

# Processes and Procedures for FTA Procurements

July 2023



# Intro to FTA Requirements

- This presentation offers an introduction to the FTA requirements and general steps to take before making a purchase or awarding a contract.
- These steps are the procurement process.
- This includes the applicable Wisconsin Department of Transportation requirements.

# Federal Transit Administration (FTA)

- Provides financial and technical assistance to local public transit systems.
- Each FTA subrecipient is required to have its own written procurement procedures and to follow them.
- Subrecipient procurement policies and procedures must comply with FTA requirements, as well as any requirements from State DOTs.
- The federal requirements ensure that an agency uses federal funding to obtain the best and most appropriate product or service at the best price.

# Public and Specialized Transit

- WisDOT is a designated recipient of federal grant funds.
- We are responsible for ensuring that sub-recipients are aware of and comply with federal procurement requirements.
- Includes: Accurate Cost estimates, Documenting each procurement step and establishing a contract with a fair and reasonable price.

# The “Golden Rule”

If one penny of FTA money is used in the procurement, then all the FTA requirements must be met.



# WisDOT Requirement

- If a Subrecipient is receiving FTA funds from WisDOT need to work with WisDOT on every step of procurement process.
- WisDOT will provide:
  - Templates
  - Guidance
  - Approvals to Post Procurement Events
  - Approval to Award Contracts



# Overview

- Procurement Responsibilities
- Procurement Planning
- Procurement Process
- Procurement Types
- Key Elements in all Procurements
- Contract Basics
- Procurement Tools and Resources
- Contact Information

# Procurement Responsibilities

- As a recipient of FTA funds, you are responsible for:
  - Ensuring full and open competition and equitable treatment of all potential bidders/suppliers in the procurement process
  - Planning, solicitation, award, administration, and documentation of all FTA funded contracts
  - Maintenance of a **Contract Administration System** to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders
  - A properly documented procurement file provides an audit trail from the initiation of the acquisition process to the beginning of the contract.



# Procurement Responsibilities

Federal Requirements

VS

Local Requirements

- Federal requirements usually “beat” local requirements, unless local requirements are more restrictive than federal.
- Example: The FTA micro purchase threshold is now \$10,000 but in Wisconsin the threshold is \$5,000.

# Procurement Process

- Steps include:
- Planning the Solicitation
- Conducting the Solicitation
- Administrating the Contract
- Contract Close Out

# Procurement Process – Planning the Solicitation

- Planning the solicitation must be done with the WisDOT Program Manager.
- Done to ensure grant funds and local match are approved for the items to be procured.
- Procurement planning is initiated well before a contract solicitation is made.
- Activities may include:
  - Needs definition
  - Estimated cost
  - Identification of financial resources culminating in a grant application

# Procurement Process - Conducting the Solicitation

- Subrecipients must work with the WisDOT Procurement Manager to conduct the solicitation through contract award.
- Done to ensure fair and competitive solicitation.
- Examples:
  - Advertising the solicitation (allowing sufficient time for responses)
  - Allowing questions to be submitted

# Procurement Process – Administering the Contract

- Done with the assistance of the WisDOT Program Manager
- Includes:
  - Contract Monitoring/Administration
  - Contract Modifications
  - Exercising Options (if applicable)

# Procurement Process - Contract Close Out

- A complete procurement file should include documents such as:
  - copies of all invoices,
  - documentation of any contract modifications,
  - correspondences with the vendor,
  - copies of all required reports from the solicitation.
- Work with the WisDOT Program Manager and WisDOT Procurement Manager if you have any questions about file completeness.



# Procurement Types

- **Micro-Purchase** (*\$4,999 or less*)
- **Small Purchase** (*\$5,000-\$49,999*)
- **Invitation for Bid (IFB)** (very detailed specifications are provided, public opening of bids)
- **Request for Proposal (RFP)** (detailed specifications are not provided, source selection process, Evaluation Committee)
- **Human Service Vehicle** (WisDOT conducts an IFB and subrecipients purchase vehicles from state contract)
- **Heavy Duty Bus** (WisDOT conducts a RFP to develop a state schedule with multiple vendors for Wisconsin transit agencies to procure buses)

# Procurement Types Timelines

- Micro-Purchase
  - 2 – 3 Weeks
- Small Purchase
  - 1 Month
- Invitation for Bid
  - 2 – 3 Months
- Request for Proposal
  - 3 – 6 Months

# Key Elements in all Procurements

While each procurement is unique, these key elements apply to all procurements and are consistently addressed in all toolkits:

- Written History of Procurement
  - Independent Cost Estimate
  - Specifications
  - Bidders List
  - Cost/Price Analysis
  - Contractor Responsibility
  - Federal Clauses
- All of these documents can be found in WisDOT's Posted Appendix Documents

# Key Elements (*continued*)

**Written History of Procurement:** FTA requires that grantees maintain records detailing the history of each procurement.

At a minimum, the following must be documented in the **Written History of Procurement:**

- The rationale for the method of procurement
- Selection of contract type
- Reasons for contractor selection or rejection
- The basis of the contract price

# Key Elements (*continued*)

**Independent Cost Estimate (ICE):** Anticipated cost for the item or service to be procured.

- Completed prior to contract solicitation
- Not developed by a potential bidder
- Used in determining whether price is fair and reasonable
- Can help determine procurement type
- Cannot be developed by any potential source, supplier, or provider.

# Key Elements (*continued*)

**Specifications:** A clear and accurate description of the technical requirements for the material, product, or service to be procured must be provided.

- Complete and accurate specifications ensure potential bidders are given equal knowledge of the contract requirements.
- No brand names.
- Not developed by a potential bidder.
- This allows for fair and open competition.



# Key Elements (continued)

- Micro-Purchases, Small Purchases, and IFBs: Specifications should be as detailed as possible since the goal is to look for the lowest responsive, responsible bidder.
- RFPs: Specifications do not need to be as detailed as Micros, Small and IFBs because the RFP process is used to look for the bidder/contractor to fill in any gaps of a service or product.

# Key Elements *(continued)*

**Bidders List:** Maintain a required "bid opportunity list" generated from both subrecipient and WisDOT procurement activities.

The information collected:

- Reflects all firms that are participating, or attempting to participate on USDOT-assisted contracts
- Is used for DBE goal-setting purposes
- Helps ensure a level playing field in accessing contract opportunities

# Key Elements (*continued*)

**Cost/Price Analysis:** The goal of the Cost/Price Analysis is to document whether the proposed costs are in line with what reasonable economical and efficient performance should cost.

- Cost elements examined include: materials, labor, equipment, overhead and profit.
- The Cost/Price Analysis is a determination of whether the price is “fair and reasonable”.
- If a procurement is a multiple year contract, all years must be documented in the analysis.

# Key Elements (*continued*)

**Contractor Responsibility:** Awards should only be made to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. For every procurement type, grantees must determine whether a contractor is responsible and responsive.

Responsibility determination factors include:

- Appropriate financial, material, equipment, and personnel resources and expertise
- Capability to comply with the required delivery schedule
- A satisfactory record of performance and integrity
- Legal qualifications to contract with the grantee  
([www.sam.gov](http://www.sam.gov))

# Key Elements (*continued*)

**Federal Clauses:** These FTA standards are reviewed for relevance and applicability to a procurement and included in the solicitation and eventual contract.

Federal clause master list included in all procurement toolkit appendices.

Example (WisDOT will provide official Clauses): <https://wisconsindot.gov/Documents/doing-bus/local-gov/astnce-pgms/transit/procurement/smr-clause.pdf>

<https://wisconsindot.gov/Pages/doing-bus/local-gov/astnce-pgms/transit/procure.aspx>

<https://www.transit.dot.gov/regulations-and-guidance/buy-america/buy-america-handbook>



# Contract Basics

**Contract:** A mutually binding legal relationship obligating a seller to furnish supplies or services and the buyer to pay for them.

- Includes a grantee's contract with a vendor or contractor, including procurement by purchase order which is financed with FTA assistance.
- Contracts must include total dollar amount, beginning and ending date, reference to solicitation, addendums, and federal clauses
- Cardinal changes are not allowed. (A major deviation from the original purpose of the contract.)
- Be aware when doing change orders that they do not end up being cardinal changes



# Procurement Tools and Resources

- Procurement History File Checklist
- Included in each toolkit ensures required elements for the specific procurement type are in the procurement file.
- This document records action steps and decisions throughout the procurement.
- The volume of documentation associated with the procurement will dictate the number of files required to properly maintain a complete history of the procurement.
- A well-documented file speaks for itself, without need of interpretation from the contract administrator.
- A well-documented file also supports actions taken, provides information for reviews and investigations.

# Procurement History Checklist

## Transit Procurement & Contract Administration Manager PROCUREMENT HISTORY FILE CHECKLIST

CONTRACT NUMBER	CONTRACTOR NAME	CONTRACT AWARD DATE
COMMODITY CODE/ BRIEF ITEM DESCRIPTION	AMOUNT \$	CONTRACT START DATE

Authorized Signature \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Above name printed or typewritten

Number	Item	Action Completed
1.	WRITTEN HISTORY OF PROCUREMENT <i>(Appendix A)</i>	<input type="checkbox"/> Included
2.	INDEPENDENT COST ESTIMATE <i>(Appendix B)</i>	<input type="checkbox"/> Included
3.	PROCUREMENT PLAN, TIMELINE <i>(DOA 3720, Appendix C)</i>	<input type="checkbox"/> Included
4.	STATEMENT OF WORK SPECIFICATION <i>(Appendix D &amp; E)</i>	<input type="checkbox"/> Included
5.	SOLE SOURCE JUSTIFICATION <i>(Appendix F, if Applicable)</i>	<input type="checkbox"/> Included <input type="checkbox"/> Not Applicable
6.	MARKET RESEARCH DOCUMENTS	<input type="checkbox"/> Included
7.	SOLICITATION AND AMENDMENTS <i>(Appendix E, Addenda)</i>	<input type="checkbox"/> Included

8.	PRE-SOLICITATION APPROVALS <i>(given by WisDOT)</i>	<input type="checkbox"/> Included
9.	ADVERTISING <i>(ad on VendorNet &amp; local ads)</i>	<input type="checkbox"/> Included
10.	SOURCE SELECTION PLAN AND DOCUMENTS <i>(Appendix I, DOA 3721, and DOA 3780)</i>	<input type="checkbox"/> Included
11.	PRE-BID OR PROPOSAL CONFERENCE NOTES AND QUESTIONS & ANSWERS <i>(If Applicable)</i>	<input type="checkbox"/> Included <input type="checkbox"/> Not Applicable
12.	BIDS/PROPOSALS AND SOLICITATION AMENDMENT ACKNOWLEDGEMENTS	<input type="checkbox"/> Included <input type="checkbox"/> Not Applicable
13.	"NO BID" LETTERS OR OFFEROR DISQUALIFICATION CORRESPONDENCE	<input type="checkbox"/> Included <input type="checkbox"/> Not Applicable
14.	SINGLE BID ANALYSIS <i>(Appendix J, if applicable)</i>	<input type="checkbox"/> Included <input type="checkbox"/> Not Applicable
15.	COST OR PRICE ANALYSIS <i>(Appendix K)</i>	<input type="checkbox"/> Included
16.	Bid Opportunity List <i>(Appendix H)</i>	<input type="checkbox"/> Included
17.	SOURCE SELECTION REPORT AND RELATED DOCUMENTS <i>(Section 6 of Appendix I)</i>	<input type="checkbox"/> Included
18.	Pre-Award Audit Report for Rolling Stock <i>(If Applicable)</i>	<input type="checkbox"/> Included <input type="checkbox"/> Not Applicable
19.	NEGOTIATION MEMORANDUM <i>(If Applicable)</i>	<input type="checkbox"/> Included <input type="checkbox"/> Not Applicable
20.	CONTRACTOR RESPONSIBILITY DETERMINATION <i>(Appendix L)</i>	<input type="checkbox"/> Included
21.	REQUIRED AWARD APPROVALS <i>(given by WisDOT)</i>	<input type="checkbox"/> Included
22.	SIGNED FEDERAL CLAUSES AND CERTIFICATIONS <i>(Appendix M)</i>	<input type="checkbox"/> Included
23.	BOARD APPROVAL <i>(Submit a copy of the minutes) (If Applicable)</i>	<input type="checkbox"/> Included <input type="checkbox"/> Not Applicable
24.	NOTICE OF INTENT TO AWARD	<input type="checkbox"/> Included
25.	PROTESTS <i>(If Applicable)</i>	<input type="checkbox"/> Included

# Procurement Tools and Resources

- **WisDOT Procurement Manual**

<http://wisconsindot.gov/Documents/doing-bus/local-gov/astnce-pgms/transit/procurement.pdf>

- **Procurement Toolkits**

<http://wisconsindot.gov/Pages/doing-bus/local-gov/astnce-pgms/transit/procure.aspx>

# Procurement Tools and Resources

- **FTA Third Party Procurement FAQs**

<https://www.transit.dot.gov/funding/procurement/third-party-procurement/third-party-procurement-faqs>

- **FTA Best Practices Procurement Manual**

<https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/procurement/8286/fta-best-practices-procurement-and-lessons-learned-manual-2016.pdf>

- **Third Party Contracting Guidance-Circular 4220.1F**

<https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/third-party-contracting-guidance>

# Transit Manager's Toolkit National Rural Transit Assistance Program

- Procurement 101 Course
  - Includes Step By Step instruction for a successful FTA Procurement



**Transit Manager's Toolkit**

Download Full-Text Toolkit

RESOURCES > TOOLKITS

**Procurement 101**

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<https://www.nationalrtap.org/Toolkits/Transit-Managers-Toolkit/Compliance/Procurement-101#Step5-ExecuteSolicitation>



# Contact Information

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