEM, and meet all HEM criteria.
- Election of these Trial Board Hearing Officials will help DART in achieving Agency Strategic Goal 2: Culture of Contribution – Create a culture that aligns roles and responsibilities with the DART vision, deepens organizational trust, and encourages growth.

LEGAL CONSIDERATIONS

- Section 452.054 of the Texas Transportation Code authorizes DART to exercise all powers necessary or convenient to carry out the purposes or provisions of the statute.
- Section 8.9.B of the DART Hourly Employment Manual sets out the process for the selection of Trial Board Hearing Officers.

DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Election of Trial Board Hearing Officials for the Term October 1, 2025, through September 30, 2028

WHEREAS, the DART Hourly Employment Manual outlines the process to be followed for hourly employee grievances and provides procedures for the election of DART Trial Board Hearing Officials by the DART Board of Directors; and

WHEREAS, the Trial Board is the final step in the hourly employee grievance process.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

Section 1: The persons listed below are each elected to serve as a Dallas Area Rapid Transit Trial Board Hearing Official and are authorized to conduct hearings and render binding decisions on employee grievance appeals to the Secretary of the Trial Board:

Ruben R. Armendariz
Ruben D. Campos
Michael Z. Green
William E. Hartsfield
Daniel N. Ramirez
Diego J. Pena
DeWayne E. Wicks
Elvis C. Stephens
Edward B. Valverde

Section 2: The term of each Trial Board Hearing Official shall begin October 1, 2025, and expire on September 30, 2028. Each Trial Board Hearing Official shall comply with the rules and procedures of the Trial Board and those governing DART, including Chapter 452 of the Texas Transportation Code and all other applicable provisions of federal and state law, and the DART Hourly Employment Manual.

Section 3: Trial Board Hearing Officials elected to serve under DART Board Resolution No. 220118 and not noted in Section 1 may continue to serve until the jurisdiction of the Hearing Official ends for any Trial Board assigned or placed on the Trial Board docket before September 30, 2025.

Election of Trial Board Hearing Officials for the Term October 1, 2025, through September 30, 2028

Section 4: In the event one or more newly elected Hearing Officials is unable or declines to accept all of the terms and applicable provisions set forth by the Hourly Employment Manual, the next nominee with the highest number of votes shall be offered the position. This process shall continue until nine Trial Board Hearing Officials have been qualified and appointed.

Nathan Barbera
Secretary

Gary Slagel
Chair

Approved as to form:

Gene Gamez
General Counsel

ATTEST

Nadine S. Lee
President & Chief Executive Officer

August 26, 2025
Date

Agenda Report

Committee-of-the-Whole ☒
Board Meeting ☒

Voting Requirements:
Majority

DATE: **August 26, 2025**

SUBJECT: **Approval of Board Reapportionment Timeline**

BOARD ACTION

Approval of Board Reapportionment Timeline to October 28, 2025.

PURPOSE

- Sections 452.573 and 452.577 of the Texas Transportation Code set out the process for Board reapportionments when needed because of population changes. Reapportionment takes place prior to September 1 of each fifth year. The pandemic impacted the release of U.S. Census population numbers, and the last reapportionment was approved by the Board on October 12, 2021.
- Section 452.573 of the Texas Transportation Code states that service area cities which are entitled to make a fraction of an appointment may combine that fractional interest with one or more other service area cities.
- On August 12, 2025, the Board was briefed by the Texas A&M Transportation Institute (TTI) on the current population changes and reapportionment options. TTI confirmed the population data indicated no change to the current 10 whole Board seats: Dallas-7; Irving-1; Garland-1; Plano-1. TTI confirmed there will be 5 fractional remainder Board seats that may be grouped as agreed upon by the cities or by other considerations such as deviation score, proximity, population or transit need.
- On August 15, 2025, service area city representatives met at DART and received the information provided by TTI. City representatives met without DART staff present to discuss the grouping of fractional remainders.
- On August 15, 2025, the Richardson City Manager, on behalf of Richardson and three other service area cities, submitted a written request to the Board Chair asking for "…an additional 30-day extension, allowing the cities more time to submit feedback on the reapportionment options presented today."
- Consideration of an extension as requested by the service area cities would put the timeline for Approval of Board of Directors Reapportionment as October 28, 2025.
- Approval of the action supports Agency Strategic Goal 6: Strategic Relationships – Position DART as a collaborative leader and recognized regional economic mobility asset.

LEGAL CONSIDERATIONS

- Section 452.054 of the Texas Transportation Code authorizes DART to exercise all powers necessary or convenient to carry out the purposes or provisions of the statute.
- Sections 452.573 and 452.577 of the Texas Transportation Code set out the process for Board reapportionment when needed because of population changes. Reapportionment takes place prior to September 1 of each fifth year.

DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Approval of Board Reapportionment Timeline

WHEREAS, on August 12, 2025, the Board was briefed by the Texas A&M Transportation Institute (TTI) on the current population changes and reapportionment options. TTI confirmed the population data indicates there will be 10 whole seats: Dallas-7; Irving-1; Garland-1; Plano-1. TTI confirmed there will be 5 fractional remainder seats that may be grouped as agreed upon by the cities or by other considerations such as deviation score, proximity, population or transit need; and

WHEREAS, on August 15, 2025, service area city representatives met at DART and received the information provided by TTI. City representatives met without DART staff present to discuss the grouping of fractional remainders; and

WHEREAS, on August 15, 2025, the Richardson City Manager, on behalf of Richardson and three other service area cities, submitted a written request to the Board Chair asking for "…an additional 30-day extension, allowing the cities more time to submit feedback on the reapportionment options presented today"; and

WHEREAS, consideration of an extension as requested by the service area cities would put the timeline for Approval of Board of Directors Reapportionment as October 28, 2025; and

WHEREAS, the extension will provide service area cities additional time to consider and engage in discussion of the data provided by TTI.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the timeline for the Board of Directors to approve Board reapportionment is extended to October 28, 2025.

Approval of Board Reapportionment Timeline

Nathan Barbera
Secretary

Gary Slagel
Chair

Approved as to form:

Gene Gamez
General Counsel

ATTEST

Nadine S. Lee
President & Chief Executive Officer

Date

Agenda Report

DATE: **August 26, 2025**

SUBJECT: **Briefing on GoPass® Roadmap and Goals**

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- This briefing is to update the Board on GoPass® application progress, both its capabilities and operation, since the last briefing on January 9, 2024, and the strategy for future development and expansion.
- Discussion of this item supports Agency Strategic Goal 4: Seamless Mobility - Integrate mobility options to create a seamless travel experience defined by frequency and reliability that positions DART as first-in-mind.

Agenda Report

Committee-of-the-Whole ☒
Board Meeting ☒

Attachment: 1. Fare Structure Redline	Voting Requirements: Majority

DATE: **August 26, 2025**

SUBJECT: **Approval of Amendment to DART's Fare Structure**

RECOMMENDATION

Approval of a resolution authorizing the President & Chief Executive Officer or her designee to 1) accept the results of the Title VI Fare Equity Assessment, as shown in Exhibit 1 to the Resolution; and 2) amend DART's fare structure effective March 1, 2026, as shown in Exhibit 2.

COMMITTEE CONSIDERATIONS

- This item was discussed at the August 12, 2025, Committee-of-the-Whole without action; and was postponed for further discussion and possible action at the August 26, 2025, Committee-of-the-Whole and DART Board of Directors' meetings. The attachment and exhibits have been updated in response to Board discussion on August 12, 2025.

FINANCIAL CONSIDERATIONS

- This action will increase fare revenue.

BUSINESS PURPOSE

- This item covers the implementation of the proposed 2026 fare changes, which include updates to regional and paratransit fares, introduction of a "distance-based" fare structure for certain GoLink trips, and adjustments to other special products. A redline of the proposed amendments to DART's fare structure is included as Attachment 1.

- Beginning in 2022, DART and AECOM performed a comprehensive analysis of DART's fare policy and structure to recommend changes that aligned with the agency's vision and industry best practices.

- Based on that study, the Board approved Resolution No. 240130 on October 22, 2024. This resolution, among other things, updated local fares and reduced fare eligibility and introduced a new bulk pricing model, effective March 1, 2025.

- On April 29, 2025, staff briefed the Board on proposed Phase 2 updates to DART's fare structure, including regional fares, distance-based fares for GoLink, and paratransit fares.

- DART conducted a series of public meetings and outreach events, as well as a formal public hearing, in June and July 2025 to solicit feedback on the proposed fare changes.

- The latest briefing on August 1, 2025, summarized the public comments on the proposed fare changes and the Title VI analysis for the proposed regional fare changes. The FTA does not require Title VI analyses for demand-response services, including paratransit and GoLink.

- The Title VI analysis of regional fare changes indicated no disparate impact or disproportionate burden on minority or low-income riders.

- The implementation date for these changes would be March 1, 2026, except for the corporate annual pass program, which would be effective January 1, 2026.

- Approval of this item supports Agency Strategic Goal 4: Seamless Mobility - Integrate mobility options to create a seamless travel experience defined by frequency and reliability that positions DART as first in mind; and Strategic Goal 6: Strategic Relationships - Position DART as a collaborative leader and recognized regional economic and mobility asset.

LEGAL CONSIDERATIONS

Section 452.054 of the Texas Transportation Code authorizes DART to exercise all powers necessary or convenient to carry out the purposes or the provisions of the statute.

Section 452.061 of the Texas Transportation Code authorizes the Board to establish reasonable and non-discriminatory fares to be charged for the use of the public transportation system.

Section 452.115 of the Texas Transportation Code requires that a public hearing be conducted for any fare change.

Section 4702.1B: Title 6 of the FTA Circular Requirements and Guidelines for Federal Transit Administration Recipients states that Title VI fare analysis is required only for fixed-route services, not demand response services.

DART Fare Structure

Effective March 1, ~~2025~~2026

Section 1: Product Fare Schedule

The table below outlines the local and regional fares available to individual riders at both full and reduced rates. Special program fares (customer promotions, bulk sales, route promotions, outside service area, and site-specific shuttle services) are provided in Section 4. The fares below are not valid for GoLink trips that do not start or end at fixed-route service or a designated rally point. Distance-based GoLink fares are governed by Section 5.

Pass Type	**Local[1]**		**Regional[2]**	
	Full/Regular	*Reduced[3]*	*Full/Regular*	*Reduced[3]*
3-Hour Pass[4]	$3.00	$1.50	-	-
TRE One-Way[2]	-	-	$6.00	-
Day Pass[5]	$6.00	$3.00	$~~12.00~~9.00	$~~3.00~~4.50
Monthly/31-Day Pass[6]	$126.00	$63.00	$192.00	$96.00
Single-Ride Paratransit[7]	$~~3.50~~4.00	-	-	-
~~Paratransit to Fixed-Route[7]~~	~~$1.00~~	~~-~~	~~-~~	~~-~~
Dallas Streetcar[8]	$1.00	-	-	-
~~Annual Pass~~	~~-~~	~~-~~	~~$1,920.00~~	~~$576.00[9]~~

[1] Local passes are valid for all DART buses, trains, and GoLink and Trinity Railway Express (TRE) service between Union Station and CentrePort/DFW Airport Station.

[2] Regional passes are valid for all DART buses, trains, and GoLink; all TRE service; Trinity Metro buses, trains, and ZIPZONE; and DCTA buses and trains.

[3] Reduced fare eligibility:

a. Seniors (age 65 and older) and non-paratransit disabled riders with a valid ID
b. Children ages 5-14
c. Students with a valid DART-issued student ID attending high schools within the DART service area
d. Full-time undergraduate students with a valid DART-issued student ID attending colleges and trade schools in the DART service area that are not participating in the Higher Education Program
e. Enrollees in: Texas Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Comprehensive Energy Assistance Program, Housing Choice Voucher Program, Dallas Housing Authority (DHA) Public Housing, Children's Health Insurance Program (CHIP), Parkland Financial Assistance (PFA), Medicaid, Medicare, or other means-tested low-income programs approved by the DART Board for eligibility in the DART Reduced Fare Program
f. U.S. military veterans with a valid DART-issued ID

[4] 3-hour passes include unlimited rides on local service within three hours of activation/purchase.

[5] Day passes are valid for unlimited rides on the date of activation/purchase through 3 a.m. the following day.

[6] Monthly passes are available only through use of a registered GoPass Tap card, the GoPass app, or contactless payment fare media via fare capping. Fare capping is based on activity within a calendar month. 31-day passes are available only in the GoPass app from the date of activation until 3 a.m. on the 31st day.

[7] Riders must be determined eligible before using paratransit service. Single-ride paratransit fares are valid for a single trip. ~~Paratransit to fixed-route fares are valid for a single trip to a DART passenger facility, including park-and-ride lots, rail stations, transfer locations, or transit centers.~~ Refer to DART.org for additional information on paratransit eligibility and rider rules. ~~Please note, while the $3.50 and $1.00 fares have been effective since 2018, DART may continue to charge $3.00 and $0.75, respectively, until the new fare structure is implemented on March 1, 2025.~~Paratransit fare will not exceed two times DART's base fare.

[8] Any valid DART fare is accepted on the streetcar system, including an activated GoPass app ticket, GoPass Tap card with sufficient funds, or a valid DART-issued pass. Riders without valid DART fare must pay $1.00 using the GoPass app or by tapping a GoPass Tap card or contactless payment fare media on the onboard validator.

~~[9] Regional reduced fare annual passes are available only to seniors (age 65 and older).~~

Section 2: Free Fares

As a tax-supported governmental agency, DART does not contribute free transportation to other governmental agencies, social service agencies, or charitable organizations. The categories of riders below may ride DART bus, light rail, and GoLink without fare payment. (This section is not applicable to paratransit service, except as noted.)

a. Paratransit-eligible riders on fixed-route services with a valid paratransit ID.
b. ADA (Americans with Disabilities Act) paratransit-eligible individuals who are authorized to have one personal care attendant (PCA) may have the PCA travel with them on fixed-route service at no charge. A valid ID indicating an attendant is necessary is required.
c. Up to two children under the age of five when accompanied by an adult (age 18 or older) paying the appropriate fare. Any additional child under the age of five traveling with that adult, or any child accompanied only by person(s) younger than 18, shall be charged reduced fare.
d. Voters showing a valid voter registration card from 6 a.m. to 8 p.m. on a state or national primary or general election day in accordance with Board Resolution No. 900232. This includes paratransit service.
e. Uniformed police officers and plainclothes police officers displaying badges issued by cities in the DART service area.
f. Uniformed parking enforcement officers.
g. Uniformed downtown Safety Patrol personnel traveling within the Dallas Central Business District.
h. Active employees and retirees and one family member designated by the employee or retiree with DART-approved fare media on fixed-route and GoLink service.
i. Part-time DART employees with proof of transit privilege and DART-approved fare media on fixed-route and GoLink service. Temporary employees do not qualify for this benefit unless individually authorized by DART management based on transit needs for assigned duties.
j. Current and former DART Board members and their spouses with DART-approved fare media on fixed-route and GoLink service.
k. Employees of contractors who operate fixed-route or on-demand service on DART's behalf and certain engineering consultants, including General Engineering, System Design, and Design Contract Integration consultants who have been approved by DART management for transit privilege on fixed-route and GoLink service. DART management may approve other contractors not specified above on a case-by-case basis based on transit needs for assigned duties. The contractor will show proof of transit privilege and DART-approved fare media.
l. McKinney Avenue Trolley employees or operators with valid Trolley ID card.
m. All riders on site-specific shuttle services (refer to #5 in Section 4: Special Programs).

Section 3: Electronic Payments and Fare Capping

Electronic payments allow DART riders to load value into an account-based system or use a contactless credit/debit card or any payment-enabled mobile device to purchase DART passes or pay for travel.

GoPass App Accounts

The GoPass mobile app allows customers to purchase local and regional passes to ride DART, TRE, and DCTA. Riders can also take advantage of daily and monthly fare capping and load value to their GoPass account using cash, credit/debit cards, Apple Pay, or Google Pay. The mobile app is compatible with Apple and Android and can be downloaded from Google Play and the Apple App store. Customers must activate a pass prior to boarding a transit vehicle.

GoPass Tap Card Accounts

~~Customers can acquire a GoPass Tap card at retail locations throughout the service area, online, at the DARTmart, or by calling DART Customer Service. The c~~Customers must register their GoPass Tap card account to enable available ~~valuable~~ features~~, such as lost card value protection and monthly fare capping~~. Customers must tap their GoPass Tap cards at payment system validators upon boarding each vehicle during their journey on DART.

Contactless Payment

Contactless payment allows customers to pay with any contactless credit or debit card or any payment-enabled mobile device (phone, tablet, watch, etc.). Customers can also register a contactless card or device to benefit from monthly fare capping.

Fare Evasion Fees

DART Police, Fare Enforcement Officers (FEOs), and Trinity Railway Express (TRE) conductors may collect a $5 fare evasion fee, plus the appropriate transit fare, during the inspection process in lieu of or in addition to issuing a fare evasion citation.

Payment Registration

Customers can register their GoPass Tap card or contactless payment method by visiting GoPass.org and creating a new account or setting up an account in person at the DARTmart. Once an account is created, customers can add one or more payment methods, add funds to their accounts, view their transaction history, or report a GoPass Tap card lost and have any remaining value restored on a new card.

Loading Value

Customers can load value into their GoPass app virtual wallet or on their GoPass Tap cards using cash or a credit/debit card at retail locations throughout the service area, online, at the DARTmart, or by calling DART Customer Service.

Fare Capping

Fare capping is a pay-as-you-go feature that allows DART riders to make several trips with the GoPass app, the GoPass Tap card, or a form of contactless payment without spending more than they would have if they had purchased a day pass or monthly/31-day pass (calendar month).

To benefit from fare capping, riders must activate their ticket in the GoPass app or tap their GoPass Tap card or contactless payment fare media at the validator prior to boarding on every trip. Riders must also register their payment method to benefit from monthly fare capping. The DART payment system then automatically caps the daily and monthly fare once the cap amounts are reached.

Distance-based GoLink fares are exempt from fare capping.

Section 4: Special Programs

Customer Promotions

The President & Chief Executive Officer or his/her designee may approve the free distribution of prepaid media, VIP passes, or special coupons as needed to:

a. Support marketing programs, including but not limited to special route promotions, introductory shuttles, air quality improvement programs, and focus group or survey participation.
b. Provide inbound travel on all DART services, including bus, rail, GoLink, and paratransit, to all individuals showing a jury summons with the current date displayed. Court Services will distribute a pass valid for outbound travel upon request to individuals reporting for jury duty.
c. Compensate customers for inconvenience or system problems.
d. Allow courtesy access to the system for special tour groups, non-local DART visitors, or consultants involved in DART system planning.

Bulk Sale Discount Program

The DART Bulk Sale Discount Program incentivizes large-volume purchases using a sliding-scale discount ranging from 10% to 70%, as shown in the pricing schedule below.

Number of Passes Purchased	**Bulk Sale Discount**	**Special Event Day Pass[1]**	**Corporate Annual Pass[2]**		**Education Semester Pass[3]**	
			Local	*Regional*	*Student Body*	*Individual Students*
Less than 2,000	n/a	$6.00	$~~720~~945	$1,440	$78.00	$192.00
2,000-4,999	10%	$5.40	$~~648~~851	$1,296	$70.20	$172.80
5,000-9,999	20%	$4.80	$~~576~~756	$1,152	$62.40	$153.60
10,000-19,999	30%	$4.20	$~~504~~662	$1,008	$54.60	$134.40
20,000-29,999	40%	$3.60	$~~432~~567	$864	$46.80	$115.20
30,000-39,999	50%	$3.00	$~~360~~473	$720	$39.00	$96.00
40,000-49,999	60%	$2.40	$~~288~~378	$576	$31.20	$76.80
50,000 or more	70%	$1.80	$~~216~~284	$432	$23.40	$57.60

[1] Special event day passes must be used on the dates specified on the ticket for special event registrants.

[2] Corporate annual passes may be purchased by businesses, apartment/condominium complexes, or other employer organizations with a minimum purchase requirement of five passes. Annual passes can be purchased up front for the full price listed above or paid in monthly installments for an additional annual administrative fee of $94.50~~72~~ for the local pass or $144 for the regional pass. The account holder must choose one payment option for the entire year. New accounts opened after the start of the calendar year will be prorated according to the starting month (accounts opened from October through December will receive a prorated fare only if enrolling for the following year).

[3] Semester passes must be purchased by an educational institution (elementary schools, middle schools, high schools, colleges, universities, or trade schools) for either the full student body or on behalf of individual students. The semester pass price as shown is a five-month equivalent for the Fall (August-December) and Spring (January-May) semesters and can be prorated to two months for a Summer pass. The Summer pass will be valid for June through the last day of summer classes or through July 31, whichever is later, and is available only to educational institutions that have purchased a Fall or Spring semester pass via executed contract.

Route Promotion Pass

The Route Promotion Pass supports DART's public awareness and outreach efforts. Communications (or its successor organization) will negotiate with special events organizers interested in including DART day passes for their attendees to determine whether DART could benefit from the exposure the event media and attendance could provide.

Eligibility requirements:

a. The event is within a DART service area city.
b. DART must receive a minimum 2:1 benefit for the value of the passes provided. This can be through estimated cash value (barter), cash, or any combination of the two.
c. The media provided by the event must promote using DART.
d. Both DART and the event organizer/chair must sign a simple agreement.

The President & Chief Executive Officer (CEO) or his/her designee may sign the agreement. Concurrence from the Chief Financial Officer must be received before presenting the agreement to the CEO for signature. Communications will provide documentation to Finance within 90 days of the conclusion of the special event that supports the value used to pay for the passes.

DART Service Outside Service Area Boundary

DART Board Policy III.07, DART Service Outside Service Area Boundary, authorizes and provides guidance regarding the provision of DART service outside its service area boundary. Policy III.07 requires a service agreement approved by the DART Board. This agreement will establish fares for riders using the service.

Site-Specific Shuttle Service

DART Board Policy III.16, Site Specific Shuttle Service Policy, authorizes and provides guidance regarding the provision of DART circulator/distributor shuttle service operated by employers or other private entities that connects to rail stations or transit centers. Policy III.16 requires proposals for service be approved by the DART Board of Directors. The approved agreement will establish fares for riders using the service and pricing and eligibility rules for any user passes provided to program participants. User passes are provided only for educational institutions where the partner institution provides substantial funding for shuttle services and passes are purchased for the entire student body (based on full-time equivalent enrollment).

Day Pass and 3-Hour Pass Vouchers

~~Day pass v~~Vouchers ~~(regional and local)~~ for local day passes or 3-hour passes are available only to governments, alternative schools, and nonprofit institutions for issuance to DART service area clients. Passes for governments and nonprofit institutions are available at a 40% discount. Passes for alternative schools ~~are valid from 6 a.m. to 6 p.m., Monday through Friday, and~~ are available at a 50% discount and are valid from 6 a.m. to 6 p.m., Monday through Friday.

Section 5: GoLink Service

GoLink-valid fare media covers any trip that begins or ends at a connection to fixed-route service or a DART-designated stop (rally point).

Distance-Based Fares

If a trip begins and ends at two undesignated stops, it will be considered a premium service. Premium service fares are listed in the table below, increasing by $1 per mile above five miles. Fares will be capped at $15 per trip.

Miles	**Rate**		**Miles**	**Rate**		**Miles**	**Rate**
<5	$3.00		9-10	$8.00		14-15	$13.00

5-6	$4.00		10-11	$9.00		15-16	$14.00
6-7	$5.00		11-12	$10.00		16+	$15.00
7-8	$6.00		12-13	$11.00			
8-9	$7.00		13-14	$12.00			

DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Approval of Amendment to DART's Fare Structure

WHEREAS, the Board's Fare Policy (III.01) states that "a fare structure establishing the base fare, categories of prepaid fares, special fare programs, and the pricing of such fares and programs, shall be adopted by the Board of Directors and reviewed every two years at a minimum;" and

WHEREAS, DART's fare structure requires amendment from time to time; and

WHEREAS, the Board desires to modify the fare structure; and

WHEREAS, the proposed 2026 fare changes continue the work of the Comprehensive Fare Study, further simplifying DART's fare structure and promoting financial sustainability; and

WHEREAS, approval of this amendment to the fare structure would increase fare revenues; and

WHEREAS, a public hearing on the proposed fare changes was conducted on July 8, 2025, as required by the Texas Transportation Code; and

WHEREAS, on August 1, 2025, staff provided the Board with a summary of public comments on the proposed fare changes and the Title VI analysis (no implication) for the proposed fixed-route fare changes.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

Section 1: The Title VI Fare Equity Analysis is approved as shown in Exhibit 1 to the Resolution.

Section 2: The amended fare structure is adopted as shown in Exhibit 2 to the Resolution and shall be effective March 1, 2026 (with annual program-based changes effective on January 1, 2026).

Approval of Amendment to DART's Fare Structure

Prepared by: /s/ Jamie Adelman
Jamie Adelman
Executive Vice President
Chief Financial Officer

Approved as to form: /s/ Gene Gamez
Gene Gamez
General Counsel

Approved by: /s/ Nadine S. Lee
Nadine S. Lee
President & Chief Executive Officer

Comprehensive Fare Study

Title VI Equity Analysis for 2026 DART Regional Fare Policy

Version 3
August 2025

Comprehensive Fare Study: Supplemental Update

Title VI Equity Analysis for 2026 DART Regional Fare Policy

Prepared by Nelson\Nygaard and AECOM

Primary Data Source: 2021 DART Regional Transit Rider Survey

Dallas Area Rapid Transit (DART) is a regional transportation authority authorized under Chapter 452 of the Texas Transportation Code. The DART Comprehensive Fare Study evaluated potential changes to DART's fare programs, policy, and structure holistically before developing recommendations for consideration by the Board of Directors. The study's overall goal is to create a fare structure that is simple, equitable, and easy to use. Changes to DART's local fare structure were implemented March 2025. This Document summarizes the Title VI impacts for March 2026 changes to regional fare policy as compared to the existing (July 2025) DART local and regional fares.

Title VI Equity Analysis Requirements

Federal Transit Administration (FTA) regulation Circular 4702.1B requires that all transit providers serving an urbanized area exceeding 200,000 population conduct a Title VI equity analysis before a fare change and/or major service change is enacted. Equity analyses are required regardless of whether proposed changes would cause positive or negative impacts to riders. This FTA Circular notes that Census data will not be effective for fare analyses, since it is impossible to know what fare media people are using solely through Census data. Instead, this Title VI evaluation uses rider survey data that provides insight on fare types and demographics so specific impacts of pass changes on low-income and minority populations can be accurately evaluated.

The Circular specifically notes that a fare equity analysis should analyze any available information generated from ridership surveys indicating whether minority and/or low-income riders are disproportionately more likely to use the mode of service, payment type, or payment media that would be subject to the fare change. Survey data can link minority and low-income riders with reported mode of service, payment type or payment media that would be subject to the fare change. For this fare change evaluation, pricing changes are limited to fare payment types (single ride, day pass, 31-day pass, etc.) and not related to fare payment media (smart card, cash, mobile payment, etc.) Thus, this discussion is based around payment types, not payment media.

These analyses call for a disparate impact analysis for minority riders versus non-minority riders, and a disproportionate burden analysis for low-income riders versus non-low-income riders based on the following procedure (as outlined in the Circular and associated Appendix K):

- Determine the number and percent of users of each fare type being changed;
- Review fares before the change and after the change;
- Compare the differences for each particular fare type between minority users and non-minority users; and

- Compare the differences for each particular fare type between low-income users and non-low-income users.

Impacts are determined based on whether the measured change between the existing fare and proposed fare is within the transit provider's defined policy standard or impact threshold.

DART Disparate Impact Policy and Disproportionate Burden Policy

DART has addressed Title VI considerations in its board-adopted December 2021 revisions to its Service Standards. DART's overall intent is not to discriminate in its services, guidelines, standards, or policies. In the application of these standards, DART will be cognizant of the requirements of FTA C 4702.1B and DOT regulation, 49 CFR part 21. DART will respond to the needs of its population by being fair and equitable in its practices.

DART defines any fare change as a major change necessitating a formal public participation process. The Texas Transportation Code requires that DART conduct formal public hearings in the event of major changes.

Disparate Impact Definition –DART defines a disparate impact as "an adverse impact upon minority (or low income, minority) population that is 5 percentage points greater than the proportion of minority (or low income, minority) population in the service area" (*DART Service Standards*, December 2021 Revisions).

Disproportionate Burden Definition –DART defines a disproportionate burden as "an adverse burden upon low-income population that is 5 percentage points greater than the proportion of low-income population in the service area" (*DART Service Standards*, December 2021 Revisions).

For purposes of this Comprehensive Fare Study and fare change alternatives, as it relates to rider fare impacts, *a comparison of impacts has been made between minority and non-minority riders for the disparate impact analysis, and between low income and non-low-income riders for the disproportionate burden analysis*. Therefore, the term "population" in the context of fare increase or decreases for purposes of this analysis means "riders" identified by the most recent on-board survey. This Title VI analysis follows the FTA example by comparing impacts for minority versus non-minority riders, and low income versus non-low-income riders. DART's 5% standard of significance is applied.

2025 Baseline Fare Structure

DART provides local rail, bus, paratransit, and microtransit services to 13 North Texas cities. Regionally, DART serves Fort Worth via the Trinity Railway Express (TRE) and connects riders to the Denton County Transportation Authority's A-Train at Trinity Mills Station in Carrollton. DART's adopted 2025 local fare structure serves as the baseline structure for comparison of 2026 regional fare changes. DART's local fare policy did not update regional fare categories, which include single ride fares, midday passes, AM/PM passes, day passes, 31-day passes, and annual passes.

- *Local services* fares are applicable to DART bus and rail, GoLink on-demand, Dallas Streetcar, and Trinity Railway Express (TRE) service east of CentrePort/DFW Airport Station:
  - 3-hour pass $3.00
  - Day pass $6.00
  - 31-day pass $126.00
  - Paratransit fares of $3.50 and a paratransit feeder fare of $1.00
- *Regional services* fares include all Local services plus the following regional services: all TRE services, DCTA in Denton County, and Trinity Metro in Tarrant County:
  - TRE regional one-way pass $6.00
  - Day pass $12.00
  - 31-day pass $192.00
  - Annual individual pass $1,920.00
- *Reduced* fares are applicable to DART bus and rail, GoLink on-demand, Dallas Streetcar, and Trinity Railway Express (TRE) service east of CentrePort/DFW Airport Station:
  - 3-hour pass $1.50
  - Day pass $3.00
  - 31-day pass $63.00

DART also offers various other fare programs, including an employer/residential pass program and higher education pass programs.

2026 Regional Fare Structure

Following an extensive analysis, community engagement[1], and regional coordination, DART and its regional partners have identified the following regional fare changes that build upon 2025 local fare changes:

- No change to baseline (2025) local fixed route fare structure including:
  - Three-hour pass product at $3.00 (local) and $1.50 (reduced).
  - Local Day pass fare and reduced fare at $6.00 and $3.00 (Twice the 3-hour Pass pricing).
  - Local 31-Day Pass fare and reduced fare at $126.00 and $63.00, respectively (based on a local day pass fare times 21 days).

[1] Community engagement activities for the DART Comprehensive Fare Study included surveys to over 9,000 respondents, Board member interviews and focus groups with internal stakeholders, community outreach at nearly 30 DART Mobility Plus events, and a series of public hearings ahead of the Board adopted local fare changes. Source: DART Comprehensive Fare Study, Customer and Stakeholder Outreach Report, 2024.

  - No changes to the Dallas Streetcar single trip (one-way pass).
- No changes to the TRE single trip regional fare or single trips on individual regional bus services.
- Regional Day Pass fare lowered to $9 and Regional Reduced Day Pass price set at $4.50.
- Regional Annual Pass products for individual retail (including Annual Senior Pass) would be removed.
- No changes to the Regional 31-Day Pass ($192 Regular).
- Regional 31-Day Reduced Pass introduced at a 50% discount ($96 Reduced).
- Removal of the regional Day Pass Voucher program.

Comparison of 2025 Baseline and 2025 Regional Fare Structure

The 2025 regional fare structure (**Table 1**) lowers the price of day passes, adds reduced day passes, and reduced monthly passes to the regional fare policy and removes the regional annual pass options.

These changes would also remove the regional Day Pass Voucher program. Regional Day Pass Vouchers are currently offered in 10-ticket books at a 40% discount for non-profit organizations and government agencies. Agencies may provide Day Pass vouchers directly to their clients; however, vouchers are not available for individual purchase. Moreover, qualifying low-income riders can access a greater discount (50%) through extension of DART's low-income reduced fare program. While changes to this program may impact administration processes for agencies working directly with low-income individuals, it would not produce direct impacts on low-income individuals for purposes of the Title VI evaluation.

Comprehensive Fare Study: Supplemental Update

Title VI Equity Analysis for 2026 DART Regional Fare Policy

Table 1: 2025 Baseline and 2026 Regional Fare Structure

Fare Category	Fare Type	2025 Baseline Local Fare	Nearest Equivalent 2026 Fare	Absolute Fare Change	% Fare Change
3-hour Pass	Local	$ 3.00	$ 3.00	$ -	0%
3-hour Pass	Reduced - Local	$ 1.50	$ 1.50	$ -	0%
Streetcar Single Trip	Local	$ 1.00	$ 1.00	$ -	0%
Day Pass	Local	$ 6.00	$ 6.00	$ -	0%
Day Pass	Regional	$ 12.00	$ 9.00	$ (3.00)	-25%
Day Pass	Reduced - Local	$ 3.00	$ 3.00	$ -	0%
Day Pass	Reduced - Regional	$ 3.00	$ 4.50	$ 1.50	50%
31-Day Pass	Local	$ 126.00	$ 126.00	$ -	0%
31-Day Pass	Regional	$ 192.00	$ 192.00	$ -	0%
31-Day Pass	Reduced - Local	$ 63.00	$ 63.00	$ -	0%
31-Day Pass	Reduced - Regional	$ 48.00	$ 96.00	$ 48.00	100%
Annual Individual Pass	Regional	$ 1,920.00	$ 2,304.00	$ 384.00	20%
Annual Senior Pass	Reduced - Regional	$ 576.00	$ 756.00	$ 180.00	31%
Annual Corporate Pass	Local	$ 960.00	$ 960.00	$ -	0%
TRE Single Trip	Regional	$ 6.00	$ 6.00	$ -	0%

FARE EQUITY ANALYSIS

The FTA recommends the use of ridership survey data, among other information, to conduct the fare equity analysis to determine whether the proposed fare change and change in the fare system has a disparate impact upon low-income and/or minority patrons. The fare equity analysis is performed by estimating FY 2021 minority and low-income ridership by fare type, applying this information to the 2026 regional fare structure, and assessing whether the 2026 fare structure results in a disparate impact to minority riders and/or a disproportionate burden to low-income riders. Steps completed in this analysis were as follows:

- Determine minority, low-income, and overall riders by fare category from DART's 2021[2] on-board passenger survey;
- Apply minority and low-income percentages from the 2021 surveys to 2022 fare transaction data;
- Calculate the resulting average fare increase for low-income, minority and overall riders based on DART's 2026 regional fare structure; and
- Determine if the fare increase causes a disparate impact to minority riders and/or a disproportionate burden to low-income riders.

[2] 2021 represents the most recent published on-board survey data available at the time of the DART fare study methodology approval and alternatives evaluation.

Comprehensive Fare Study: Supplemental Update

Title VI Equity Analysis for 2026 DART Regional Fare Policy

Minority Definition. For purposes of this analysis, minority riders are defined as anyone who self-identifies race and ethnicity as anything other than white. In the 2021 survey, transit riders were provided with the following choices: *American Indian/Alaska Native, Asian/Indian, Black/African American, Hispanic/Latino, Native Hawaiian/Pacific Islander, White/Caucasian* and *Other*. Minorities thus included all categories except *White/Caucasian*.

Low-Income Definition. Low-income riders are defined in the DART Service Standards, as revised in December 2021, as riders that come from households with a household income of 150% of defined Federal poverty level, based on household size.

The 2021 Rider Survey collected 5,119 surveys of riders using one or more DART services (bus, LRT, and/or TRE). The survey "tracked" each rider's trip, from origin to destination, with information regarding transfers, thus it was possible to determine ridership composition by mode. The survey was used to determine the number of riders that utilized a DART bus, DART LRT, and commuter rail. The survey's linked trip weight factors were used to expand to systemwide results. This resulted in a survey that represents 107,624 linked trips that use one or more DART services. Ridership by fare category (as estimated from the Regional Rider survey) was applied to each fare category's incremental change to project ridership for minority and low-income ridership groups (**Table 2**).

The Title VI analysis is completed by determining the average fare change for all riders, minority riders, and low-income riders and determining if there are disparate or disproportionate impacts associated with the fare change for minority and low-income riders. *** Nearest** equivalent fare and percent fare change for annual pass products (removed) are based on purchase of twelve equivalent 31-day pass products

Table 3 presents these calculations for the 2026 regional fare structure. The first step in this process is determining the average fare change. Ridership usage presented in **Table 2** is applied to fare changes to determine changes to fares collected for overall, minority and low-income riders.

For the Title VI analysis, changes in average daily fare totals were divided by daily ridership to determine an individual's daily average fare change based on passenger group. DART's overall fixed route ridership composition is predominately minority (81%) and low-income (83%). Regional fare categories affected by 2026 fare changes have a similar demographic composition of 82% minority and 84% low-income. Average daily fare changes are shown near the bottom of **Table 2** for the 2026 regional fare structure. The average fare increases by $0.003 overall. The increase for minority riders and non-minority riders is identical at $0.003 each, and the average daily fare increase for low-income riders is $0.002 versus $0.004 for non-low-income riders. Minority riders are thus seeing an average daily fare increase that is the same for non-minority riders, while low-income riders are seeing an average daily fare increase which is a slightly lower than the average fare increase for non-low-income riders. The resulting minority impact of -15.3% and low-income impact of -30.4% both fall below zero, indicating net benefit to Title VI populations, and do not exceed the +5% threshold set in DART's Disparate Impact Policy and Disproportionate Burden Policy.

Comprehensive Fare Study: Supplemental Update

Title VI Equity Analysis for 2026 DART Regional Fare Policy

Table 2: Projected Ridership by Fare Category and Ridership Group

Fare Category	Fare Type	Estimated Fare per Boarding	Estimated Revenue	2025 Baseline Local Fare	Nearest Equivalent 2026 Fare	% Fare Change	Annual Ridership	Percent Minority Riders	Minority Ridership	Non-Minority Ridership	Percent Low Income Riders	Low Income Ridership	Non-Low Income Ridership
Day Pass	Regional	$0.87	$610,680	$12.00	$9.00	-25%	700,062	83%	581,052	119,011	86%	602,053	98,009
Day Pass	Reduced - Regional	$0.29	$179,997	$3.00	$4.50	50%	627,591	83%	520,901	106,690	86%	539,728	87,863
31-Day Pass	Reduced - Regional	$0.28	$115,353	$48.00	$96.00	100%	405,713	80%	324,571	81,143	80%	324,571	81,143
Annual Individual Pass*	Regional	$12.05	$310,996	$1,920.00	$2,304.00	20%	25,802	77%	19,867	5,934	74%	19,093	6,708
Annual Senior Pass*	Reduced - Regional	$0.08	$256	$576.00	$756.00	31%	3,398	77%	2,616	781	74%	2,514	883
Subtotal Affected Fare Categories			**$1,217,282**				**1,762,566**	**82%**	**1,449,006**	**313,560**	**84%**	**1,487,960**	**274,606**
Total Fixed Route			**$26,283,880**				**42,455,089**	**81%**	**34,380,646**	**7,650,257**	**83%**	**35,242,205**	**6,788,698**

* Nearest equivalent fare and percent fare change for annual pass products (removed) are based on purchase of twelve equivalent 31-day pass products

Comprehensive Fare Study: Supplemental Update

Title VI Equity Analysis for 2026 DART Regional Fare Policy

Table 3: Change in Average Daily Fare Totals by Fare Category and Title VI Impacts

Fare Category	Fare Type	% Fare Change	Overall Fare Change	Minority Fare Change	Non-Minority Fare Change	Low Income Fare Change	Non-Low Income Fare Change
Day Pass	Regional	-25%	-$152,670	-$126,716	-$25,954	-$131,296	-$21,374
Day Pass	Reduced - Regional	50%	$89,999	$74,699	$15,300	$77,399	$12,600
31-Day Pass	Reduced - Regional	100%	$115,353	$92,282	$23,071	$92,282	$23,071
Annual Individual Pass*	Regional	20%	$62,199	$47,893	$14,306	$46,027	$16,172
Annual Senior Pass*	Reduced - Regional	31%	$80	$62	$18	$59	$21
Total Fixed Route			**$114,960**	**$88,220**	**$26,741**	**$84,471**	**$30,489**
Average Fare Change:			*$ 0.003*	*$ 0.003*	*$ 0.003*	*$ 0.002*	*$ 0.004*
% of Total Fare Change:				*42%*	*58%*	*35%*	*65%*
Minority/Low Income Impact				*-15.3%*		*-30.4%*	

* Percent fare change for annual pass products (removed) are based on purchase of twelve equivalent 31-day pass products

DART Fare Structure

Effective March 1, 2026

Section 1: Product Fare Schedule

The table below outlines the local and regional fares available to individual riders at both full and reduced rates. Special program fares (customer promotions, bulk sales, route promotions, outside service area, and site-specific shuttle services) are provided in Section 4. The fares below are not valid for GoLink trips that do not start or end at fixed-route service or a designated rally point. Distance-based GoLink fares are governed by Section 5.

Pass Type	**Local**[1]		**Regional**[2]	
	Full/Regular	*Reduced*[3]	*Full/Regular*	*Reduced*[3]
3-Hour Pass[4]	$3.00	$1.50	-	-
TRE One-Way[2]	-	-	$6.00	-
Day Pass[5]	$6.00	$3.00	$9.00	$4.50
Monthly/31-Day Pass[6]	$126.00	$63.00	$192.00	$96.00
Single-Ride Paratransit[7]	$4.00	-	-	-
Dallas Streetcar[8]	$1.00	-	-	-

[1] Local passes are valid for all DART buses, trains, and GoLink and Trinity Railway Express (TRE) service between Union Station and CentrePort/DFW Airport Station.

[2] Regional passes are valid for all DART buses, trains, and GoLink; all TRE service; Trinity Metro buses, trains, and ZIPZONE; and DCTA buses and trains.

[3] Reduced fare eligibility:

a. Seniors (age 65 and older) and non-paratransit disabled riders with a valid ID
b. Children ages 5-14
c. Students with a valid DART-issued student ID attending high schools within the DART service area
d. Full-time undergraduate students with a valid DART-issued student ID attending colleges and trade schools in the DART service area that are not participating in the Higher Education Program
e. Enrollees in: Texas Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Comprehensive Energy Assistance Program, Housing Choice Voucher Program, Dallas Housing Authority (DHA) Public Housing, Children's Health Insurance Program (CHIP), Parkland Financial Assistance (PFA), Medicaid, Medicare, or other means-tested low-income programs approved by the DART Board for eligibility in the DART Reduced Fare Program
f. U.S. military veterans with a valid DART-issued ID

[4] 3-hour passes include unlimited rides on local service within three hours of activation/purchase.

[5] Day passes are valid for unlimited rides on the date of activation/purchase through 3 a.m. the following day.

[6] Monthly passes are available only through use of a registered GoPass Tap card, the GoPass app, or contactless payment fare media via fare capping. Fare capping is based on activity within a calendar month. 31-day passes are available only in the GoPass app from the date of activation until 3 a.m. on the 31st day.

[7] Riders must be determined eligible before using paratransit service. Single-ride paratransit fares are valid for a single trip. Refer to DART.org for additional information on paratransit eligibility and rider rules. Paratransit fare will not exceed two times DART's base fare.

[8] Any valid DART fare is accepted on the streetcar system, including an activated GoPass app ticket, GoPass Tap card with sufficient funds, or a valid DART-issued pass. Riders without valid DART fare must pay $1.00 using the GoPass app or by tapping a GoPass Tap card or contactless payment fare media on the onboard validator.

Section 2: Free Fares

As a tax-supported governmental agency, DART does not contribute free transportation to other governmental agencies, social service agencies, or charitable organizations. The categories of riders below may ride DART bus, light rail, and GoLink without fare payment. (This section is not applicable to paratransit service, except as noted.)

a. Paratransit-eligible riders on fixed-route services with a valid paratransit ID.
b. ADA (Americans with Disabilities Act) paratransit-eligible individuals who are authorized to have one personal care attendant (PCA) may have the PCA travel with them on fixed-route service at no charge. A valid ID indicating an attendant is necessary is required.
c. Up to two children under the age of five when accompanied by an adult (age 18 or older) paying the appropriate fare. Any additional child under the age of five traveling with that adult, or any child accompanied only by person(s) younger than 18, shall be charged reduced fare.
d. Voters showing a valid voter registration card from 6 a.m. to 8 p.m. on a state or national primary or general election day in accordance with Board Resolution No. 900232. This includes paratransit service.
e. Uniformed police officers and plainclothes police officers displaying badges issued by cities in the DART service area.
f. Uniformed parking enforcement officers.
g. Uniformed downtown Safety Patrol personnel traveling within the Dallas Central Business District.
h. Active employees and retirees and one family member designated by the employee or retiree with DART-approved fare media on fixed-route and GoLink service.
i. Part-time DART employees with proof of transit privilege and DART-approved fare media on fixed-route and GoLink service. Temporary employees do not qualify for this benefit unless individually authorized by DART management based on transit needs for assigned duties.
j. Current and former DART Board members and their spouses with DART-approved fare media on fixed-route and GoLink service.
k. Employees of contractors who operate fixed-route or on-demand service on DART's behalf and certain engineering consultants, including General Engineering, System Design, and Design Contract Integration consultants who have been approved by DART management for transit privilege on fixed-route and GoLink service. DART management may approve other contractors not specified above on a case-by-case basis based on transit needs for assigned duties. The contractor will show proof of transit privilege and DART-approved fare media.
l. McKinney Avenue Trolley employees or operators with valid Trolley ID card.
m. All riders on site-specific shuttle services (refer to #5 in Section 4: Special Programs).

Section 3: Electronic Payments and Fare Capping

Electronic payments allow DART riders to load value into an account-based system or use a contactless credit/debit card or any payment-enabled mobile device to purchase DART passes or pay for travel.

GoPass App Accounts

The GoPass mobile app allows customers to purchase local and regional passes to ride DART, TRE, and DCTA. Riders can also take advantage of daily and monthly fare capping and load value to their GoPass account using cash, credit/debit cards, Apple Pay, or Google Pay. The mobile app is compatible with Apple and Android and can be downloaded from Google Play and the Apple App store. Customers must activate a pass prior to boarding a transit vehicle.

GoPass Tap Card Accounts
Customers must register their GoPass Tap card account to enable available features. Customers must tap their GoPass Tap cards at payment system validators upon boarding each vehicle during their journey on DART.

Contactless Payment
Contactless payment allows customers to pay with any contactless credit or debit card or any payment-enabled mobile device (phone, tablet, watch, etc.). Customers can also register a contactless card or device to benefit from monthly fare capping.

Fare Evasion Fees
DART Police, Fare Enforcement Officers (FEOs), and Trinity Railway Express (TRE) conductors may collect a $5 fare evasion fee, plus the appropriate transit fare, during the inspection process in lieu of or in addition to issuing a fare evasion citation.

Payment Registration
Customers can register their GoPass Tap card or contactless payment method by visiting GoPass.org and creating a new account or setting up an account in person at the DARTmart. Once an account is created, customers can add one or more payment methods, add funds to their accounts, view their transaction history, or report a GoPass Tap card lost and have any remaining value restored on a new card.

Loading Value
Customers can load value into their GoPass app virtual wallet or on their GoPass Tap cards using cash or a credit/debit card at retail locations throughout the service area, online, at the DARTmart, or by calling DART Customer Service.

Fare Capping
Fare capping is a pay-as-you-go feature that allows DART riders to make several trips with the GoPass app, the GoPass Tap card, or a form of contactless payment without spending more than they would have if they had purchased a day pass or monthly/31-day pass (calendar month).

To benefit from fare capping, riders must activate their ticket in the GoPass app or tap their GoPass Tap card or contactless payment fare media at the validator prior to boarding on every trip. Riders must also register their payment method to benefit from monthly fare capping. The DART payment system then automatically caps the daily and monthly fare once the cap amounts are reached.

Distance-based GoLink fares are exempt from fare capping.

Section 4: Special Programs

Customer Promotions
The President & Chief Executive Officer or his/her designee may approve the free distribution of prepaid media, VIP passes, or special coupons as needed to:

a. Support marketing programs, including but not limited to special route promotions, introductory shuttles, air quality improvement programs, and focus group or survey participation.
b. Provide inbound travel on all DART services, including bus, rail, GoLink, and paratransit, to all individuals showing a jury summons with the current date displayed. Court Services will distribute a pass valid for outbound travel upon request to individuals reporting for jury duty.

c. Compensate customers for inconvenience or system problems.
d. Allow courtesy access to the system for special tour groups, non-local DART visitors, or consultants involved in DART system planning.

Bulk Sale Discount Program
The DART Bulk Sale Discount Program incentivizes large-volume purchases using a sliding-scale discount ranging from 10% to 70%, as shown in the pricing schedule below.

Number of Passes Purchased	**Bulk Sale Discount**	**Special Event Day Pass[1]**	**Corporate Annual Pass[2]**		**Education Semester Pass[3]**	
			Local	*Regional*	*Student Body*	*Individual Students*
Less than 2,000	n/a	$6.00	$945	$1,440	$78.00	$192.00
2,000-4,999	10%	$5.40	$851	$1,296	$70.20	$172.80
5,000-9,999	20%	$4.80	$756	$1,152	$62.40	$153.60
10,000-19,999	30%	$4.20	$662	$1,008	$54.60	$134.40
20,000-29,999	40%	$3.60	$567	$864	$46.80	$115.20
30,000-39,999	50%	$3.00	$473	$720	$39.00	$96.00
40,000-49,999	60%	$2.40	$378	$576	$31.20	$76.80
50,000 or more	70%	$1.80	$284	$432	$23.40	$57.60

[1] Special event day passes must be used on the dates specified on the ticket for special event registrants.

[2] Corporate annual passes may be purchased by businesses, apartment/condominium complexes, or other employer organizations with a minimum purchase requirement of five passes. Annual passes can be purchased up front for the full price listed above or paid in monthly installments for an additional annual administrative fee of $94.50 for the local pass or $144 for the regional pass. The account holder must choose one payment option for the entire year. New accounts opened after the start of the calendar year will be prorated according to the starting month (accounts opened from October through December will receive a prorated fare only if enrolling for the following year).

[3] Semester passes must be purchased by an educational institution (elementary schools, middle schools, high schools, colleges, universities, or trade schools) for either the full student body or on behalf of individual students. The semester pass price as shown is a five-month equivalent for the Fall (August-December) and Spring (January-May) semesters and can be prorated to two months for a Summer pass. The Summer pass will be valid for June through the last day of summer classes or through July 31, whichever is later, and is available only to educational institutions that have purchased a Fall or Spring semester pass via executed contract.

Route Promotion Pass
The Route Promotion Pass supports DART's public awareness and outreach efforts. Communications (or its successor organization) will negotiate with special events organizers interested in including DART day passes for their attendees to determine whether DART could benefit from the exposure the event media and attendance could provide.

Eligibility requirements:
a. The event is within a DART service area city.
b. DART must receive a minimum 2:1 benefit for the value of the passes provided. This can be through estimated cash value (barter), cash, or any combination of the two.
c. The media provided by the event must promote using DART.
d. Both DART and the event organizer/chair must sign a simple agreement.

The President & Chief Executive Officer (CEO) or his/her designee may sign the agreement. Concurrence from the Chief Financial Officer must be received before presenting the agreement to the CEO for signature. Communications will provide documentation to Finance within 90 days of the conclusion of the special event that supports the value used to pay for the passes.

DART Service Outside Service Area Boundary
DART Board Policy III.07, DART Service Outside Service Area Boundary, authorizes and provides guidance regarding the provision of DART service outside its service area boundary. Policy III.07 requires a service agreement approved by the DART Board. This agreement will establish fares for riders using the service.

Site-Specific Shuttle Service
DART Board Policy III.16, Site Specific Shuttle Service Policy, authorizes and provides guidance regarding the provision of DART circulator/distributor shuttle service operated by employers or other private entities that connects to rail stations or transit centers. Policy III.16 requires proposals for service be approved by the DART Board of Directors. The approved agreement will establish fares for riders using the service and pricing and eligibility rules for any user passes provided to program participants. User passes are provided only for educational institutions where the partner institution provides substantial funding for shuttle services and passes are purchased for the entire student body (based on full-time equivalent enrollment).

Day Pass and 3-Hour Pass Vouchers
Vouchers for local day passes or 3-hour passes are available only to governments, alternative schools, and nonprofit institutions for issuance to DART service area clients. Passes for governments and nonprofit institutions are available at a 40% discount. Passes for alternative schools are available at a 50% discount and are valid from 6 a.m. to 6 p.m., Monday through Friday.

Section 5: GoLink Service
GoLink-valid fare media covers any trip that begins or ends at a connection to fixed-route service or a DART-designated stop (rally point).

Distance-Based Fares
If a trip begins and ends at two undesignated stops, it will be considered a premium service. Premium service fares are listed in the table below, increasing by $1 per mile above five miles. Fares will be capped at $15 per trip.

Miles	Rate		Miles	Rate		Miles	Rate
<5	$3.00		9-10	$8.00		14-15	$13.00
5-6	$4.00		10-11	$9.00		15-16	$14.00
6-7	$5.00		11-12	$10.00		16+	$15.00
7-8	$6.00		12-13	$11.00			
8-9	$7.00		13-14	$12.00			

Agenda Report

Committee-of-the-Whole ☒
Board Meeting ☒

Voting Requirements:
2/3

DATE: **August 26, 2025**

SUBJECT: **Approval of 2026 Service Changes and Title VI Service Equity Assessment**

RECOMMENDATION

Approval of a resolution authorizing the President & Chief Executive Officer or her designee to: 1) authorize implementation of major service changes in January 2026, as shown in Exhibit 1 to the Resolution; and 2) accept the results of the Title VI Service Equity Assessment, as shown in Exhibit 2 to the Resolution.

COMMITTEE CONSIDERATIONS

- This item was discussed at the August 12, 2025, Committee-of-the-Whole without action; and was postponed for further discussion and possible action at the August 26, 2025, Committee-of-the-Whole and DART Board of Directors' meetings.

FINANCIAL CONSIDERATIONS

- Implementation of the major service changes as shown in Exhibit 1 will result in savings to the agency of $18 million in the FY 2026 Operating Budget. The annualized savings in future fiscal years is estimated at $24 million.

BUSINESS PURPOSE

- Approval of this item will assist DART in achieving Agency Strategic Goal 3: Quality Service - Deliver a quality customer experience defined by strong rider advocacy and built on professional pride and continuous improvement; Strategic Goal 4: Seamless Mobility - Integrate mobility options to create a seamless travel experience defined by frequency and reliability that positions DART as first in mind; and Strategic Goal 6: Strategic Relationships - Position DART as a collaborative leader and recognized regional economic and mobility asset.

- This item covers the implementation of the proposed 2026 service changes. The service changes include the discontinuation of some bus service, frequency reductions, modifications to some GoLink zones, and implementation of new member city service requests. More detail is provided in Exhibit 1.

- These changes have been proposed to address DART Board Resolution No. 250025, which creates a new General Mobility Program (GMP) to be funded with 5% of sales tax revenue, as well as the combined impacts of city service requests, Silver Line startup, and limits to year-to-year growth in the DART Operating budget.

- The final recommendations also consider the public input received since the Call for Public Hearing was issued by the Board in May 2025. Various opportunities to provide input included:
    - Written comments submitted online or via email, and
    - Fifteen formal community meetings throughout the month of June, and
    - The Public Hearing at the regular July Board meeting that received more than 170 speakers.
- The implementation date for these service changes would be January 19, 2026.

LEGAL CONSIDERATIONS

Section 452.115 of the Texas Transportation Code requires DART to hold a public hearing on service changes involving 25 percent or more of the number of transit route miles of a transit route; or 25 percent or more of the transit revenue miles of a transit route, computed daily, for the day of the week for which the change is made; or the establishment of a new route.

DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Approval of 2026 Service Changes and Title VI Service Equity Assessment

WHEREAS, a Public Hearing was held on July 8, 2025, as required for major service changes; and

WHEREAS, the 2026 Service Changes are designed to respond to fiscal constraints while minimizing the impact to as many customers as possible without unnecessarily sacrificing frequency; and

WHEREAS, the recommendations include two shuttle pilot projects which will be funded according to the current site-specific shuttle policy of a 50/50 split between DART and the member city and operated for a minimum of two years while being evaluated by the most current version of the DART Service Standards; and

WHEREAS, the recommendations also include bus and rail frequency reductions and GoLink zone expansions in Plano; and

WHEREAS, the recommendations also include the creation of two new GoLink zones in Addison and southwest Plano; and

WHEREAS, the remaining details of the changes are available as shown in Exhibit 1 to the resolution; and

WHEREAS, the Service Equity Analysis, are available to review as shown in Exhibit 2 to the resolution, estimates a disparate impact will be borne by minority concentrations in DART's Service Area beyond the threshold set in the Service Standards; and

WHEREAS, mitigation measures have been included in the analysis results to be adopted by the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the President & Chief Executive Officer or her designee is authorized to:

Section 1: Authorize implementation of major service changes in 2026, as shown in Exhibit 1 to the Resolution.

Section 2: Accept the results of the Title VI Service Equity Assessment, as shown in Exhibit 2 to the Resolution.

Approval of 2026 Service Changes and Title VI Service Equity Assessment

Prepared by:	/s/ Dee Leggett Dee Leggett Executive Vice President Chief Development Officer
Approved as to form:	/s/ Gene Gamez Gene Gamez General Counsel
Approved by:	/s/ Nadine S. Lee Nadine S. Lee President & Chief Executive Officer

Approval of Final Recommendations for January 2026 Service Changes

Background

Recommended changes are the result of several key factors:

1. Allocation of 5% of sales tax revenues for a new General Mobility Fund (GMF).
2. DART city requests for new services targeting new or underserved ridership markets.
3. New costs associated with operation of the Silver Line.
4. Strict limits to year-to-year budget growth.

The original package of service changes taken through the public input process included a mix of service discontinuations, frequency reductions, and new service proposals, and were based upon a target of $60m/year in overall reductions. These recommendations are based upon the projected financial situation of DART as of August 2025. We were able to reduce the financial target to $25m/year, and there have been many subsequent changes that are a part of the recommendations.

Most of the changes meet thresholds that trigger public hearing requirements under DART Service Standards and the Section 452 of the Texas Transportation Code. A series of pre-Public Hearing community meetings were held in June and early July to solicit comments on potential changes, and the new proposals reflect this input along with revised financial assumptions.

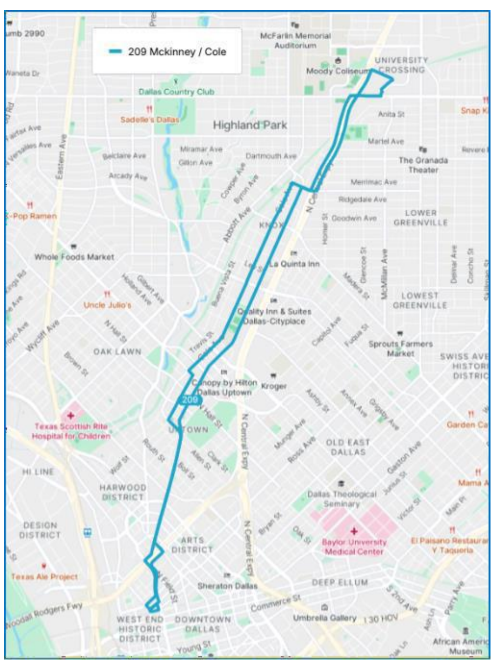
Many of the new services will be introduced as pilot projects and will be identified below accordingly. DART will carefully review service performance and effectiveness during a two-year start-up period specified in future amendments to DART Service Standards. Amended pilot project guidelines and standards will be considered by the Board of Directors prior to the implementation of new services in January.

Discontinuations

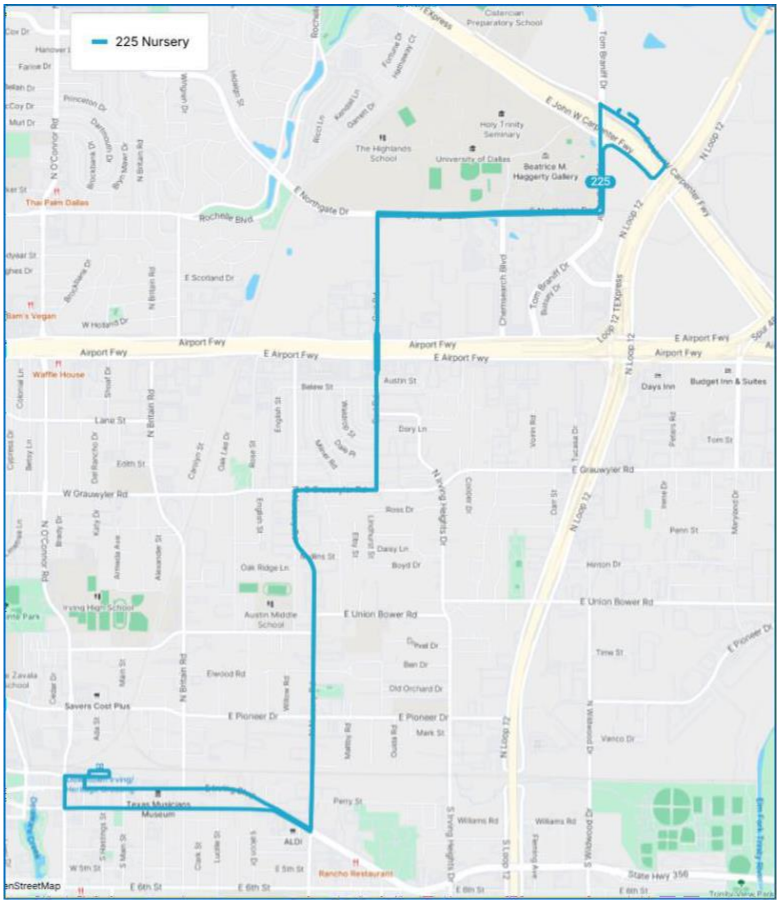
The following low performing services are proposed for discontinuation:

Bus Routes

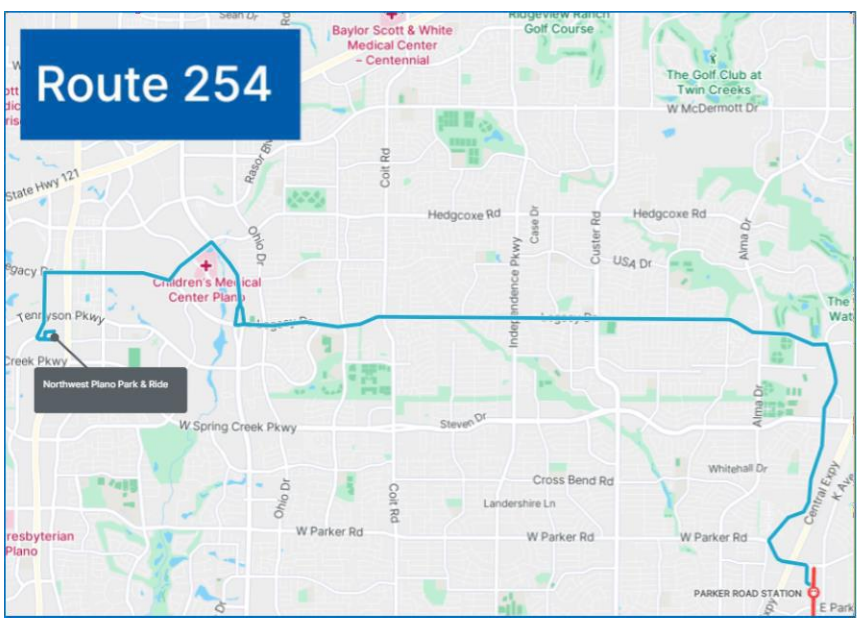
- **209** – McKinney / Cole in central Dallas; alternative services nearby include Park Cities GoLink, the Red or Orange Light Rail lines, the McKinney Avenue trolley service, or Route 105 Henderson depending on origins and destinations



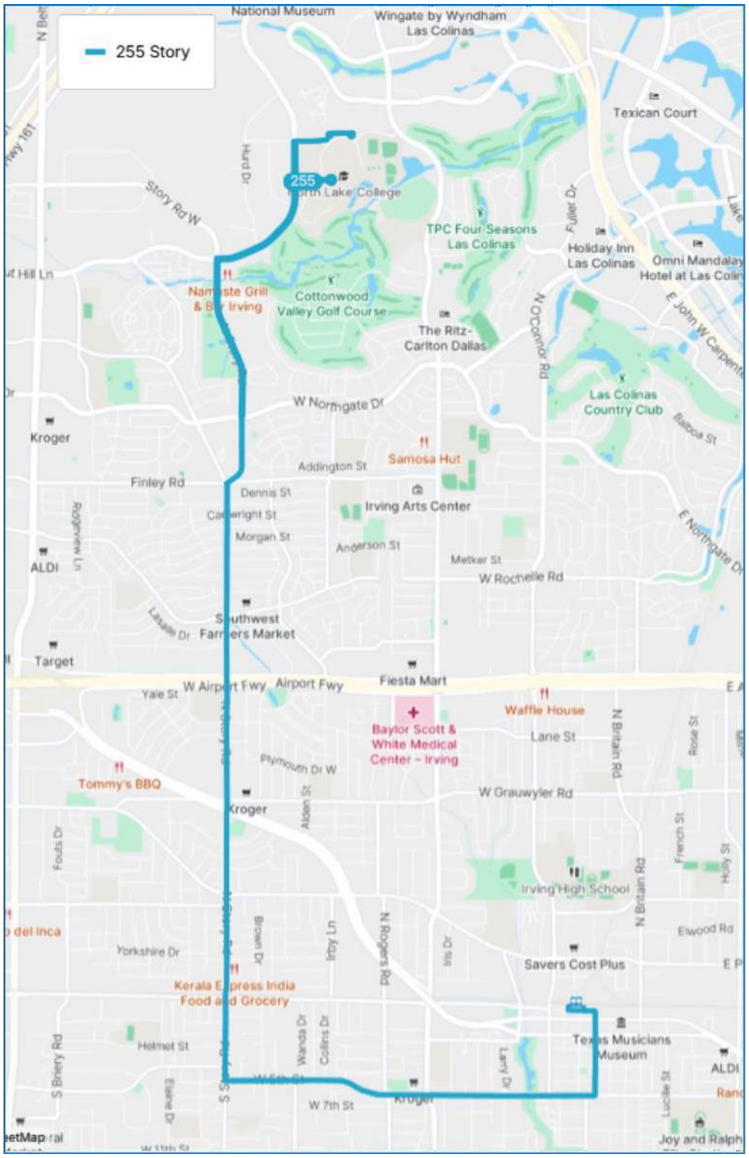
- **225** – Nursery in east Irving; alternative services available include North Central Irving GoLink zone



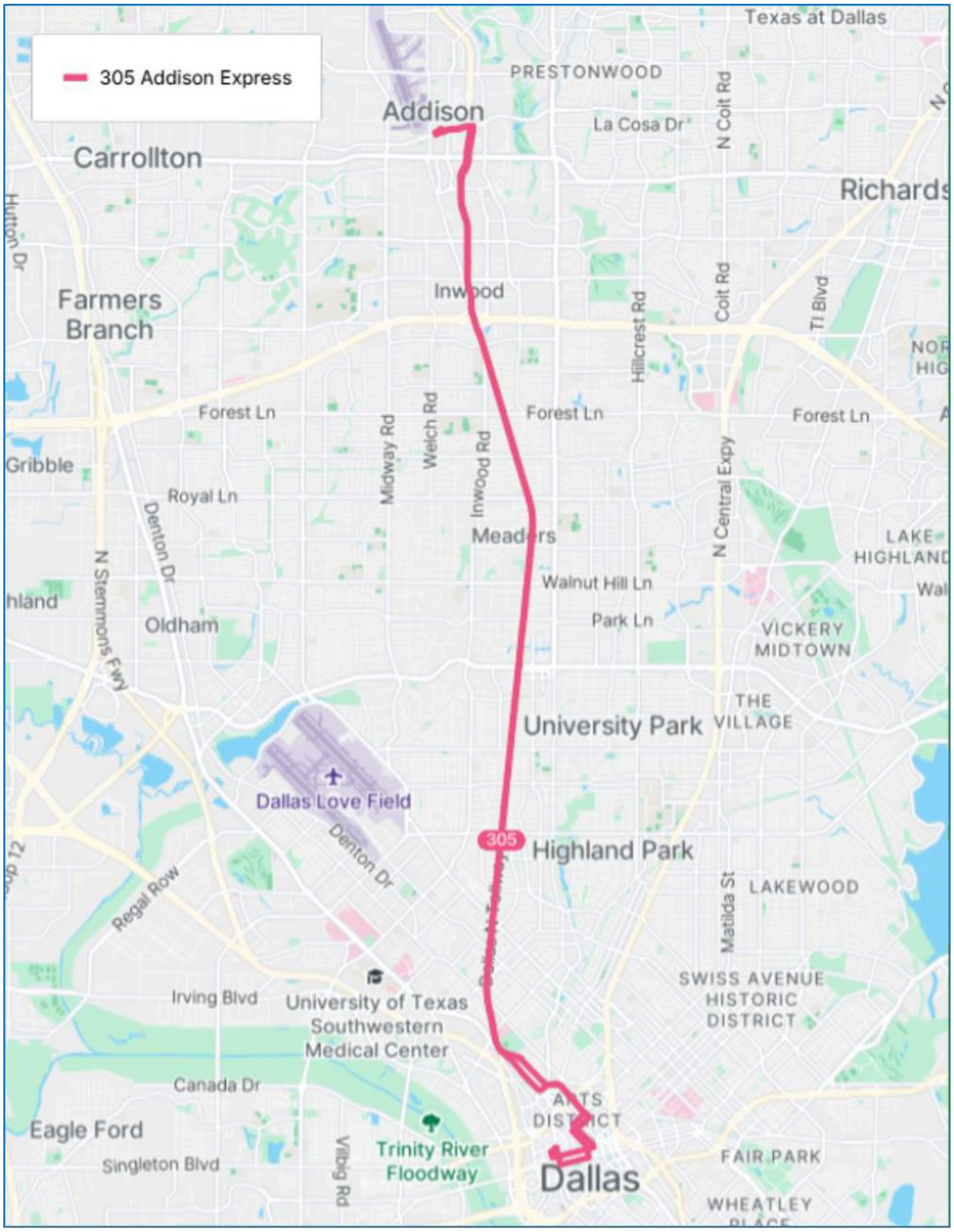
- **254** – Legacy in Plano; alternative services available include Legacy, Far North Plano, North Central Plano, and South Central Plano GoLink zones



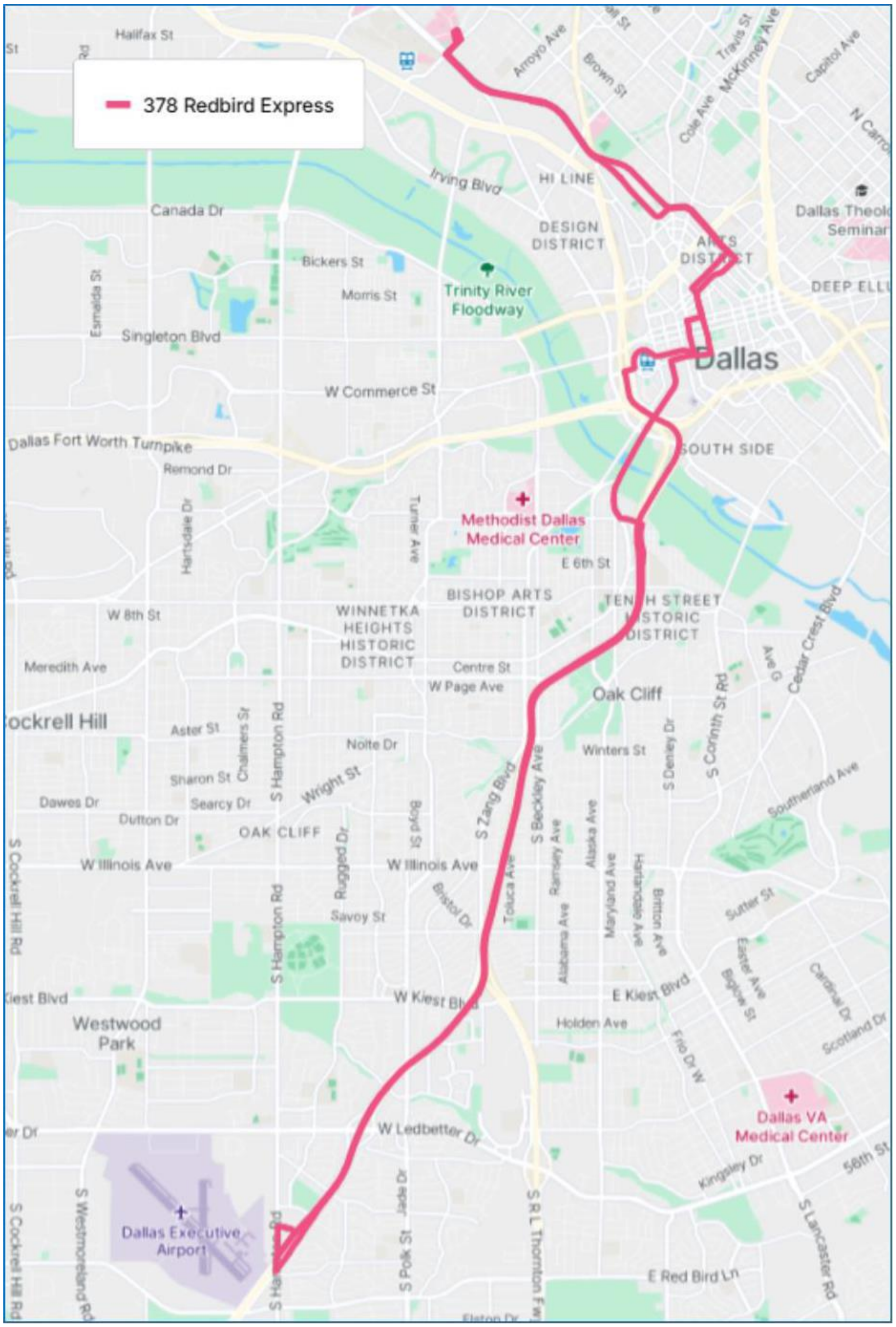
- **255** – Story in central Irving; alternative services available include North Central Irving and South Irving GoLink zones



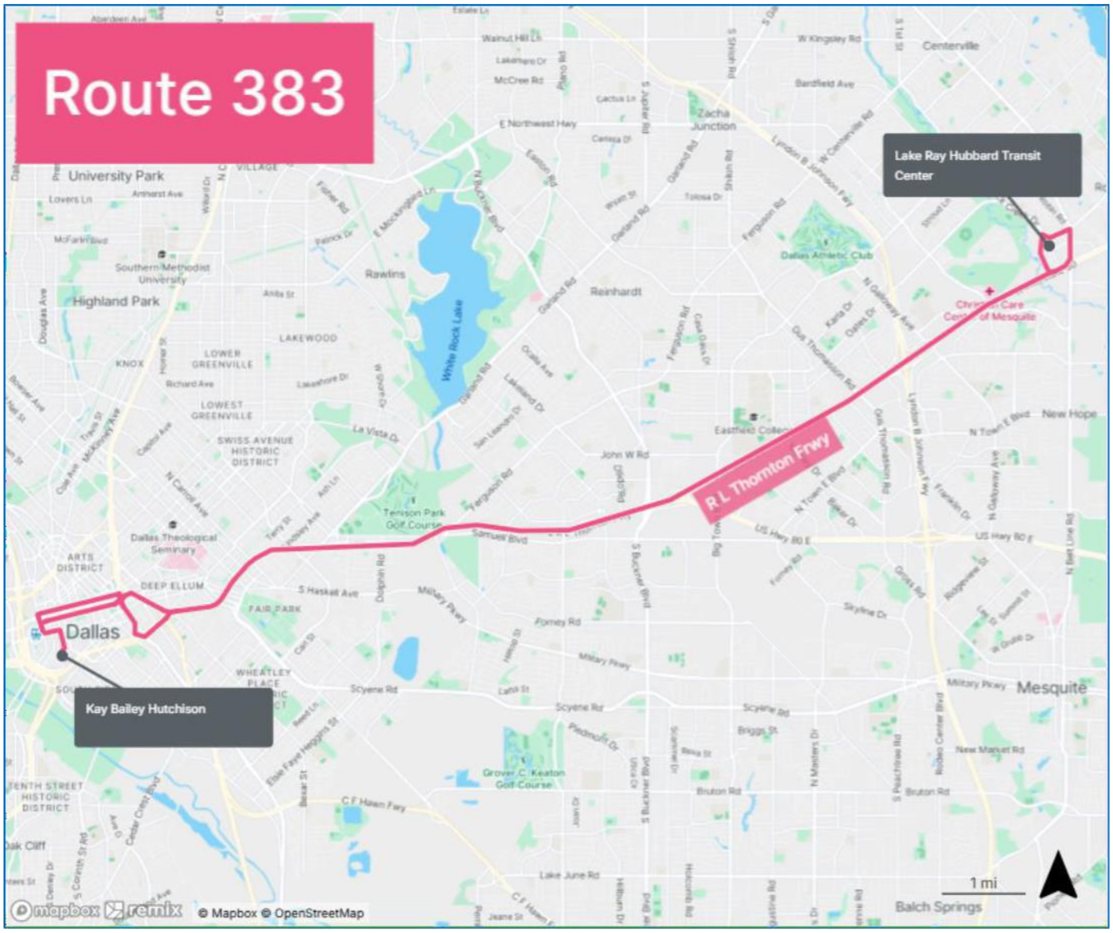
- **305** – Express Route; Addison; alternative services available include Route 239 via the Dallas North Tollway



- **378** – Express Route; Red Bird (Dallas); Alternative service available nearby include (depending on origin / destination) Routes 101 Hampton to Southwestern Medical District / Parkland Station and 109 Beckley to Downtown Dallas



- **383** – Express Route; Lake Ray Hubbard; Alternative service available nearby include Route 224



Frequency Reductions

Some DART bus and rail services would see some reductions in service frequency during specified time periods:

Bus Routes

- Frequent bus Routes would see peak frequencies change to 20 minutes (except for 28, 41, and 47 as explained below):
    - This includes Routes 013, 015, 016, 017, 018, 020, 022, 023, 025, 027, 030, 038, 057
    - Routes 28, 41, and 47 would become local routes 128, 141, and 147, operating 20 peak, 30 midday, 30 weekend frequencies.
- Local Routes (route numbers in the 100 series) would see peak frequencies change to 20 minutes:
    - This includes Routes 101, 102, 103, 104, 106, 108, 109, 114, 122, and 145, plus 128, 141, and 147 as noted above.
- Route 306 (an express service) would change to 20-minute frequency during peak periods.

Light Rail

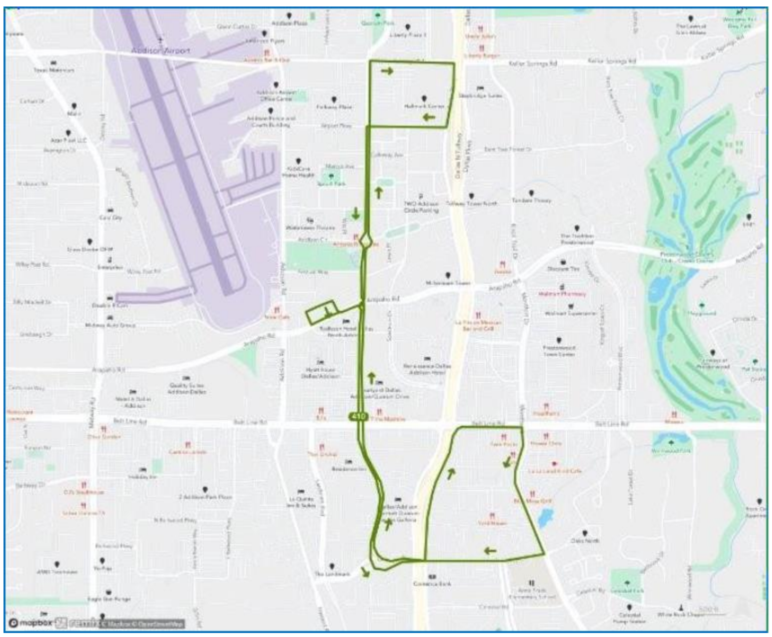
- Peak service headways would be reduced to 20 minutes on all lines.

DART City Requests

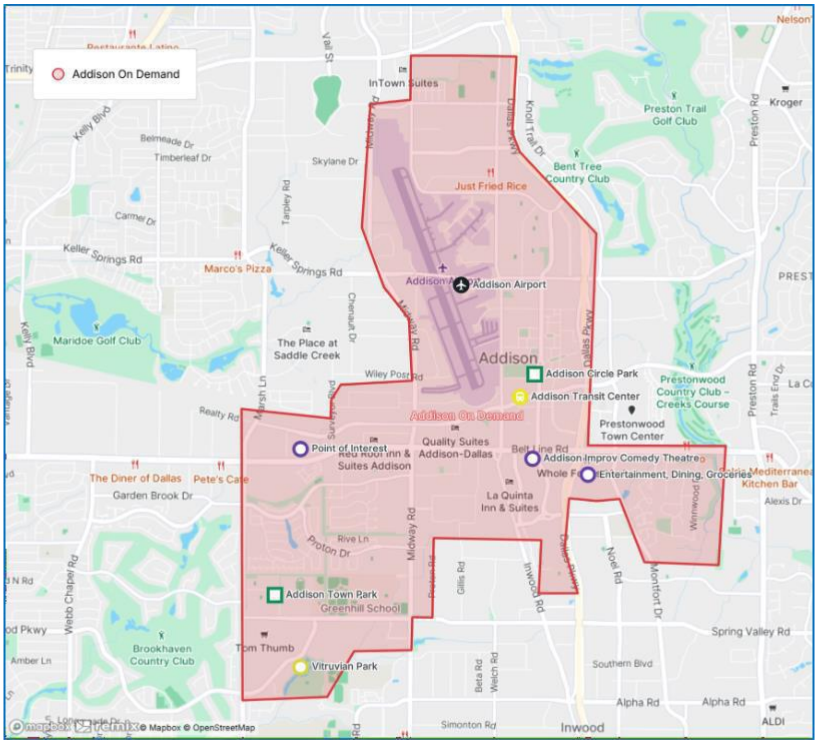
Various DART member cities have requested additional service to increase the operational spending in their localities and strengthen their respective mobility goals. Some of the requests qualify as a major service change and therefore require inclusion in the Public Hearing. Other smaller modifications will be implemented in September 2025 but are not described in detail here due to their not being included in the Public Hearing.

Addison

The Town of Addison requested, and staff is recommending the implementation of a fixed-route shuttle to serve the Quorum corridor between Keller Springs and Belt Line on the Parkway. Route 430 would be implemented as a new pilot program, with route and ridership performance evaluated over a two-year period. The service would operate every 15 minutes during the week (Monday – Friday) from 5:00AM – 10:00PM, and every 30 minutes from 10:00PM – midnight; and weekends every 30 minutes from 5:00AM – 10:00AM, every 15 minutes from 10:00AM – 10:00PM, and then every 30 minutes again from 10:00PM – midnight. The Board of Directors would then decide at the end of the two years in accordance with new standards that will be adopted in DART Service Standards later in 2025.

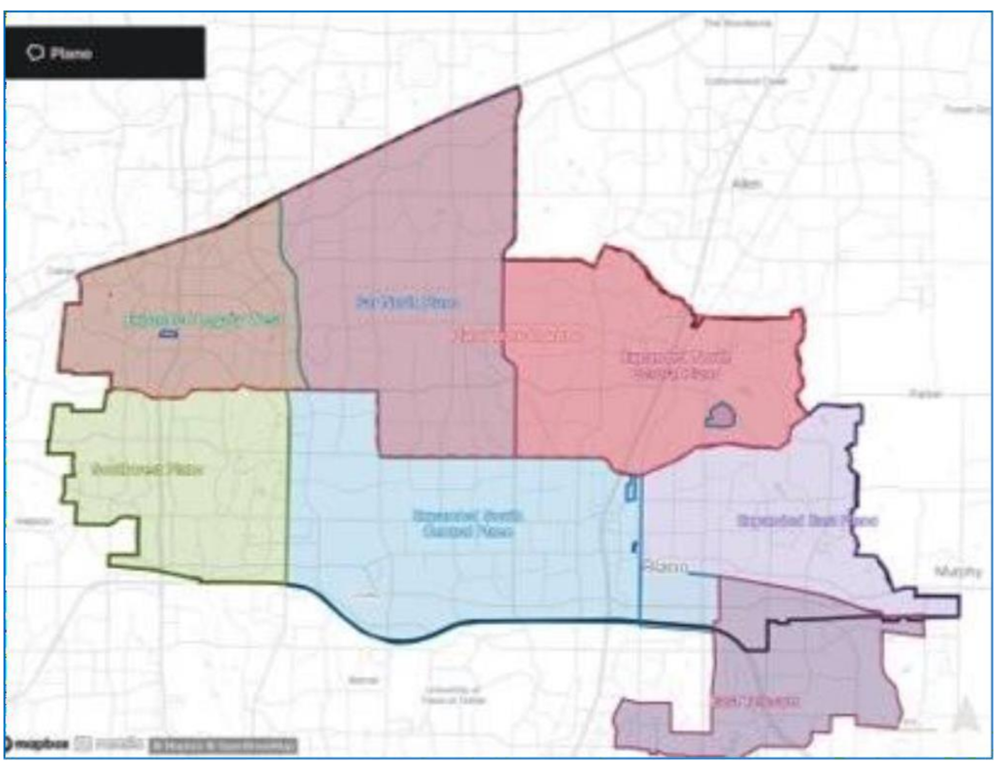


Addison also requested and staff is recommending an on-demand zone that covers their city and is focused on serving their residents and others wishing to visit Addison. The service would operate according to DART's GoLink schedule – seven days per week, from 5AM to midnight. The zone depicted below is around five square miles.

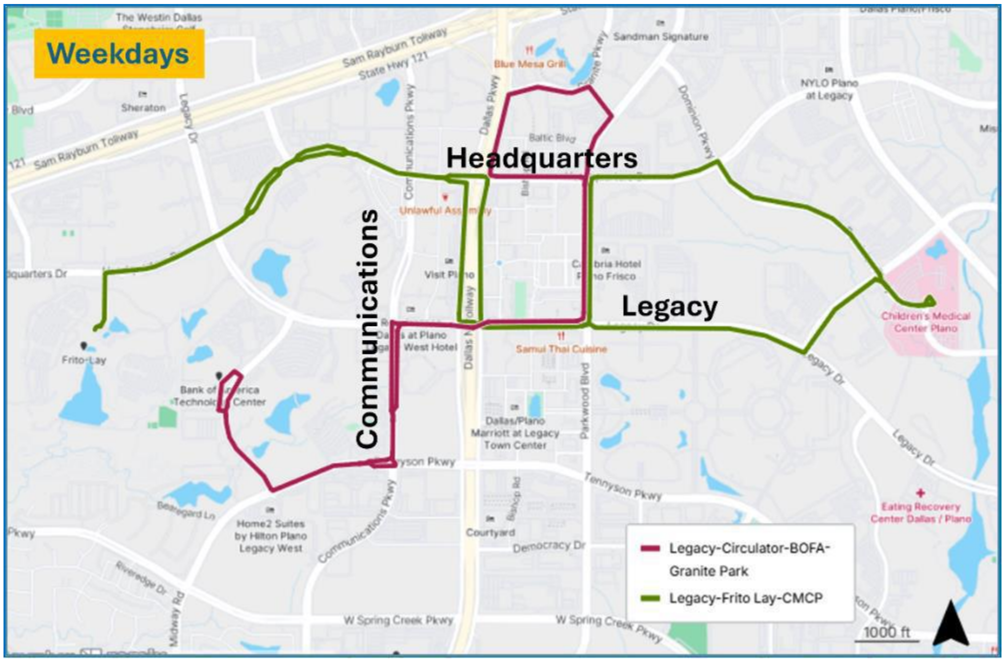


Plano

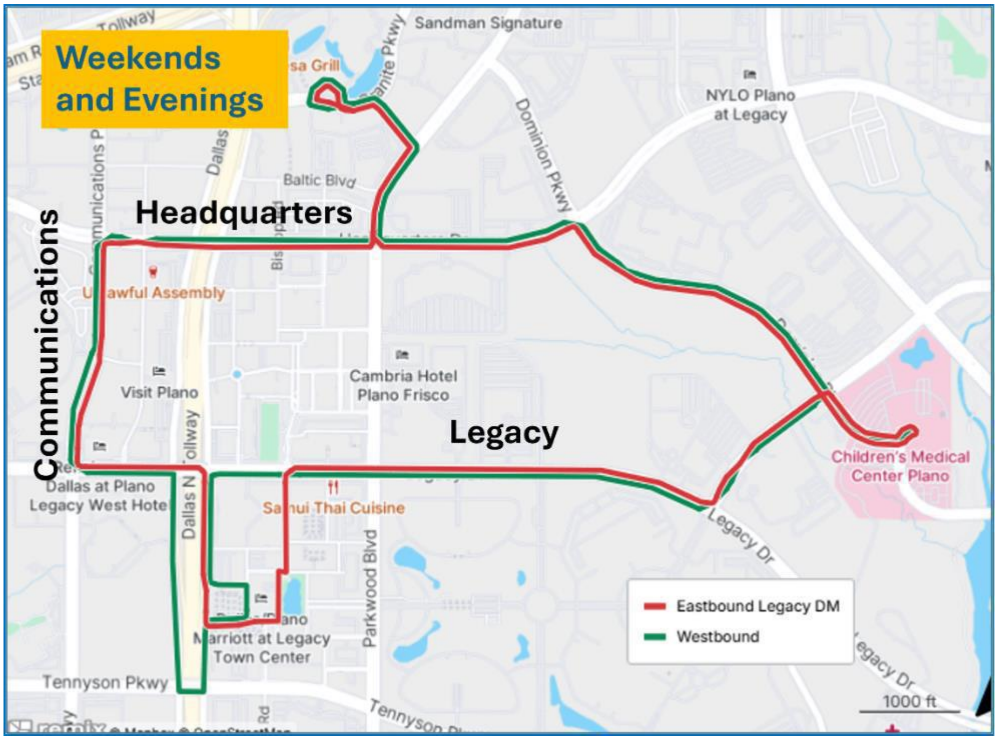
Staff proposes creating a new GoLink zone and expanding others to reach the entirety of the city of Plano with on-demand service. They have also requested a Legacy area fixed-route shuttle, which is discussed below. These changes would be implemented along with the discontinuation of Routes 254. Zone to zone travel according to the current pilot program would continue in the Legacy, Far North Plano, and North Central Plano zones.



The fixed-route Legacy shuttle would be bi-directional service and connect employees and jobs at major locations in the greater Legacy area. Routes 431 (the east / west green route in the map image below) and Route 432 (purple) would be implemented as a new pilot program, with route and ridership performance evaluated over a two-year period. The shuttles' weekday service (shown below) would operate between 5:00AM to 7:00PM, Monday through Friday, with frequency every 15 minutes.



The shuttle's weekday evening service (shown below; operating as Route 433) would operate from 7:00PM to midnight; as well as 5:00AM to midnight on the weekends. The frequency for this service in both instances would be 30 minutes.



The Board of Directors would decide at the end of the two years in accordance with new standards that will be adopted in DART Service Standards later in 2025.

ASSESSMENT OF 2026 DART SERVICE CHANGES

INTRODUCTION

Federal Transit Administration regulations require transit agencies conduct a disparate impact and disproportionate burden analysis when major service changes affect routes serving minority and/or low-income areas. Implementation of the following modifications defines a major service change:

- Any fare change;
- A service change that involves:
  - 25 percent or more of the number of transit route miles of a transit route;
  - 25 percent or more of the number of transit revenue vehicle miles of a transit route, computed daily, for the day of the week for which the change is made;
  - Headway adjustments of more than five minutes during peak-hour service and more than 15 minutes during non-peak-hour service; or
  - Establishment of a new transit route; or multiple changes in a fiscal year that cumulate to the levels described above.

DART staff therefore assesses every proposed change to service based on these criteria to see if they meet any one of the following thresholds.

- Threshold 1: *Is this a major service change?* The report will present a summary of proposed service changes and identification of major service changes. (Page 3)
- Threshold 2: *Are minority and low income communities affected?* The report will identify the major service changes that impact Census block groups with minority (Black/African American, Hispanic, Asian) or Low-Income composition that is greater than the proportion in the DART service area. (Page 5)
- Threshold 3: *Is there a disparate impact on minority passengers or a disproportionate burden on low income passengers?* The report will present qualitative discussion and quantitative analysis of the service change for disparate impacts and disproportionate burdens. (Page 10)

The basic elements of the service changes are as follows:

<u>Frequency Reductions</u>

- Currently, DART Rail and Frequent buses serve an average of 15-minute peak and 20-minute off-peak frequency. Except for routes 1, 3, 5, and 9, the proposed 2026 service changes would reduce the peak frequency to every 20 minutes for both rail and bus service. No changes are proposed for off-peak frequency. Routes 1, 3, 5, and 9 would continue their current service frequencies.
- The following Frequent Routes would be downgraded to the "Local" category: 28, 41, and 47. This would result in them serving every 20 minutes during the peak periods and every 30 minutes off-peak. It would also result in their route numbers changing to 128, 141, and 147, respectively.
- All bus routes currently serving in the "Local Bus" category – which operate every 15 minutes in the peak periods and every 30 minutes off-peak – would be reduced to 20-minute peak service with no other changes

to frequency. The resulting frequency profile for Local Bus routes would be 20-minute peak service and 30-minute off-peak service going forward.

- Express Route 306 frequency (which only operates in the peak periods of the weekday) would be reduced from 15 minutes to 20 minutes.

Discontinuations

- The following bus routes from the "Local Coverage Bus" category would be discontinued: 209, 225, 254, and 255.
- The following Express routes would be discontinued: 305, 378, and 383.

New Service

These changes are considered "positive" by the Service Standards and are not subject to the service equity analysis.

- Addison GoLink zone,
- Expanded Plano GoLink service,
- Plano Legacy circulator shuttle, and
- Addison Town circulator service.

THRESHOLD 1: IS THIS A MAJOR SERVICE CHANGE?

Background

Proposed changes are the result of several key factors:

1. Allocation of sales tax revenues for a new General Mobility Fund (GMF).

2. DART city requests for new services targeting new or underserved ridership markets.

3. New costs associated with operation of the Silver Line.

4. Strict limits to year-to-year budget growth.

Consequently, proposed changes include a mix of service discontinuations, frequency reductions, and new service proposals. The changes met requirements that triggered a public hearing under DART Service Standards and Section 452 of the Texas Transportation Code. These proposed changes are expected to have a profound impact on DART customers, and therefore a formal Public Hearing was held July 8, with over 140 speakers who respond to the call for public input. The new services are not considered to have an "adverse" impact according to DART's Service Standards and are therefore not included in the service equity analysis.

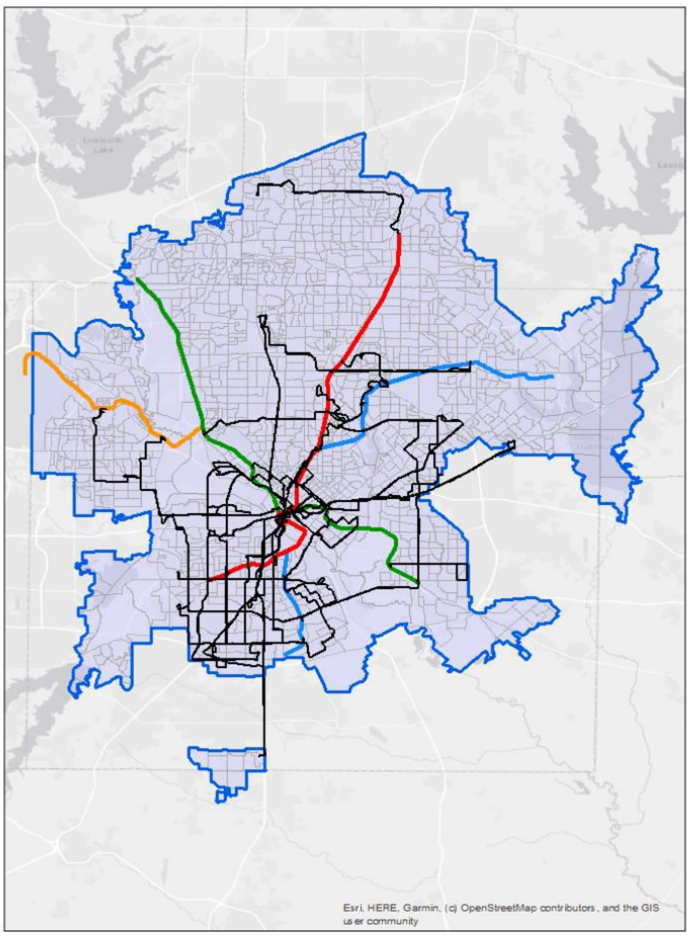


Figure 1 – Map of proposed 2026 DART Service Changes (Source: DART GIS)

Assessment

According to the DART Service Standards, any discontinuation or implementation of service qualifies as a major service change. Therefore, the combined changes are considered a "major" change as well. The first threshold is met; all that is left to consider is whether these changes impact services which mainly serve low income and / or minority communities.

THRESHOLD 2: ARE MINORITY AND LOW INCOME COMMUNITIES AFFECTED?

Identification of Minority Population

Data from the 2020 Census were used to identify the areas of minority population within the DART Service Area. The population of the DART Service Area is described by the following table.

Racial/Ethnic Distribution of DART Service Area Population 2020 Census

Race/Ethnicity	Number	Percent
White	903,856	34.6%
Total Racial/Ethnic Minority	1,708,445	65.4%
Total	2,612,301	100%

Source: 2020 Census

DART has historically defined those block groups that have a proportion of minority population *greater than* the average proportion of minority population within the Service Area – or 65.4% – as being areas of minority concentration. The geographic distribution of minority concentration block groups in the DART Service Area is shown by the map below.

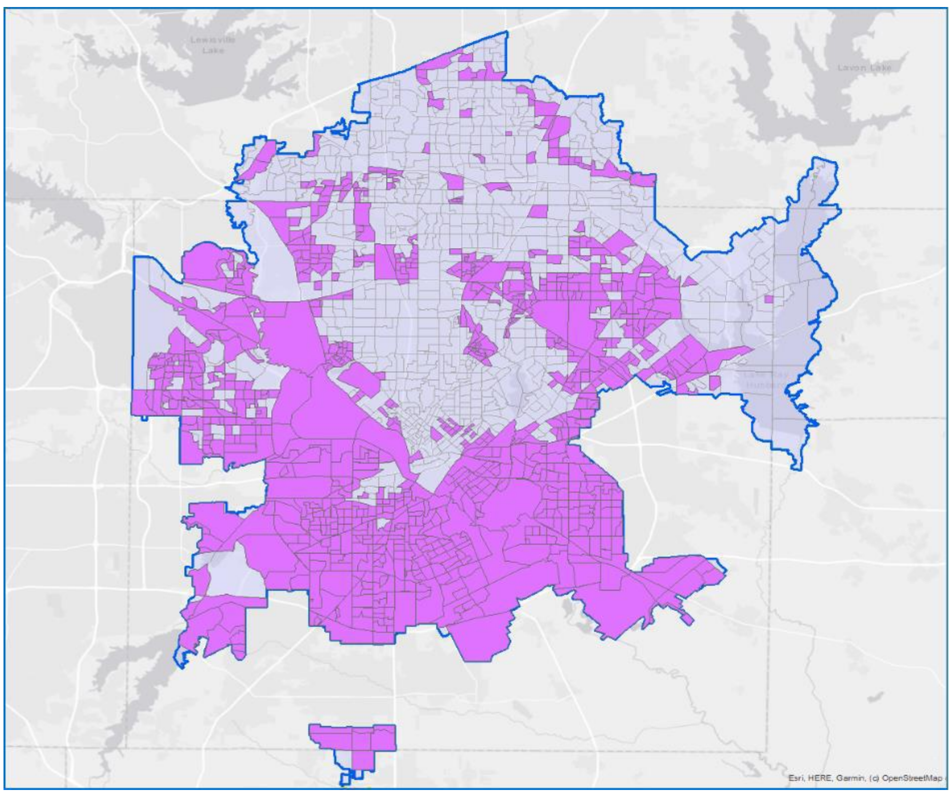


Figure 2 – Higher than average Minority concentration Block Groups (Source: 2020 Census)

Identification of Minority Population Impacted by Proposed Changes

The DART Service Standards define a Minority Transit Route as one which operates at least 1/3rd of its service miles in areas that have a higher-than-average minority concentration. From the map image below, we can see that the minority community will be thoroughly impacted by the proposed changes.

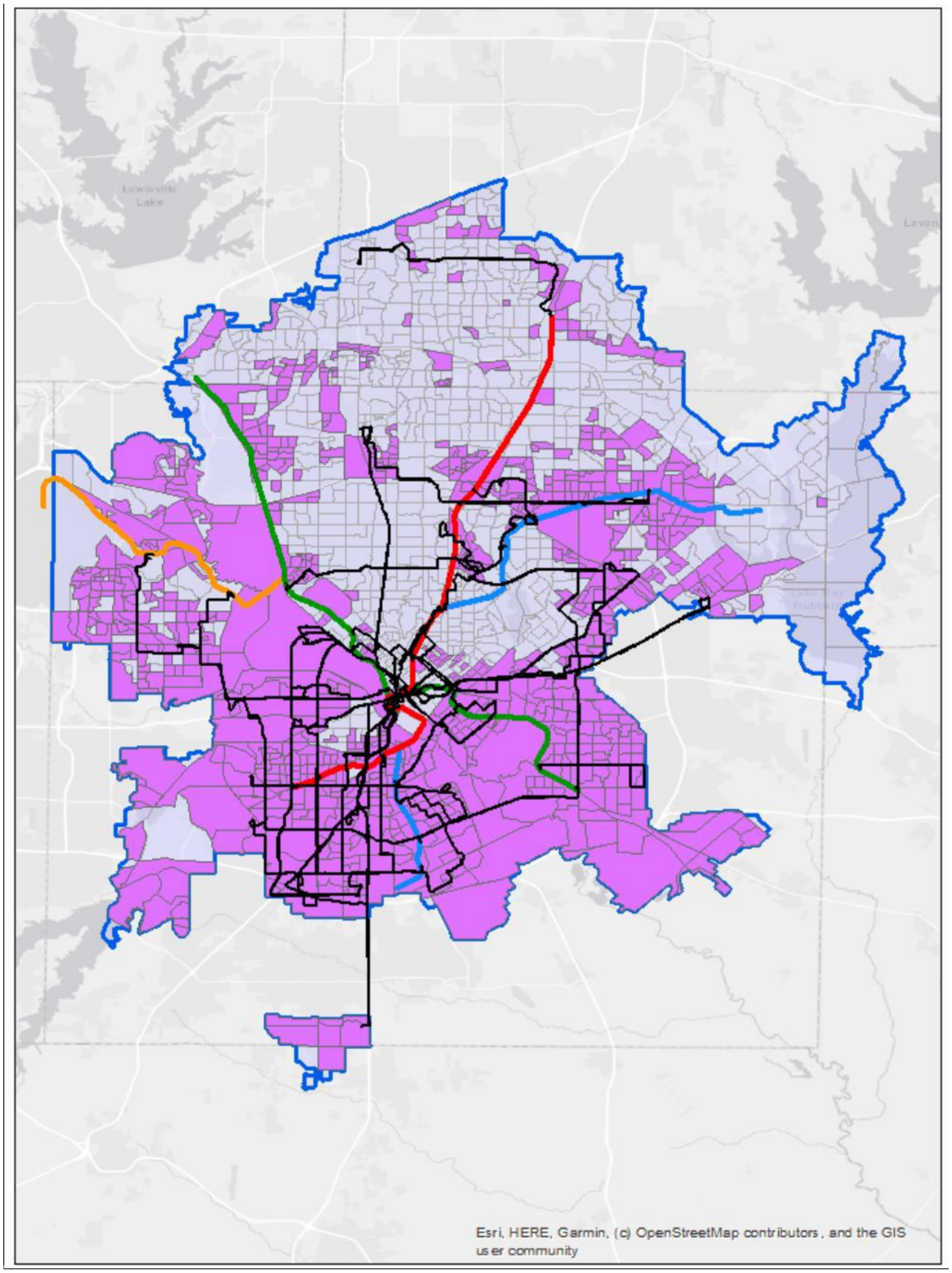


Figure 4 – Map overlaying services impacted by the proposed changes on Minority Block Groups (Source: 2020 Census, DART GIS)

Identification of Low-Income Population

The DART Service Standards apply equity analysis parameters to major service changes that involve "low income transit routes". These routes are defined as having at least one-third of its revenue miles within a block group that has an above-average service area concentration of low income population ("low income" is further defined as earning a household income less than 150% of the latest federally defined poverty level for a family of 4, or $39,369 for 2020).

Characteristics of the DART Service Area Population

Data from the 2020 Census were used to identify the areas of low income population within the DART Service Area.

Income Levels of the DART Service Area Households

Average Household Income Range	Percent of Service Area Population
Less than $39,369 (150% of threshold)	25%
Greater than $39,369	75%

Source: 2020 Census

According to this data, 25% of the DART service area's population reside in block groups where median household income is considered "low income". Staff mapped the results of this analysis below.

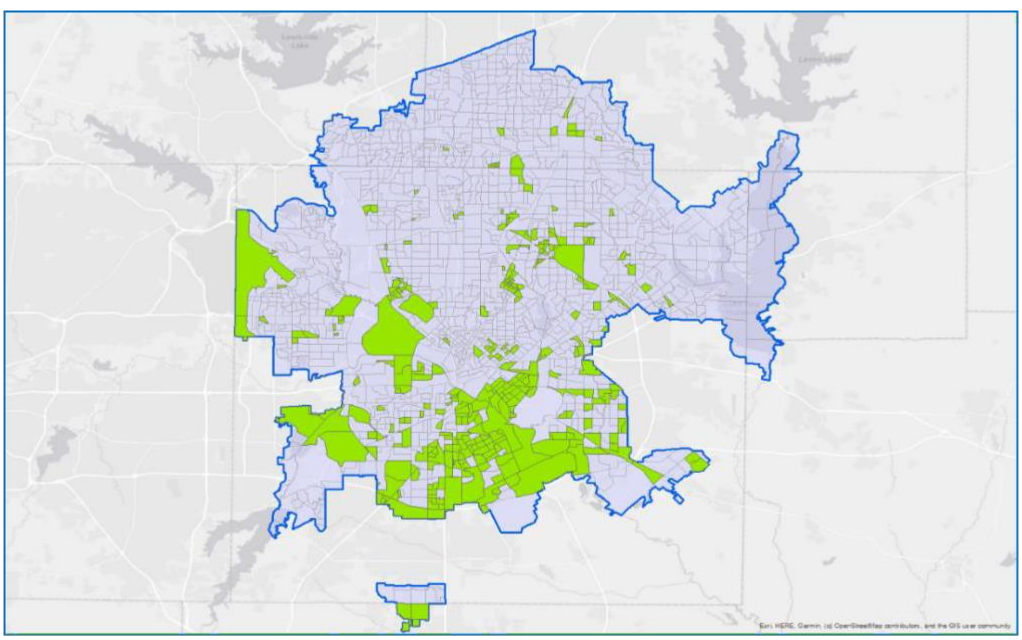


Figure 5 – Higher than average low income concentration Block Groups (Source: 2020 Census)

Identification of Minority Population Impacted by Proposed Changes to Bus Service

The DART Service Standards define a “low income transit route” as one for whom at least one-third of the area served is designated as “low income”. The map image below shows abundant low income service on the bus routes impacted by the proposed 2026 service changes.

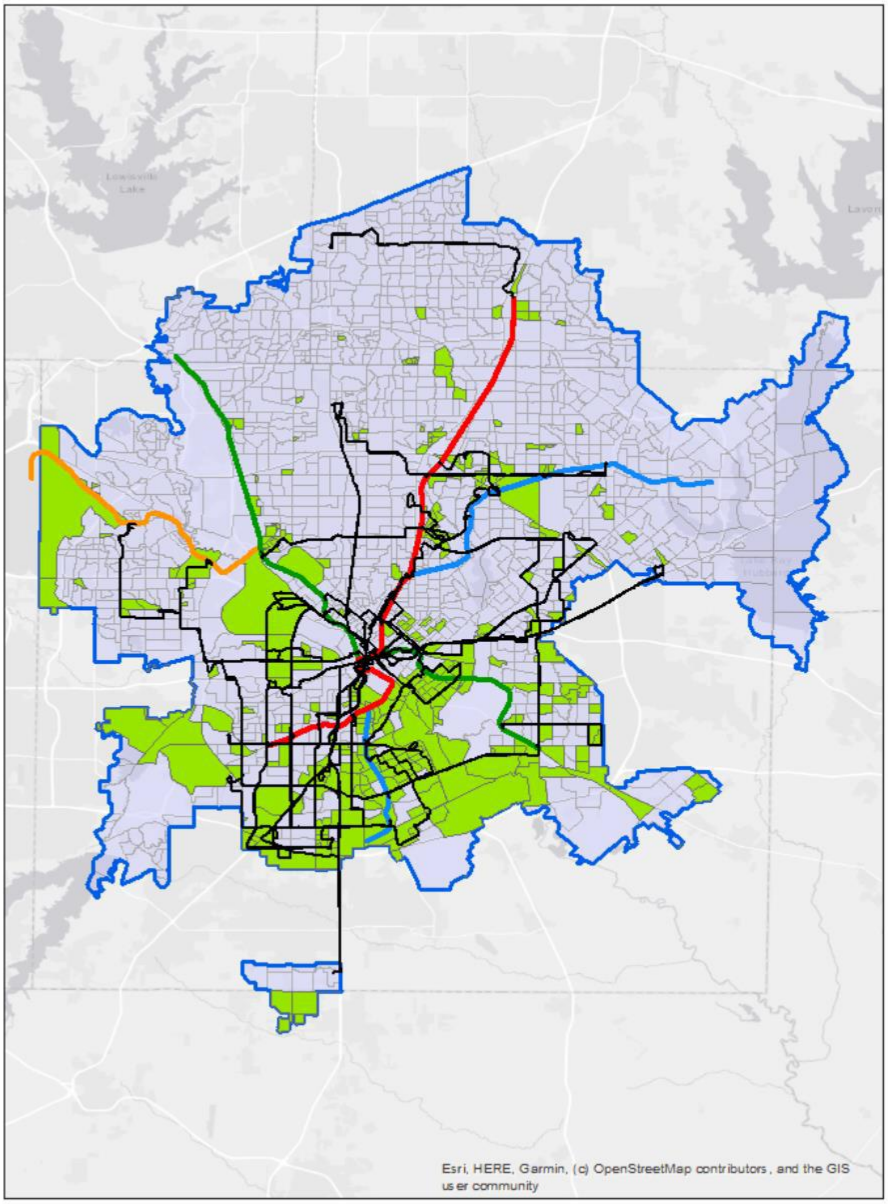


Figure 6 – Service impacted by proposed changes shown with higher than average low income concentration Block Groups (Source: 2020 Census, DART GIS)

Conclusion

In order to provide for informed decisions regarding the impact of major service changes on protected communities, DART staff has determined that both low income and minority population concentrations are impacted by the proposed 2026 service changes.

THRESHOLD 3: IS THERE A DISPARATE IMPACT ON MINORITY PASSENGERS OR A DISPROPORTIONATE BURDEN ON LOW-INCOME PASSENGERS?

Introduction

Since the proposed 2026 service changes has been determined to impact Title VI protected groups (see discussion in Threshold 2 section), DART staff used a software tool provided by Remix (owned by Via LLC) to estimate the impact on customers who use the current and proposed service-networks. The analysis will then compare the results from the two scenarios and judge the delta against the regional (i.e. "average") proportion of population that identifies as minority or is defined as living in a "low income" Census Tract (as discussed in Threshold 1)

Disparate Impact Analysis

Federal Transit Administration regulations require that transit agencies conduct a disparate impact analysis when a major service change affects a minority transit route. DART's Equal Employment Opportunity / Cultural Engagement Department will review the results of the analysis to confirm compliance with FTA Title VI requirements and to ensure the presence of (if necessary) proposed mitigation factors.

- **Minority Transit Route** – A minority transit route is defined as a route with at least one-third of its revenue miles located in a Census block, Census block group, or traffic analysis zone where the percentage of minority population exceeds the percentage of minority population in the service area.

- **Disparate Impact** – A disparate impact is an adverse impact upon minority population(s) that is 5 percentage points greater than the proportion of minority population in the service area.

Disproportionate Burden Analysis

Federal Transit Administration regulations further require that transit agencies conduct a disproportionate burden analysis when a major service change affects a low-income transit route. DART's Equal Employment Opportunity / Cultural Engagement Department will conduct a review of the disproportionate burden analysis to confirm compliance with FTA Title VI requirements. For this analysis, "low-income" is defined as living in a household that earns a household income less than 150% of the federal poverty level for a family of 4, or $39,369 for the 2020 Census.

- **Disproportionate Burden** – A "disproportionate burden" is an adverse burden upon low-income population(s) that is 5 percentage points greater than the proportion of low-income population in the service area.

Analysis Summary

For bus and rail combined service, the analysis compares the number of trips generated annually by the changes. The impacted number of trips are then applied to the rates of low income and minority persons in those areas. This reveals the impact of the difference in trips annually borne by Title VI protected communities. If the percent change is greater than the threshold allowed in the Service Standards, or +5%, then the proposed network would be estimated to have a "disparate impact" or "disproportionate burden" or both.

For Bus / Rail Proposed Changes	Low Income	Minority
Change Borne By	28.5%	74.2%
Area Average	25%	65%
Percent Change	**3.5%**	**9.2%**

According to the results of the analysis, there is no disproportionate burden estimated for the 2026 network on low income communities. However, the analysis does estimate a slightly higher percent difference than the threshold – 4.2% over the allowed threshold of +5%.

The analysis findings seem to indicate that the frequency reductions are more negatively impactful than other elements of the changes. This is because most frequent service in the current network is offered to communities that feature higher than average minority and low income proportions.

Mitigation Measures

To comply with FTA requirements, staff proposes the following mitigations to alleviate the disparate impact of the service changes:

1. All discontinued services have a replacement service available, as indicated below:
   a. Route 209 customers will be served by McKinney Avenue Trolley and Park Cities GoLink, and
   b. Route 225 customers will be served by Central Irving GoLink, and
   c. Route 254 customers will be served by Plano GoLink Zone to Zone Pilot, and
   d. Route 255 customers will be served by both Central Irving GoLink and Route 231 (for thru-riders), and
   e. Route 305 customers will be served by Route 239, and
   f. Route 378 customers will be served by rail, Route 101, and Route 109, and
   g. Route 383 customers will be served by Route 224.
2. Frequency restorations in future service changes would be implemented in the following prioritized sequence:
   a. Route 57 Westmoreland
   b. Route 104 Illinois
   c. Route 38 Ledbetter
   d. Route 108 Camp Wisdom
   e. Route 114 East Oak Cliff

It is estimated that these restorations would lower the disparate impact to 4.4%, which is within the allowed margin of impact of 5%[1]. DART staff estimates the total cost in 2025 dollars of these service restorations to be $1.6 million annually, or about $325,000 per restoration. While the operating funds to restore these routes are not currently identified, staff proposes they be earmarked in future budgets (FY27 or beyond) as a mitigation to the communities estimated to bear the impact of their frequency reduction.

Community Relations

Public Involvement Plan

2026 Service and Fare Changes

TECHNICAL STAFF: Rob Smith, Jing Xu, Hans-Michael Ruthe

COMMUNITY ENGAGEMENT STAFF: Dawn Dorman, Tracy Cantu, Porshe McGinnis, Carlos Huerta

SITUATION ANALYSIS: In March 2025, the DART board approved a new General Mobility Program. In preparation for this program, service reductions for all modes of transportation and an increase in fare will be necessary.

On Tuesday, May 27, the DART Board of Directors approved a call for a public hearing that addressed proposed service changes to GoLink, bus, light rail, commuter rail and Paratransit services, the suburban service requests, and a fare adjustment. Staff solicitated comments on the proposed changes and encouraged people to attend the public hearing from May 27 through July 8, 2025.

The Public Hearing took place during the DART Board of Directors' meeting on July 8, 2025.

PURPOSE: To create a campaign that informs riders, the public, stakeholders, advocates and elected officials, information about the proposed changes and obtain comments on the subject.

- Receive comments about the proposed fare structure.
- Obtain assistance from elected officials, advocates and stakeholders to help communicate our message.
- Explain/educate the public how changes will impact the rider's experience and commute.

TARGET AUDIENCE:

- Passengers
- Neighborhood Associations
- Elected Officials
- Chambers of Commerce
- Service Area Cities
- Community-based Organizations
- School Administrators (each ISD)
- Advocacy Groups
- General Public

NOTIFICATION TECHNIQUES:

- DART.org and landing page
- Gov delivery email and text notifications
- Kiosk
- Infotransit slides on buses
- GoPass App ♣ Pop-up notification to receive comments
- Audio/Video o Customer Service/Paratransit message on hold (MOH)
- Bus/LRT announcements

- PA/VMB boards
- Printed Brochures (distributed on DART vehicles)
- Customer emails and letters (also sent to Paratransit users)
- News release(s)
- Banners
- Rack Cards
- DARTmart signage
- 11x17 posters on bus shelters
- Public hearing ad (Dallas Morning News)
- Community meeting ads – consumer publications (non-paid mentions): 27 papers (including minority)
- PSA
- Editorial (with partners)
- DART Daily (articles including "Ask DART" series)
- Instagram/Facebook/Linkin posts
- Facebook Live
- Community Outreach
- Community Meetings ♣ Telephone townhall meeting
- Virtual via Teams
- 16 in-person meetings
- Distribute email to stakeholders and advocates
- Station activations
- FEO wallet cards
- Brochure placement at city locations (e.g., libraries, utility bill payment locations, city hall)
- Digital assets (website, e-newsletters, social media)

Public Hearing July 8, Meeting was held from 6:30 PM.– 7:30 PM.

Agenda Report

Committee-of-the-Whole ☒

DATE: **August 26, 2025**

SUBJECT: **Briefing on West Dallas On-Demand Shuttle Performance and Future Service**

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- This briefing will assist DART in achieving Agency Strategic Goal 4: Seamless Mobility – Integrate mobility options to create a seamless travel experience defined by frequency and reliability that positions DART as first in mind.
- On November 15, 2022 (Resolution No. 220177), the Board approved a one-year funding agreement with Toyota Motor North America, Inc., for the West Dallas Site-Specific Shuttle Service pilot program in a total authorized amount not to exceed $215,000, with Toyota's 50% share not to exceed $315,000 and a remaining $100,000 advertising credit provided by the vendor.
- On November 15, 2022 (Resolution No. 220176), the Board authorized award of a one-year contract with no options for a West Dallas Site-Specific Shuttle Service Pilot Program [Contract No. C-2073713-01] to Circuit Transit, LLC, for a total authorized amount not to exceed $630,000.
- On September 26, 2023 (Resolution No. 230126), the Board approved to extend the West Dallas On-Demand Shuttle Pilot for one year through December 31, 2024.
- On October 30, 2023 (Resolution No. 230140), the Board approved a one-year extension of the one-year funding agreement with Toyota Motor North America, Inc., for the West Dallas Site-Specific Shuttle Service pilot program in an amount to exceed $215,000, with Toyota’s 50% share not to exceed $315,000 and a remaining $100,000 advertising credit provided by the vendor.
- On October 30, 2023 (Resolution No. 230139), the Board approved a one-year contract extension for the West Dallas Site-Specific Shuttle Service Pilot with Circuit Transit, LLC, for a new total authorized amount not to exceed $1,260,000.

- On October 22, 2024 (Resolution No. 240123), the Board approved a one-year extension of the funding agreement with Toyota Motor North America, Inc., for the West Dallas Site-Specific Shuttle Service pilot program in a total authorized amount not to exceed $215,000, with Toyota's share not to exceed $390,000 annually and a remaining $25,000 advertising credit provided by the vendor.

- On October 22, 2024 (Resolution No. 240122), the Board approved a one-year contract extension for the West Dallas Site-Specific Shuttle Service Pilot with Circuit Transit, LLC, for a new total authorized amount not to exceed $1,260,000.

- DART staff will present a briefing detailing service performance, impact on the DART system, continued partnership with Toyota, and the active plan for permanent service.

Agenda Report

DATE: **August 26, 2025**

SUBJECT: **Briefing on DART Station Art and Design Program for the Silver Line Regional Rail Project**

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- On June 12, 1990 (Resolution No. 900086), the DART Board of Directors adopted Policy No. IV.02, DART Art and Design Program, including objectives to:
  - Improve the DART passenger environment and incorporate the public's objectives regarding art in transit facilities;
  - Involve patrons directly in the transit facility planning through a site-specific committee for each transit facility; and
  - Involve the artist from the earliest design phase as a co-designer with the architect and allow productive collaboration among designers and the site-specific committee.
- On December 11, 2018 (Resolution No. 180135), the Board approved the contract award to Archer Western Herzog 4.0, Joint Venture (AWH), for design and construction of the Cotton Belt Corridor (now known as the Silver Line) Regional Rail Project, including nine new regional rail stations for the Silver Line and one new light rail station for the Red Line as follows:
  - Shiloh Road Station
  - 12th Street Station
  - 12th Street Station (Red Line)
  - CityLine/ Bush Station
  - UTD Station
  - Knoll Trail Station
  - Addison Station
  - Downtown Carrollton Station
  - Cypress Waters Station
  - DFW North Station
- The DART Art and Design Program (Program) was administered by DART in coordination with WSP/AZB, the Program Manager/Owners Representative (PMOR), and AWH design-builder for the Silver Line Regional Rail Project.

- The Program engaged a site-specific committee for each station to work with the station architect, landscape architect, and station artist. Through a series of collaborative workshops, the site-specific committee defined what was important to the community, developed an artistic value statement to guide decision-making, and provided input and concurrence with the final design, including selection of materials, colors, and patterns.
- DART is nearing completion of construction for stations, including the materials, colors, and patterns selected under the DART Art and Design Program.
- This briefing will include an overview of the outcome of the DART Art and Design Program for each station in the Silver Line Regional Rail Project.
- This briefing will assist DART in achieving Agency Strategic Goal 3: Quality Service - Deliver a quality customer experience defined by strong rider advocacy and built on professional pride and continuous improvement; and Strategic Goal 6: Strategic Relationships - Position DART as a collaborative leader and recognized regional economic and mobility asset.

Agenda Report

Voting Requirements:
Majority

DATE: **August 26, 2025**

SUBJECT: **Authorization for One Systemwide Fare-Free Day to Celebrate Silver Line Opening**

RECOMMENDATION

Approval of a resolution authorizing the President & Chief Executive Officer or her designee to offer one systemwide fare-free day to celebrate the Silver Line opening. The fare-free day will apply to the entire DART system (bus, rail, paratransit, GoLink, and TRE) on the date of the Silver Line community celebrations.

FINANCIAL CONSIDERATIONS

- The revenue loss associated with the implementation of one systemwide fare-free day is estimated to be $125,560.

BUSINESS PURPOSE

- DART has historically offered some form of free service when new light rail service was opened to allow the public to see and experience the new service and to promote the connectivity of DART services.
- DART will open Silver Line commuter rail service in the first quarter of FY 2026.
- This recommendation is consistent with the DART Fare Structure, in Section 4: Special Programs because it is an opportunity to attract new passengers with the goal of increasing overall system usage. This will also provide an opportunity for riders most likely to use the service to learn about the Silver Line.
- Approval of this resolution will help achieve Agency Strategic Goal 4: Seamless Mobility - Integrate mobility options to create a seamless travel experience defined by frequency and reliability that positions DART as first in mind; and Strategic Goal 6: Strategic Relationships - Position DART as a collaborative leader and recognized regional economic and mobility asset.

LEGAL CONSIDERATIONS

Section 452.061 of the Texas Transportation Code authorizes DART to establish reasonable fares.

DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Authorization for One Systemwide Fare-Free Day to Celebrate Silver Line Opening

WHEREAS, DART will open Silver Line rail service in the first quarter of FY 2026; and

WHEREAS, DART's objectives with a Silver Line opening ceremony and community celebrations include attracting new customers, promoting rail service and connecting feeder routes, and providing a smooth transition with existing DART services; and

WHEREAS, it is in DART's best interest to utilize a fare-free offering when introducing and communicating a new service; and

WHEREAS, customers will be able to access the entire DART system (bus, rail, paratransit, GoLink, and TRE) on the date of the Silver Line community celebrations.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the President & Chief Executive Officer or her designee is authorized to offer one systemwide fare-free day to celebrate the Silver Line opening. The fare-free day will apply to the entire DART system (bus, rail, paratransit, GoLink, TRE) on the date of the Silver Line community celebrations.

Authorization for One Systemwide Fare-Free Day to Celebrate Silver Line Opening

Prepared by: /s/ Jeamy Molina

Jeamy Molina
Executive Vice President
Chief Communications Officer

/s/ Gene Gamez

Approved as to form: Gene Gamez
General Counsel

/s/ Nadine S. Lee

Approved by:

Nadine S. Lee
President & Chief Executive Officer

Agenda Report

DATE: **August 26, 2025**

SUBJECT: **Briefing on Fiscal Year 2025 Third Quarter Police Operations Update**

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- The purpose of this item is to brief the Committee on Police operations for the third quarter of Fiscal Year 2025. The briefing will include updates on security measures, department statistics, and hiring and recruiting statistics.
- This update helps to achieve Agency Strategic Goal 3: Quality Service - Deliver a quality customer experience defined by strong rider advocacy and built on professional pride and continuous improvement.