

CARDINAL CHANGES—TAG-ON PROCUREMENTS	POLICY	
	Document Number:	FRS-PL-026
	Version Number:	01

1.0 Purpose:

To establish the policy for Cardinal Changes and Tag-on Procurements.

2.0 Scope:

This policy applies to all VTA departments and all vendors participating in the established VTA procurement process.

3.0 Responsibilities:

It is the responsibility of the Purchasing and Materials Manager to draft and obtain approval of this policy and to assure its organizational understanding and compliance.

4.0 Policy:

- 4.1 Cardinal Changes: A cardinal change to a contract is one that causes a major deviation from the original purpose of the work or the intended method of achievement, or causes a revision of contract work so extensive, significant or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract. Such changes are sometimes informally referred to as tag-ons. Cardinal changes or tag-ons are prohibited actions. A change within the scope of the contract (sometimes referred as an in-scope change) is not a tag-on or a cardinal change.
- 4.2 Identifying Cardinal Changes: Recognizing a cardinal change to a contract can be difficult as such changes can not be identified easily by assigning a specific percentage, dollar value, number of changes or other objective measure that would apply to all cases. (For federally funded contracts there is pertinent guidance in the Best Practices Procurement manual.)
- 4.3 Changes in Quantity: To categorize virtually any change in quantity as a prohibited cardinal change (out of scope change) fails to account for the realities of the marketplace and unnecessarily restricts VTA from exercising reasonable freedom to make minor adjustments contemplated fairly and reasonably by the parties when they enter into a contract.
- 4.4 Tests: Among other things, customary marketing practices can influence the determination of which changes will be cardinal. Other tests involve the nature and extent of the work to be performed, the amount of effort involved, whether the change was originally contemplated at the time the contract was entered into, or the cumulative impact on the contract's quantity, quality, costs, and delivery terms.
- 4.5 Rolling Stock: In the case of rolling stock, a major change in quantity or a substitution of major end items not contemplated when the competition for the original award took place would generally be a cardinal change. Another cardinal change would, at this time, include a change from a high-floor to a low-floor vehicle. Changing an engine might

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result in a cardinal change depending on the circumstances surrounding the project and whether a compatible replacement could be obtained through competition. Changes to seating, fabrics, colors, exterior paint schemes, signage, and floor covering of a vehicle or similar changes are generally not cardinal changes.

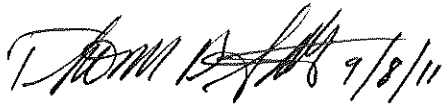


5.0 Definitions:

N/A.

6.0 Summary of Changes:

New Policy that reflects current practice.

7.0 Approval Information:

<i>Prepared by</i>	<i>Reviewed by</i>	<i>Approved by</i>
 Thomas B. Smith Purchasing and Materials Manager	 Joseph T. Smith Chief Financial Officer	 Michael T. Burns General Manager

Date Signed