



**Moving Public Transportation
Into the Future**



Procurement Workshop

June 5, 2019

Presented by:

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Session Coverage

- ◆ Procurement Resources
- ◆ Procurement Policy Tool
- ◆ New Developments in Procurement Compliance
- ◆ Micro Purchases
- ◆ Small Purchases
- ◆ Formal Purchases
- ◆ Non-Competitive Procurements
- ◆ Joint and “Piggyback” Procurements
- ◆ Rolling Stock Procurements
- ◆ Common Procurement Findings and How to Avoid Them



Session Approach

- ◆ For each procurement type, we will walk through the process of addressing compliance requirements using the relevant procurement resources

Procurement Resources

- ◆ **FTA Circular 4220.1F** ([link](#))
 - Last updated March 2013; new revision expected this year
- ◆ **Best Practices Procurement Manual** ([link](#))
 - Last updated October 2016; due for revision
- ◆ **FY2019 Comprehensive Review Guide** ([link](#))
- ◆ **2 CFR 200 “Super Circular”** ([link](#))
- ◆ **ProcurementPRO** ([link](#))
- ◆ **GDOT procurement resources**
 - New procurement policy tool
 - Procurement SOP
 - Checklists



Procurement Resources

- ◆ For GDOT subrecipients, a starting point should be to develop and implement a procurement policy that governs purchases made with FTA funds and reflects the requirements of FTA Circular 4220.1F and the OMB “Super Circular,” as amended
- ◆ You’re in luck! We developed an easy way to do this...

Procurement Policy Tool

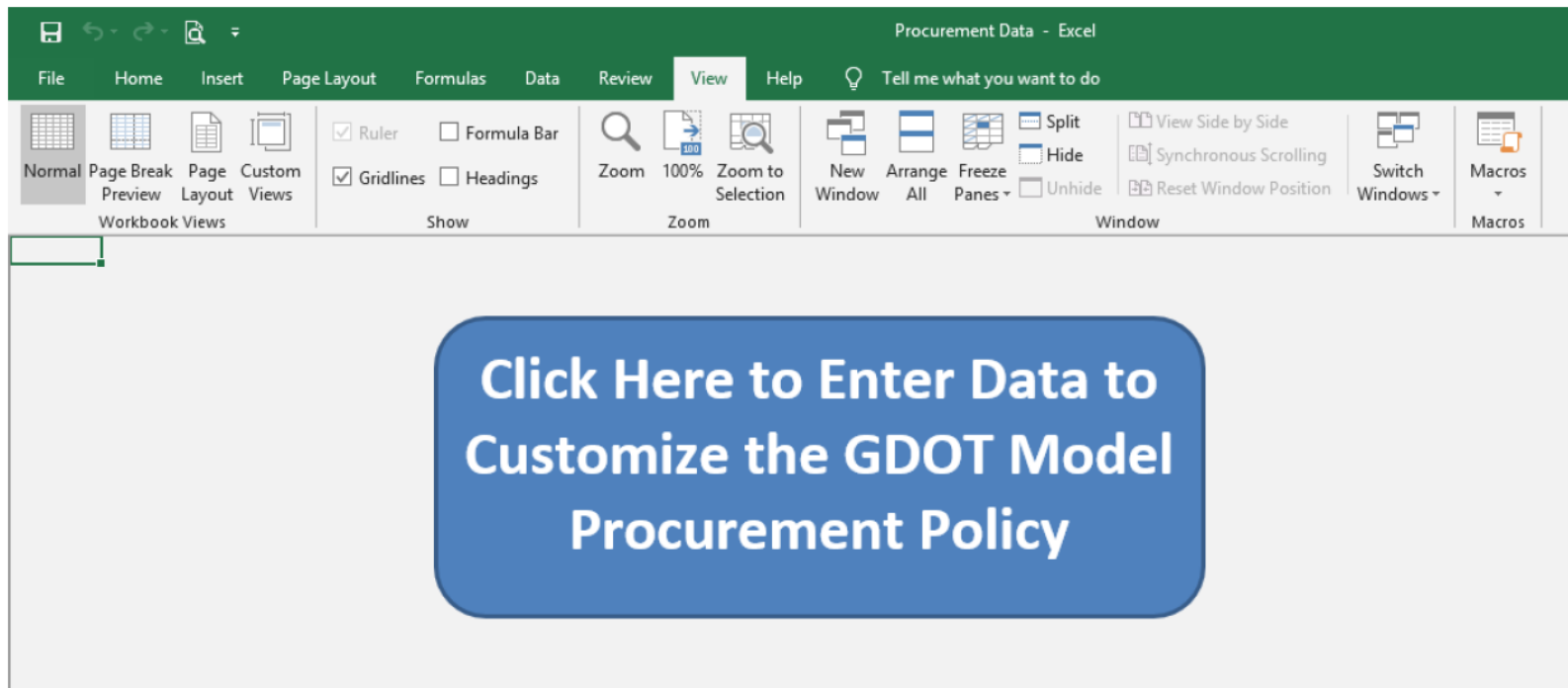
- ◆ RLS developed a tool that GDOT's subrecipients can use to easily generate a customized procurement policy that addresses FTA requirements
- ◆ The tool includes the following items:
 - Instructions for creating a Word version of the Model Procurement Policy
 - A macro-enabled Excel file called: Procurement Data.xlsx
 - A macro-enabled Word file called: Policy Template.docm

Procurement Policy Tool

- ◆ *Disclaimer: This tool will generate a procurement policy that may or may not meet the complete needs of any single transit agency in Georgia. This document incorporates Federal requirements and serves as a starting point for GDOT subrecipients. GDOT should permit and encourage additions and modifications to this document to more closely reflect local procedures and protocols*
- ◆ With that out of the way, let's make a procurement policy together!

Instructions for Creating Customized Procurement Policy

- ◆ Open the Excel file. If you receive a warning about macros, click enable
- ◆ Click anywhere in the large blue **Click Here...** button



Instructions for Creating Customized Procurement Policy

- ◆ A user form will open. You will be asked to enter the following:
 - Grantee or operator information
 - Information regarding approvals for various levels of purchases
 - Purchase threshold information
- ◆ When finished with all fields on the form, click the blue **Save Data** button
- ◆ From the File menu, click on **Save** and then save the file with the information you entered

The screenshot shows a web browser window with a form titled "Data Entry Form to Customize ODOT's Model Procurement Policy". The form is divided into several sections:

- Grantee or Operator Identification:** Includes fields for "Enter Grantee Name:", "Enter the Common Name, Operator, or D/B/A:", and "Enter Entity Type:". Example text includes "Bond County" or "Champaign County", "ODJ Rural Mass Transit District", and "City," "County," or "Mass Transit District".
- Formal Name of Your Governing Board:** Includes a field for "Enter Title of the Elected Governing Board Members:". Example text includes "Bond County Commission" or "Coal Board of Directors" and "Commissioner," "Council Member," or "Director".
- Identification of Key Officials Involved in Various Procurement Activities:** This section contains multiple rows of fields for different roles:
 - Official That Would Resolve Conflict of Interest Issues:** Example: "Purchasing Director" or "Executive Director".
 - Alternative Official for Conflict of Interest Issues:** Example: "Purchasing Director" or "Executive Director".
 - Title of Your Procurement Officer:** Example: "Purchasing Agent" or "Finance Director".
 - Title of Person Authorized to Make Small Purchases:** Example: "Transit Director," "Operations Supervisor," "Maintenance Manager".
 - Title of 2nd Person Authorized to Make Small Purchases:** Example: "Transit Director," "Operations Supervisor," "Maintenance Manager".
 - Title of Person Authorized to Make Formal Purchases:** Example: "Transit Director," "Operations Supervisor," "Maintenance Manager".
 - Title of 2nd Person Authorized to Make Formal Purchases:** Example: "Transit Director," "Operations Supervisor," "Maintenance Manager".
 - Title of Your Organization's Legal Counsel:** Example: "County Attorney" or "Agency Legal Counsel".
 - Title of 2nd Person Authorized to Make Micro Purchases:** Example: "Transit Director," "Operations Supervisor," "Maintenance Manager".
 - Title of individual Who Signs Formal Contracts:** Example: "Executive Director," "Chairman of the Board".
- Identification of Purchase Thresholds:** Includes fields for:
 - Micro Purchase Threshold (Maximum):** Example: "April 2, 2014".
 - Small Purchase Threshold (Maximum):** Example: "April 2, 2014".
 - Formal Purchase Threshold:** Example: "April 2, 2014".
 - Enter Effective Date of Policy:** Example: "April 2, 2014".

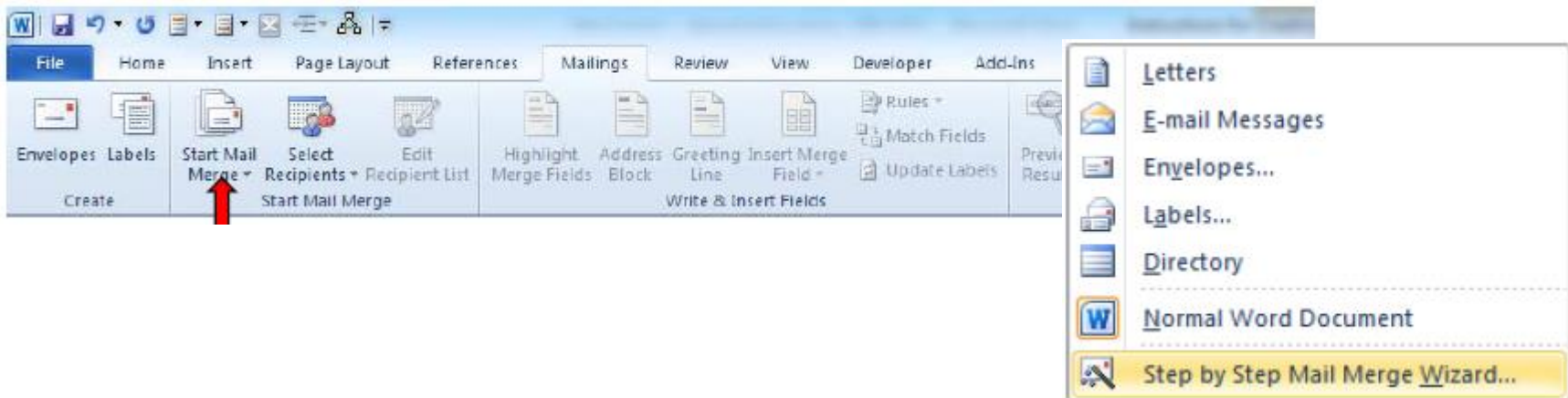
A blue "Save Data" button is located at the bottom right of the form.

Instructions for Creating Customized Procurement Policy

- ◆ Open the Word file, Policy Template.docm. From the ribbon menu, click on **Mailings**

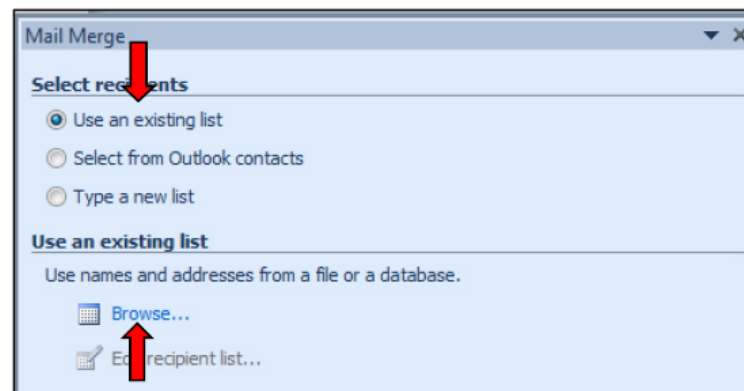
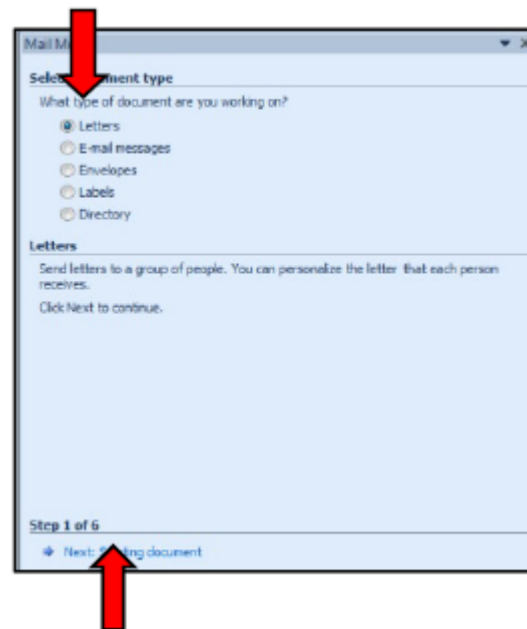


- ◆ From the mailings ribbon, click on the **Start Mail Merge** tab, then select **Step by Step Mail Merge Wizard**



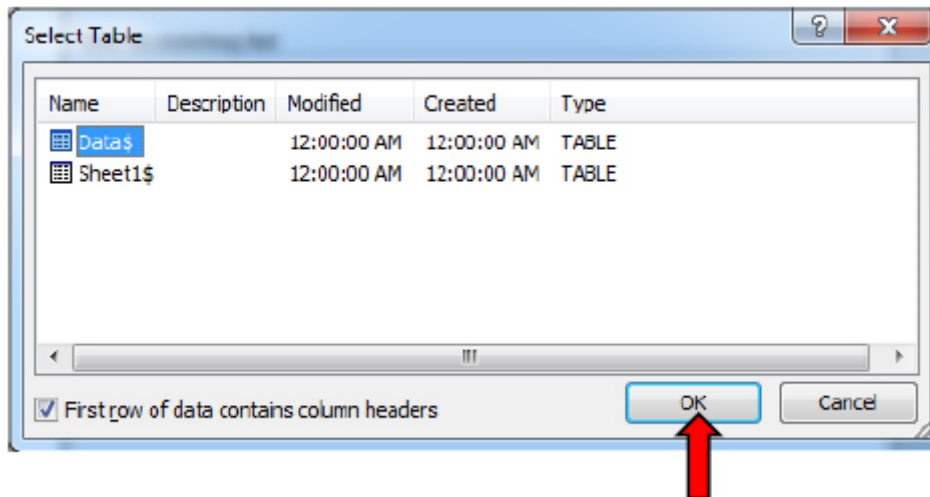
Instructions for Creating Customized Procurement Policy

- ◆ The Mail Merge Wizard will open as a blue box on the right of the screen
- ◆ Select the **Letters** radio button at the top of this box and then click on **Next: Starting Documents** at the bottom of the Wizard dialogue window
- ◆ The next step of the Merge Wizard will appear. Select **Use the current document** under select starting document. Then click **Next: Select Recipients**
- ◆ In the next window, select **Use an existing list** and then click on **Browse**



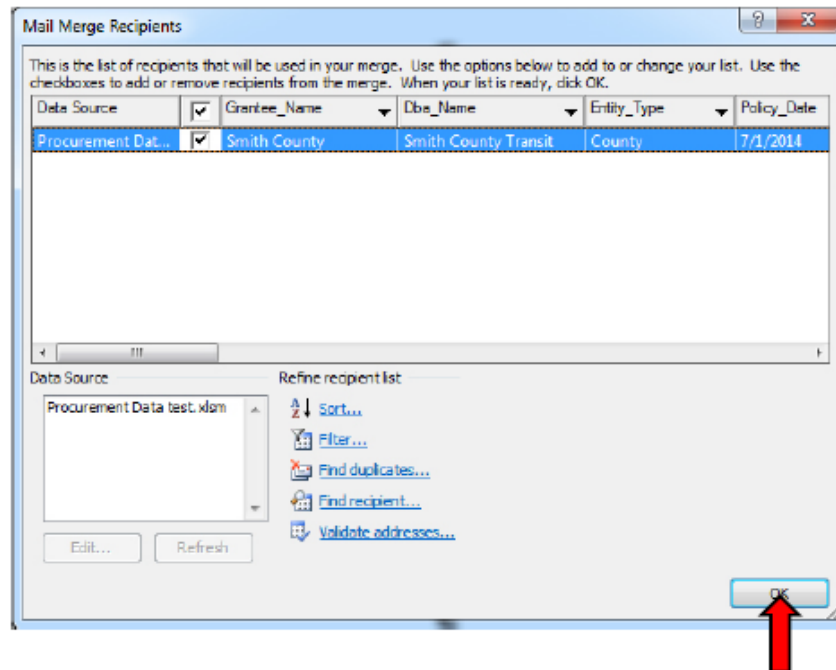
Instructions for Creating Customized Procurement Policy

- ◆ Navigate to the folder/directory where you saved your Excel file (Procurement Data.xlsm) and open the file (the file will not open; Word will now associate this file with the document for merge purposes)
- ◆ A new window will appear that contains two worksheets. If not already highlighted, pick **Data\$** from the list shown and click the **OK** button



Instructions for Creating Customized Procurement Policy

- ◆ Another new window will appear that essentially matches up the fields from the Excel file with the Word merge fields. You do not need to do anything with this window; simply click **OK** in the lower right corner



Instructions for Creating Customized Procurement Policy

- ◆ Ignore all the choices under “Select recipients”(this should default to the previous radio button, “Use an existing list”). Click on **Next: Write Your Letter**
- ◆ The next Wizard window will appear that will prompt you to Write your letter. Ignore this and click on **Next: Preview your letters**
- ◆ Finish the merge by clicking on **Next: Complete the merge** located at the bottom of the Mail Merge Wizard window
- ◆ Close the mail merge window by clicking on the **X** in the upper right corner of the mail merge dialogue window

Instructions for Creating Customized Procurement Policy

- ◆ We're almost there!
- ◆ You will now need to update the Table of Contents (the merge process will not work on this table). From the ribbon, click on the **References** tab. In the Table of Contents group, click on **Table of Contents**, then **Insert Table of Contents**. Click **Yes** when asked to replace the current table
- ◆ From the menu, click **Save As** and then save the document with a new name
- ◆ **DONE!**

Why So Many Rules Surrounding Procurement?

- ◆ The FTA procurement process can appear paper heavy and time intensive, but...
- ◆ Many requirements reflect common sense concepts that we all follow when making everyday purchases
 - The key is ensuring that GDOT subrecipients have a FTA procurement policy in place and use the standardized forms and checklists to record required information



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New Developments in Procurement Compliance

New Developments: Increases to Procurement Thresholds

- ◆ The Office of Management and Budget (OMB) raised the Federal micro-purchase limit from **\$3,500** to **\$10,000** and the Federal simplified acquisition threshold from **\$150,000** to **\$250,000**, effective June 20, 2018
 - Auditors will review procurements based on the thresholds in place at the time of purchase
- ◆ FTA has yet to update its procurement guidance to reflect OMB's increases
 - Circular 4220 and the BPPM are due for updates
- ◆ It is important to note that states are free to set thresholds lower than the Federal thresholds set by OMB

New Developments: Increased Procurement Thresholds

- ◆ The Buy America threshold was not changed by OMB's increases. It remains at **\$150,000** because it's set by statute
- ◆ But don't worry, Buy America has its own new development in the form of a phased increase to the domestic content required (based on the scheduled delivery date of the first production vehicle)

New Developments: Phased Increase to Domestic Content

- ◆ For rolling stock contracts entered into before October 1, 2015, the domestic content must exceed **60 percent**
- ◆ For rolling stock contracts entered into on or after October 1, 2015, the applicable domestic content percentage will be based on the scheduled delivery date of the first production vehicle (i.e., the first vehicle intended to carry passengers in revenue service), final acceptance notwithstanding. If the first production vehicle is delivered in **FY2018 or FY2019**, the domestic content must be more than **65 percent**, and if the first production vehicle is delivered in **FY2020 or beyond**, the domestic content must be more than **70 percent**



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Micro Purchases



Micro Purchases: Overview

- ◆ **Micro Purchases (up to \$10,000)**
 - FTA's only documentation requirement for micro purchases is a determination that the price is fair and reasonable as well as a basis for this determination
 - To the extent practicable, recipients must distribute micro purchases equitably among qualified suppliers
 - Recipients may not divide or reduce the size of procurements to avoid the additional procurement requirements applicable to larger acquisitions (this is also applicable to small purchases)

Micro Purchases: Tools

Micro Purchase Stamp (Purchases Up to \$10,000)

The price is considered fair and reasonable based on:

- Personal knowledge of item procured
- Current catalog or price list
- Commercial market advertisement
- Other (specify): _____

- Effort was made to distribute purchases equitably
- Purchase was not divided merely to become a micro purchase

Name

Date



Micro Purchases

- ◆ Scenarios and discussion



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Small Purchases

Small Purchases: Overview

- ◆ **Small Purchases (\$10,000 - \$250,000)**
 - Recipients must obtain oral or written price quotations from an adequate number of qualified sources
 - The award must be made to the lowest responsive and responsible vendor
 - A written procurement history must be maintained for small purchases, commensurate with the size and complexity of the procurement
 - Relevant FTA-required contract clauses must be included
 - Best practice: develop an independent cost estimate (ICE)... we'll take more about this later

Responsive and Responsible

- ◆ Responsive means that the bidder conforms in all material aspects to the requirements of the solicitation at the scheduled time of submission
- ◆ Responsible means that the bidder possesses the ability, willingness, and integrity to perform successfully under the terms and conditions of the contract

FTA-required Third Party Contract Clauses

- ◆ Recipients must include specific required clauses in FTA-funded contracts, intergovernmental agreements (e.g., those involving states and other public entities), and subrecipient agreements
- ◆ Not all clauses apply to every contract. The applicability of clauses depends on the size and type of the procurement as illustrated on the following slides

FTA-required Clauses

CLAUSE	TYPE OF PROCUREMENT				
	Professional Services/A&E	Operations/ Management/ Subrecipient	Rolling Stock Purchase	Construction	Materials & Supplies
No Federal government obligations to third-parties by use of a disclaimer	All	All	All	All	All
Program fraud and false or fraudulent statements and related	All	All	All	All	All
Access to Records	All	All	All	All	All
Federal Changes	All	All	All	All	All
Civil Rights (EEO, Title VI & ADA)	All	All	All	All	All
Incorporation of FTA Terms	All	All	All	All	All
Energy Conservation	All	All	All	All	All
Termination Provisions (not required of states)	>\$10,000	>\$10,000	>\$10,000	>\$10,000	>\$10,000
Debarment and Suspension	>\$25,000	>\$25,000	>\$25,000	>\$25,000	>\$25,000
Buy America			>\$150,000	>\$150,000	>\$150,000
Provisions for resolution of disputes, breaches, or other litigation	>\$250,000	>\$250,000	>\$250,000	>\$250,000	>\$250,000
Lobbying	>\$250,000	>\$250,000	>\$250,000	>\$250,000	>\$250,000
Clean Air	>\$250,000	>\$250,000	>\$250,000	>\$250,000	>\$250,000
Clean Water	>\$250,000	>\$250,000	>\$250,000	>\$250,000	>\$250,000
Cargo Preference			Involving property that may be transported by ocean vessel	Involving property that may be transported by ocean vessel	Involving property that may be transported by ocean vessel
Fly America	Involving foreign transport or travel by air	Involving foreign transport or travel by air	Involving foreign transport or travel by air	Involving foreign transport or travel by air	Involving foreign transport or travel by air

FTA-required Clauses

CLAUSE	TYPE OF PROCUREMENT				
	Professional Services/A&E	Operations/ Management/ Subrecipient	Rolling Stock Purchase	Construction	Materials & Supplies
Davis Bacon Act				>\$2,000 (including ferry)	
Copeland Anti-Kickback Act Section 1 Section 2				All >\$2,000 (including ferry vessels)	
Contract Work Hours & Safety Standards Act		>\$250,000	>\$250,000	>\$250,000 (including ferry vessels)	
Bonding (not required of states)				>\$250,000 (including ferry vessels)	
Seismic Safety	A&E for new buildings & additions			New buildings & additions	
Transit Employee Protective Arrangements		Transit operations funded with Section 5307, 5309, 5311 or 5316 funds			
Charter Service Operations		All			
School Bus Operations		All			
Drug and Alcohol Testing		Transit operations funded with Section 5307, 5309 or 5311 funds			
Patent Rights	Research & development				
Rights in Data and Copyrights requirements	Research & development				
Special DOL EEO clause for construction projects				>\$10,000	
Disadvantaged Business Enterprises (DBEs)	All	All	All	All	All
Prompt Payment	All if threshold for DBE program met	All if threshold for DBE program met	All if threshold for DBE program met	All if threshold for DBE program met	All if threshold for DBE program met

FTA-required Clauses

CLAUSE	TYPE OF PROCUREMENT				
	Professional Services/A&E	Operations/ Management/ Subrecipient	Rolling Stock Purchase	Construction	Materials & Supplies
Recycled Products		Contracts for items designated by EPA, when procuring \$10,000 or more per year		Contracts for items designated by EPA, when procuring \$10,000 or more per year	Contracts for items designated by EPA, when procuring \$10,000 or more per year
ADA Access	A&E	All	All	All	

The Takeaway: There is a large number of FTA-required clauses and determining their applicability can be complicated. But worry not...

Dealing with the FTA Clauses Requirement

- ◆ One solution is National RTAP's ProcurementPRO, a free web-based procurement tool that guides recipients through FTA procurement procedures. ProcurementPRO is available at: www.nationalrtap.org/Web-Apps/ProcurementPRO
- ◆ ProcurementPRO can generate the applicable FTA-required clauses based on information input by the user
- ◆ ProcurementPRO was recently updated to version 2.0, which introduced the ability to save and archive purchases in the cloud

Small Purchase Tools: ProcurementPRO

My Project

1 Title

Small Purchase for Materials and Supplies

Info! In the Title field you cannot use special characters. All numbers and letters are allowed but no punctuation, dashes or other special characters. Example : \$#%,!>-/ x

2 Description

Purchase of office supplies with FTA grant

3 Who will be FUNDING this project

Federal Government

4 Procurement Type

Rolling Stock Materials & Supplies Professional Services Architecture Engineering Architectural & Engineering Operations & Management
 Construction

Examples

Help

5 What is the TOTAL cost for this project?

\$ 10001 .00

6 What is the METHOD of procurement you will be using for this project?

Invitation for Bid (IFB) Request for Proposal (RFP) Request for Qualification (RFQ) Sole Source Piggyback Non-Competitive Quotation

BACK

CLEAR

ProcurementPRO

QuickPRO



Dealing with the FTA Clauses Requirement

- ◆ Another solution is to include the entire package of clauses as opposed to manually separating out and including only those that are relevant
- ◆ The best practice is to include clauses in the solicitation as well as the resulting contract
 - Makes potential proposers aware prior to negotiating contract
 - RFP/solicitation documents often incorporated into contract by reference
 - Unlikely that auditors will miss the clauses

Independent Cost Estimate (ICE)

- ◆ An ICE is a recipient's estimate of what an item or service "should" cost
- ◆ An ICE can range from a simple budgetary estimate to a complex estimate
- ◆ Available data points for developing an ICE include: published price lists, historical pricing information from contracts awarded by the recipient's agency, comparable purchases by other agencies, and independent third party estimates
- ◆ The word "independent" does not imply that it must be performed by someone other than the recipient, although this may be the case for complex procurements



ICE Continued

- ◆ FTA does not require written independent cost estimates in connection with procurements below the simplified acquisition threshold of \$250,000
- ◆ Still, it is a best practice to develop an ICE in connection with every procurement above the micro purchase limit. Without some idea of what a item or service should cost, recipients may not know which procurement process to follow

A background map showing a street grid with several irregularly shaped areas highlighted in different colors: red, green, yellow, and orange. The map is semi-transparent and serves as a decorative background for the slide.

Small Purchases

- ◆ Scenarios and discussion
- ◆ Let's use ProcurementPRO together!



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Formal Purchases



Formal Purchases: Overview

◆ Formal Purchases (above \$250,000)

- Typically involves purchase through use of sealed bids (IFBs) or competitive proposals (RFPs)
- Requires an ICE, a cost or price analysis, and applicable FTA contract clauses
- Also requires a written procurement history including:
 - the rationale for the method of procurement
 - selection of contract type
 - contractor selection or rejection
 - the basis for the contract price

Formal Purchases: RFP vs IFB

- ◆ **Request for Proposals (RFP):** Using this method, proposals are publicly solicited from an adequate number of sources and the award is made to the responsive and responsible proposer whose offer is most advantageous to the recipient, with price and other factors considered
- ◆ **Invitation for Bid (IFB):** Using this method, bids are publicly solicited and a firm fixed price contract is awarded to the lowest responsive and responsible bidder. Unlike RFPs, the IFB procurement method does not allow recipients to evaluate the merits of technical proposals and pay more for a higher quality product representing the best value



Cost/Price Analysis

- ◆ The purpose of a cost or price analysis is to ensure the recipient does not pay unreasonably high prices to third party contractors
- ◆ A cost or price analysis is performed after the receipt of bids or proposals but prior to the award of a contract
- ◆ While “cost/price analysis” is often used as a combined phrase, cost analysis and price analysis are distinguishable concepts

Price Analysis vs Cost Analysis

- ◆ When contracting on a fixed price basis, a comparison of the proposed prices will normally satisfy the requirement to perform a **price analysis**
- ◆ When price competition is inadequate, such as in a single bid or sole source procurement, the recipient must develop a **cost analysis**
 - Cost analysis is the review and evaluation of the separate cost elements and profit in an offeror's proposal and the application of judgment to determine how well the proposed costs represent what the cost should be assuming reasonable economy and efficiency



Avoiding the “Lacking Required Cost/Price Analysis” Finding

- ◆ The best way to avoid this finding is to use standardized forms and include them in the procurement file
- ◆ Examples are contained in the appendix to the FTA’s Best Practices Procurement Manual



ICE Revisited

- ◆ Again, an ICE is a recipient's estimate of what an item or service "should" cost
- ◆ FTA requires that a written ICE be developed prior to the receipt of bids or proposals for all procurements above the simplified acquisition threshold
- ◆ As a best practice, an ICE should be developed in connection with all procurements above the micro purchase limit so the recipient knows which procurement process to follow



Avoiding the “Lacking Independent Cost Estimate” Finding

- ◆ The best way to avoid this finding is to complete a standardized ICE form and include it in the procurement file
- ◆ The example on the next slide is from FTA’s Best Practices Procurement Manual
 - Contract modifications (change orders) and the execution of options

Sample ICE Form

Sample: INDEPENDENT COST ESTIMATE SUMMARY FORM

Requisition Number: _____ Date of Estimate: _____

Description of Goods/Services:

New Procurement Contract Modification (Change Order)
 Exercise of Option

Method of Obtaining Estimate:

Attach additional documentation such as previous pricing documentation, emails, internet screen shots, estimates on letterhead, etc.

Published Price List (attach source and date)

Historical Pricing (attach copy of documentation from previous PO/Contract)

Comparable Purchases by Other Agencies (attach email correspondence)

Engineering or Technical Estimate (attach)

Independent Third-Party Estimate (attach)

Other (specify) _____ (attach

documentation) Pre-established pricing resulting from competition

(Contract Modification only)

Through the method(s) stated above, it has been determined the estimated total cost of the goods/services is \$ _____.

The preceding independent cost estimate was prepared by:

Name

Signature

Date

Formal Purchase Tools: ProcurementPRO

My Project

1

Title

Formal Purchase for Operations and Management

Info! In the Title field you cannot use special characters. All numbers and letters are allowed but no punctuation, dashes or other special characters. **Example** : \$#%,!>-/ ✕

2

Description

RFP for Operations and Management Contractor

3

Who will be FUNDING this project

Federal Government

4

Procurement Type

Rolling Stock Materials & Supplies Professional Services Architecture Engineering Architectural & Engineering Operations & Management
 Construction

Examples

Help

5

What is the TOTAL cost for this project?

\$ 250001 .00

6

What is the METHOD of procurement you will be using for this project?

Invitation for Bid (IFB) Request for Proposal (RFP) Request for Qualification (RFQ) Sole Source Piggyback Non-Competitive Quotation

BACK

CLEAR

ProcurementPRO

QuickPRO

A background map showing a street grid with several areas highlighted in different colors: red, orange, yellow, and green. The title 'Formal Purchases' is centered over the map.

Formal Purchases

- ◆ Scenarios and discussion
- ◆ Let's use ProcurementPRO together!



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Non-Competitive Procurements



Non-Competitive Procurements

- ◆ Non-competitive procurements represent red flags for FTA reviewers/auditors
- ◆ Common issue: conflation of single bid and sole source procurements

Non-Competitive Procurements: Sole Source

- ◆ A recipient can make a sole source award in limited circumstances when the items or services sought are available only from a single source. Items or services are considered to be available from a single source if one of the following conditions is present:
 - A unique or innovative concept, the details of which are confidential, patented, or copyrighted
 - Patent or data rights restrictions preclude competition
 - Award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition
 - Award to another contractor would result in unacceptable delays in fulfilling the recipient's needs

Non-Competitive Procurements: Sole Source

- ◆ In order to conduct a sole source procurement, the recipient must prepare a written sole source justification that articulates why the item or service is available only from a single source. The sole source justification must be maintained as part of the procurement history
- ◆ A cost analysis will also be required to determine the reasonableness of the price

Non-Competitive Procurements: Single Bid

- ◆ If only one bid is received in response to a solicitation, the recipient must determine whether or not competition was adequate. This may include reviewing the specification to determine if it was unduly restrictive, determining if the solicitation was adequately disseminated, and asking potential bidders why they did not respond to the solicitation
- ◆ If the reason for receiving a single bid is out of the recipient's control, then competition can be considered adequate and the award will be valid provided that the price is reasonable in light of the cost analysis



Cost Analysis Revisited

- ◆ When price competition is inadequate, such as in single bid or sole source procurement, the recipient must develop a **cost analysis**
 - Cost analysis is the review and evaluation of the separate cost elements and profit in an offeror's proposal and the application of judgment to determine how well the proposed costs represent what the cost should be assuming reasonable economy and efficiency



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Joint and “Piggyback” Procurements



Joint Procurements

- ◆ The joint procurement method involves two or more purchasers that agree to use a single solicitation document and enter into a single contract
- ◆ Unlike a state purchasing schedule or contract, a joint procurement is not drafted for the purpose of accommodating additional purchasers that subsequently choose to participate in the contract

“Piggyback” Procurements

- ◆ For reasons of economy, FTA permits the assignment of unneeded contract rights or options. This practice is sometimes called “piggybacking”
- ◆ FTA discourages the assignment of another recipient’s contract rights as a substitute for a stand-alone procurement. Assignments are intended to be used only when a recipient has inadvertently acquired contract rights in excess of its needs due to changed circumstances or honest mistakes
- ◆ Intentionally procuring excessive quantities using Federal money is a violation of Federal regulations



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Rolling Stock Procurements

Rolling Stock Procurements

- ◆ A recipient purchasing revenue service rolling stock with FTA funds must conduct pre-award and post-delivery audits
- ◆ Certifications at the pre-award stage:
 - Buy America
 - Purchaser's Requirements
- ◆ Certifications at the post-award stage:
 - Buy America
 - Purchaser's Requirements
 - Federal Motor Vehicle Safety Standards (FMVSS)

Rolling Stock Procurements

- ◆ Recipients must have in their possession the Altoona Bus Testing Report before final acceptance of the first vehicle
- ◆ Since November 2014, FTA recipients have been required to submit, within 30 days of making an award for rolling stock, the name of the successful bidder and the total dollar value of the contract. Only eligible TVMs (that have submitted an approved DBE goal methodology to FTA) may bid on FTA-assisted transit vehicle procurements
 - Recipients report using the following link:
<https://www.surveymonkey.com/r/vehicleawardreportsurvey>



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Common Procurement Findings and How to Avoid Them

FTA Comprehensive Reviews

- ◆ FTA's Triennial and State Management Reviews (Comprehensive Reviews) take a broad look at recipient compliance with program requirements across a range of topic areas
- ◆ The Triennial Review was mandated by Congress in 1982 for each recipient of Section 5307 funds
- ◆ The State Management Review has typically focused on states receiving Sections 5310 and 5311 funds. These reviews also occur every three years and use a format and process similar to the Triennial Review

Comprehensive Review Areas

- ◆ Financial Management and Capacity
- ◆ Technical Capacity
- ◆ Maintenance
- ◆ Americans with Disabilities Act (ADA)
- ◆ Title VI
- ◆ Procurement
- ◆ Disadvantaged Business Enterprise (DBE)
- ◆ Legal
- ◆ Satisfactory Continuing Control
- ◆ Planning/Program of Projects
- ◆ Public Comment on Fare Increases and Major Service Reductions
- ◆ Half Fare
- ◆ Charter Bus
- ◆ School Bus
- ◆ Security
- ◆ Drug-Free Workplace and Drug and Alcohol Program
- ◆ Equal Employment Opportunity (EEO)
- ◆ Transit Asset Management – **NEW!**
- ◆ Public Transportation Agency Safety Plan – **COMING SOON!**

Comprehensive Review Findings by Topic Area

Triennial Review Topic Area	2015	2016	2017	2018	% of All Findings (FY18)
ADA	197	282	225	251	16%
Disadvantaged Business Enterprise	188	279	258	207	13%
Drug Free Workplace and Drug and Alcohol Program	100	128	111	47	3%
Equal Employment Opportunity	24	43	25	38	2%
Financial Management and Capacity	105	109	118	124	8%
Maintenance	100	119	143	84	5%
Procurement	388	333	313	372	24%
Satisfactory Continuing Control	77	66	66	73	5%
Technical Capacity	167	115	120	131	8%
Title VI	58	75	82	98	6%
Other	112	80	85	118	8%
Total Number of Findings	1516	1629	1546	1543	

Comprehensive Review Findings by Topic Area

- ◆ While procurement was just one of 20 possible topics examined during FTA's 2018 Comprehensive Review cycle, it was home to nearly one quarter of all findings

Top 10 Comprehensive Review Findings

Review Area	Finding	Findings in FY18
Procurement	Missing FTA clauses	53
Financial Management and Capacity	Missing, insufficient, or out of date financial operating procedures	49
Americans with Disabilities Act	Insufficient ADA complaint process	44
Americans with Disabilities Act	Limits or capacity constraints on ADA complementary paratransit service	38
Title VI	Language Assistance Plan deficiencies	37
Procurement	Lacking required cost/price analysis	36
Disadvantaged Business Enterprise	DBE uniform reports contain inaccuracies and/or are missing required information	29
Procurement	Pre-award and/or post-delivery certifications lacking	28
Americans with Disabilities Act	Reasonable modification deficiency	25
Disadvantaged Business Enterprise	DBE goal achievement analysis and corrective action plan not completed	22

■ Findings that appear in the top 10 each year for the past 3 FY



Common Procurement Findings

- ◆ **Not including the applicable FTA-required third party contract clauses**
 - The recipient is deficient if it did not include applicable federal clauses in FTA-funded procurements exceeding the micro-purchase limit
- ◆ **Not performing a cost/price analysis after receiving bids or proposals but prior to awarding a contract**
 - The recipient is deficient if it did not conduct a cost analysis or price analysis, as applicable, for each procurement above the Simplified Acquisition Threshold



Common Procurement Findings

- ◆ These findings are low hanging fruit to most reviewers
- ◆ We know how to address these issues:
 - Clauses
 - Cost/price analysis
 - Pre-award and post-delivery certifications

Questions and Continued Discussion





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