



Federal Grant Programs Procurement

Training Workshop



Agenda



Training Goals



Overview of Grant Programs



Types of Procurement



Procurement Methods & Processes



Scenario Break-Out Sessions

Training Goals

To provide additional guidance regarding what minimum procurement processes and procedures sub-recipients of grant program must establish to be compliant with federal and state requirements.

- Identify minimum procurement processes and procedures for sub-recipients
- Identify how to establish compliance with federal and State requirements
- Establish and address Frequently Asked Questions



Grant Programs

OVERVIEW



Grant Programs

5310 Enhanced Mobility of Seniors and Individuals with Disabilities

5311 Formula Grants for Rural Areas

5339 Buses and Bus Facilities Grants Program

Section 5310

Enhanced Mobility of Seniors and Individuals with Disabilities

Program Goal:

Improve mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility.

Eligible Activities:

Capital assistance, operating assistance, mobility management

Examples:

Vehicles; equipment/facilities essential to carry out public transportation service; fuel and oil; tires, parts, and maintenance; vehicle insurance

Section 5311

Formula Grants for Rural Areas

Program Goal:

To support public transportation in rural areas with populations of less than 50,000, where many residents often rely on public transit to reach their destinations.

The program also provides funding for state and national training and technical assistance through the Rural Transportation Assistance Program (RTAP).

Section 5311 (cont'd)

Formula Grants for Rural Areas

Eligible Activities:

Planning, capital, operating, job access and reverse commute projects, and the acquisition of public transportation services.

Examples:

Administrative, management, and operations costs; buses, vans, radios, Mobility Management, vehicle rehabilitation, wheelchair lifts and restraints.

Section 5339

Buses and Bus Facilities Grants Program

Program Goal:

The purpose of the Bus Program is to provide funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities.

Section 5339 (cont'd)

Buses and Bus Facilities Grants Program

Eligible Activities:

Capital projects

Examples:

Replace, rehabilitate and purchase buses, vans, and related equipment, construct bus-related facilities, technological changes or innovations to modify low or no emission vehicles or facilities



Types of Procurement



Types of Procurement



Professional Services



Operations/Management Services



Rolling Stock



Construction



Materials and Supplies

Operations, Management Services

- FTA has not defined the term operations/management services, but generally reference services that contrast capital activities, such as:
 - Accounting
 - Legal, procurement, etc.
 - Operating the transit vehicles



Rolling Stock

- Buy America regulations (49 CFR Part 661.3)
- Definition: Transit vehicles such as buses, vans, cars, railcars, locomotives, trolley cars/buses, ferry boats, and other vehicles used for support services.



Construction

- As defined in FTA Circular 4220.1F
- Definition: construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property.



Materials & Supplies

- Buy America regulations (49 CFR Part 661.3)
- *Component* means any article, material, or supply, whether manufactured or unmanufactured, that is directly incorporated into the end product at the final assembly location.
- Examples
 - Office or program supplies/equipment related to transportation system
 - Low cost spare parts for vehicles (oil, filters, etc.)



Procurement Methods & Processes



Procurement Methods



Micro Purchase

- Less than \$2,500



Small Purchase

- \$2,500-\$35,000



Competitive Purchase

- Greater than \$35,000

Procurement Process

- Make the FDOT District Grant Program Manager aware of intent of procurement before initiated
- Work with Program Manager, as necessary, to ensure proper steps are followed
- Submit clear and complete documentation to Program Manager before issuing a purchase order

Micro Purchase

- Purchases under \$2,500 in FL (\$3,000 federally)
- Competitive quote not required
 - Determination of fair and reasonable purchase
 - Distributed among qualified buyers

Micro Purchase

Procurement Steps

1. Determine total cost (item/quantity) to be procured
2. Gather price information and determine if fair and reasonable
 - Comparison of historical prices, catalog/advertised prices
 - May obtain quotes but not required
3. Select vendor/contractor
4. Complete the micro-purchase documentation program form

Micro Purchase

Procurement Steps (cont'd)

5. Submit Micro Purchase Form to FDOT District representative
 - Ensure PO clearly identifies items/services, quantity, cost
 - Ensure acceptance of appropriate federal clauses
6. Obtain approval for procurement from the District representative
7. Complete procurement
8. Keep documentation to support price determination and vendor selection

Activity #1

(see handout)



Small Purchase

- Purchases \$2,500 - \$35,000 in FL (\$3,000 - \$100,000 federally)
- Price analysis needed first
- At least three competitive price or rate quotes required
- Cost analysis may be required if reasonableness of bids cannot be ascertained

Small Purchase

Procurement Steps

1. Complete a price/cost analysis

- Should be completed prior to beginning a procurement request
- Identify what the cost of materials/services should be based on
 - Comparison of catalog or market prices
 - Comparison of regulated prices such as utilities purchases
 - Comparison with recent prices for similar goods and services
- If price analysis shows responsive bidder's price is reasonable then proceed. If not, then complete a cost analysis.

Small Purchase

Procurement Steps (cont'd)

2. Solicit at least three competitive price or rate quotes
 - Verbal or written (preferred)
 - Document vendor name/address, item description, unit price, fees/other charges, any applicable taxes

Small Purchase

Procurement Steps (cont'd)

3. Cost Analysis (if needed)

- More complex and detailed than a price analysis
- A 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 of the contract should be, assuming reasonable economy and efficiency
- A cost analysis also is required if the procurement is being sought as a sole source purchase (complete form in Manual)

Small Purchase

4. Select vendor/contractor
5. Complete the Small Purchase Documentation Form
 - Ensure acceptance of appropriate federal clauses & provide checklist
6. Submit Small Purchase Form to FDOT District representative
7. Obtain approval for procurement from District representative
8. Complete procurement
9. Keep documentation to support price determination and vendor selection

Small Purchase

Procurement Steps (cont'd)

Other Requirements:

- Use appropriate specifications and avoid undue restrictions
- Don't apply local/geographic preference (except for A&E services)

Potential Obstacles/Challenges

- For a small purchase, how do I solicit quotes?

Potential Obstacles/Challenges

- How long should we give for bidders to respond?

Activity #2

(see handout)



Break



Competitive Bid

- Purchases greater than \$35,000 (greater than \$100,000 federally)
- Competitive bids/requests for proposals must be publically advertised and responses from at least three respondents must be evaluated
 - If three bids cannot be obtained, other acceptable options may be used

Competitive Bid

- Competitive Bid/Request for Proposals
 - Is advertised and seeks the best quality product/service at a minimum cost/price
 - Are appropriate when:
 - Specifications are needed
 - Uncertain number of sources
 - Price not sole determinant
 - Discussions/interviews following proposals are needed

Competitive Bid

Procurement Steps

1. Prepare solicitation package and identify evaluation method
 - Identify appropriate federal clauses
 - Specify evaluation factors and relative importance
 - Points or scoring weights/percentages do not need to be disclosed
 - If award to be on “best value” basis should identify factors for this determination
2. Publicly advertise the solicitation
3. Receive and evaluate responses from at least three respondents

Competitive Bid

Procurement Steps (cont'd)

4. Select award recipient
5. Obtain approval for procurement from District representative
6. Complete procurement
 - Ensure acceptance of appropriate federal clauses & provide checklist
7. Keep documentation to support bid evaluation and vendor/contractor selection

Activity #3

(see handout)



Potential Obstacles/Challenges

- What if I can't get a vendor within a reasonable distance to agree to the federal clauses?

Local Agency Actions

- Procurement Duration
- Internal Procurement Policy
- Federal Clauses
- Resources
- Local Agency Procurement Manual

Procurement Duration

- Capital contracts: funds lapse after one year
- FDOT may approve an extension on a case-by-case basis
 - Reasons “beyond control” (not lack of planning)
 - In compliance with all applicable policies and requirements
 - Demonstrated good faith efforts to:
 - Complete purchases and
 - Can complete purchases within a reasonable timeframe

Internal Procurement Policy

- Sub-recipients with small or competitive purchases are required to develop an internal procurement policy document that:
 - Identifies the agency's graduated purchasing authority
 - Outlines the purchase procedures by procurement threshold
 - Outlines the agency's appeals and protest process
 - Is approved by the FDOT District Grant Program Manager
 - Is updated every three years

Internal Procurement Policy

- Sub-recipients that only procure vehicles are not required to have an approved internal procurement policy
 - If other procurements/purchases are sought, cannot proceed until an approved policy is in place
- Local Agency Manual provides an example internal procurement policy

Federal Clauses

- Responsibility of sub-recipient to ensure that all federal clauses are included, whether in a master contract or in a purchase order
- Micro Purchases
 - Generally do not apply except for construction contracts \$2,000-\$2,499
- Small Purchases and Competitive Bids
 - Applicable federal clauses depend on dollar amount and type of procurement
 - Local Agency Manual identifies the most common clauses and sample language
 - Completion of federal clause checklists required with procurement

Resources

- FTA Circular C 4220.1F, *Third Party Contracting Guidance*
<https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/third-party-contracting-guidance>
- FTA Best Practice Procurement Manual
<https://www.transit.dot.gov/funding/procurement/best-practices-procurement-manual>
- FDOT Guidance for Transit Agencies (2014)
<http://www.fdot.gov/transit/Pages/ProcurementGuidanceforTransitAgencies201411.pdf>
- FDOT Local Agency 5310, 5311, and 5339 Procurement Manual
Draft hardcopy provided today (online link forthcoming once finalized)

Local Agency Procurement Manual

Manual Organization

1. Introduction/Purpose
2. Eligible Expenses
3. Procurement Process
4. Micro Purchase Procedures
5. Small Purchase Procedures
6. District Contacts
7. Resources
8. FAQs (to be added following completion of these training courses)

Local Agency Procurement Manual

Manual Organization--Appendices

- Appendix A: Federal Clauses Acceptance—Sample Letter
- Appendix B: Example Procurement Policy
- Appendix C: Micro Purchase Documentation Form
- Appendix D: Small Purchase Documentation Form
- Appendix E: Small Purchase Sole Source Justification
- Appendix F: Small Purchase Price Analysis

Local Agency Procurement Manual

Appendix C: Micro Purchase Documentation Form

- Sub-recipient contact information
- Support for determination that micro purchase is fair and reasonable
- Certification of:
 - Fair and reasonable price
 - No cost/bid splitting
 - Federal clauses (if applicable)
- Review and approval by District representative

Local Agency Procurement Manual

Appendix D: Small Purchase Documentation Form

- Sub-recipient contact information
- Certification of:
 - Certification and summary of competitive bid results
 - No cost/bid splitting
 - Federal clauses (if applicable)
 - Price analysis
 - Sole source justification form (if required)
- Review and approval by District representative

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Appendix E: Sole Source Justification Form

- Sub-recipient contact information
- Sole source justification
 - Item description
 - Documentation of reason for sole source procurement
 - Recommended source
 - Documentation of attached price or cost analysis
- Review and approval by District representative

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Appendix F: Small Purchase Price Analysis

- Sub-recipient contact information
- Price analysis details
 - Method for how price estimate was developed

Course Evaluation & FAQs

- FAQ sheet available as a resource
- Please complete the course evaluation form

Questions?

