CALACT
Spring 2026 Conference & Expo

The Dos and Don’ts of Contracting

Or: how can we work together for the best possible outcome, least amount of headaches, lower stress levels, lower blood pressure, less tears, less sadness or anger, and more unicorns and rainbows as a result of your RFP….!

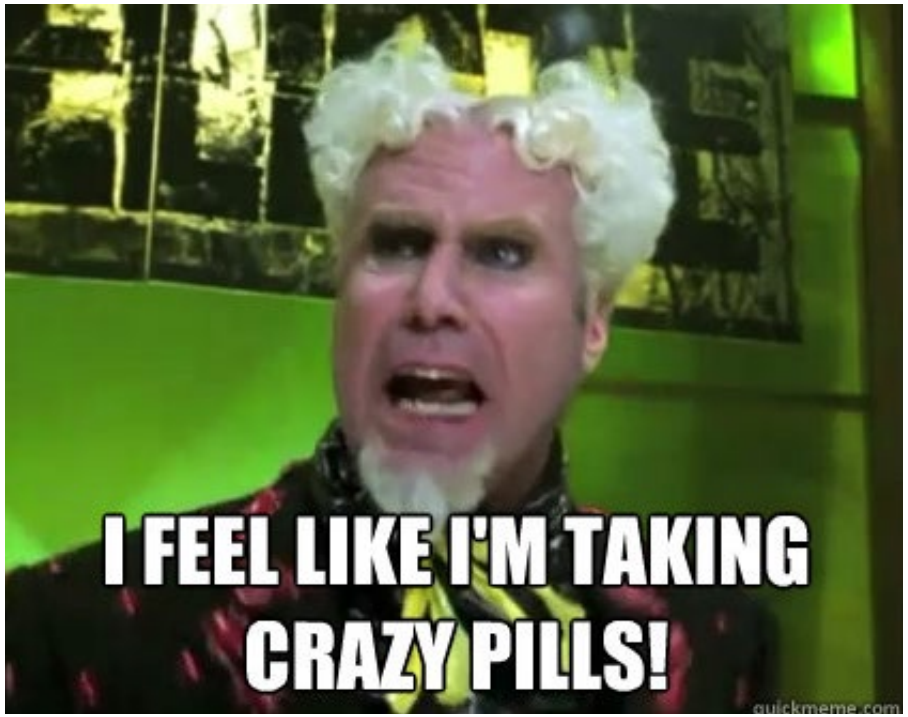
What is this about?

The landscape of negotiating a vendor contract can be a slippery slope, **but it does not have to be!** It is no longer about what the overall cost of the product and deliverables will be. It is easy to overlook the fine print (or outdated language) **that may in the long run cost you hundreds of thousands of dollars.**

In this session, we will delve into the perspectives of the transit agency and your contractor regarding negotiations. We will discuss the sections of a contract you need to review to make sure it is clear, chat about liability standards, explore what happens when a vendor contract automatically renews, brainstorm about win-win situations, and much more!

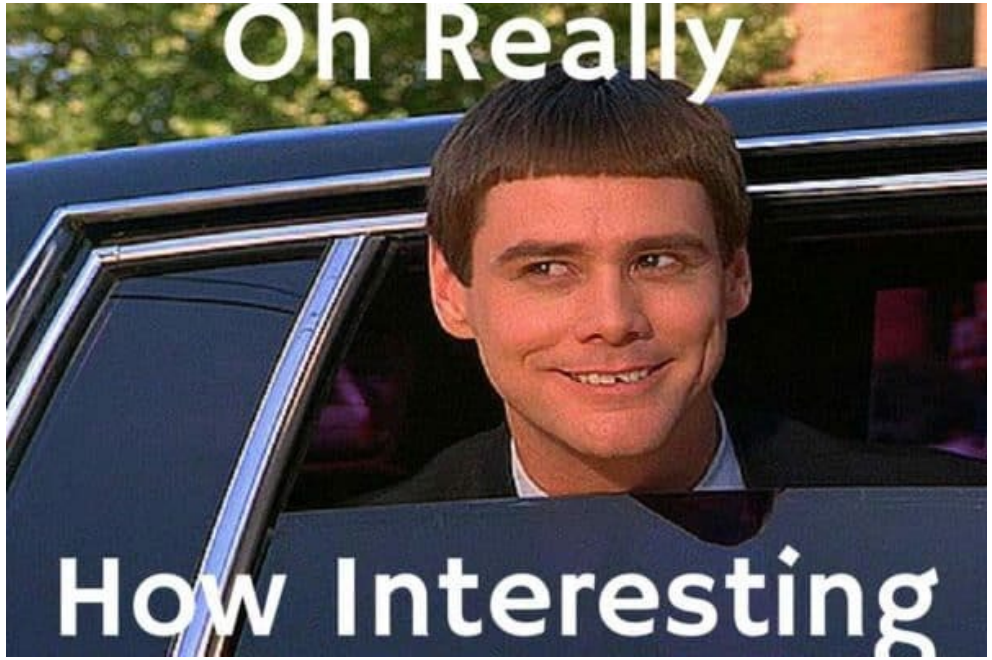
Speakers: Kelly Halcon, Monterey Salinas Transit; W.C. Pihl, Transdev; Sandi Hill, Keolis

Moderator: Valerie Gibson, City of Pasadena



Quick Poll: Who's sitting next to you?

- Who here is a contractor?
- Who is a client (public transit authority etc.)?
- Raise hands if you spent time on the back end of a procurement wondering how this happened?
- One thing you wish you did differently?
- What is most common issue for you after the procurement is done?
- In your experience what causes contractors to come back to you (PTA) for money or contract change?
- What are your (both PTA and contractor) concerns on how much info give out during the procurement?

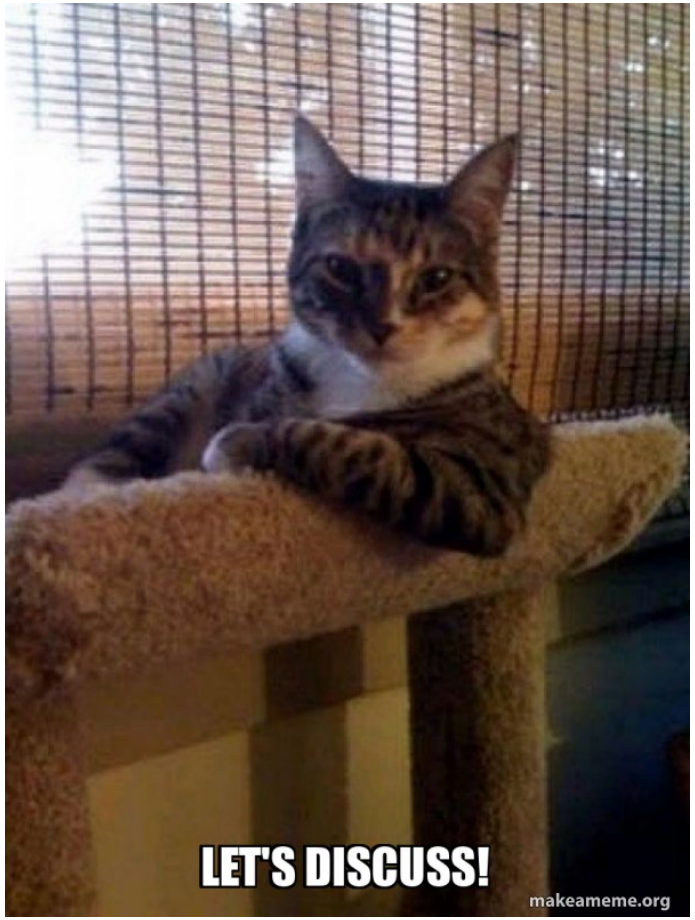


Procurement/Proposal Faux Pas Stories

- Wrong client name in proposal (@#!!)
- Global search oops (manager)
- Question without proofing (camera)
- Umm…your answer is on page 3 (homework)
- Wait … you decided this on a coin toss? (Floridaman)
- So…you didn't submit the requirements and you're out (debrief?)…but this can be extreme as well…
- Public interviews…public fame or misfortune?
- So, your manager fell asleep (or didn't show…)
- Independent Cost Estimates (ICE) oh my!
- Robotic questions…do you REALLY want to be here?

Value of the Prebid…?….!

- Do we need one?
- If yes – for what situation? (tours)
- If no – how will bidders get the information? (remote and solid RFP information)
- Let’s talk it out!

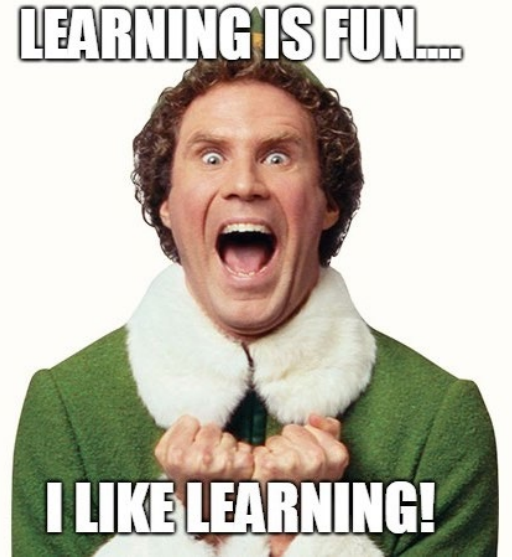


Before the RFP – top asked questions to include

- Revenue unit (miles, hours trips…); PLEASE be current (not stretch goal)
- Current wages, benefits, seniority, participation, CBA? (LC 1070)
- Fleet List (and replacement plans…)
- What is PTA providing? Be specific (Facility? Majors? Fuel – how? Utilities? Software? Equipment?
- Schedules/Paddles (we understand run cut is proprietary)
- How are we being evaluated? Is price whole term or year one?
- Startup included OUTSIDE base
- Key personnel required and experience for the role(s) – Discuss!
- Current invoices/reports – DATA!
- Known (and unknown) costs – will you protect/partner with changes in laws, changes in scope, force majeure clauses? Any not obvious?
- Current annual miles (broken down if multiple services) – affects maintenance and insurance quotes
- Deadhead – it's in one way or another…

Timelines – impact on bidder and PTA!

- You (PTA) have a budget and a contract timeline to deliver
- We (contractor) want to put together the best proposal and price possible for you
- Time that is needed:
  - Questions asked (and answered – with time to absorb!)
  - Evaluation panel review
  - Interviews
  - Clarification/Discussion and possibly BAFO
  - Negotiations
  - Award
  - Startup time for minimal impact on passengers and employees
  - Leave time for pivot or flexibility – try to plan ahead! Less than 7 days to due date is too tight!

Lessons Learned – can help all of us!

- RFI (Request for Info/Industry Feedback): generates interest and allows for communication for best outcome
- Bonding – be careful as bonds add money. Consider history of bonds, and other contract clauses instead
- Be clear about insurance coverage and requirements – who is responsible for what (recent CalTIP changes). Public and private are different!
- Force Majeure updated for pandemic and other reasons…
- If unknowns – set contract so can be opened for that issue, and leave rest as is (more secure for both)
- Beware of automatic renewals!
- Clearly identify evaluation criteria and utilize it – also if submittal instructions are in line with eval criteria it will be easier for you to evaluate
- Name 12 key managers - challenging
- Professional liability insurance requirement – usually relate to general contracting