

# Procurement - Getting What You Need the Right Way

Hosted by the

Virginia Transit Association

**Virginia Transit Association**

1108 East Main Street, Suite 1108

Richmond, VA 23219

804.643.1166

[www.vatransit.com](http://www.vatransit.com)

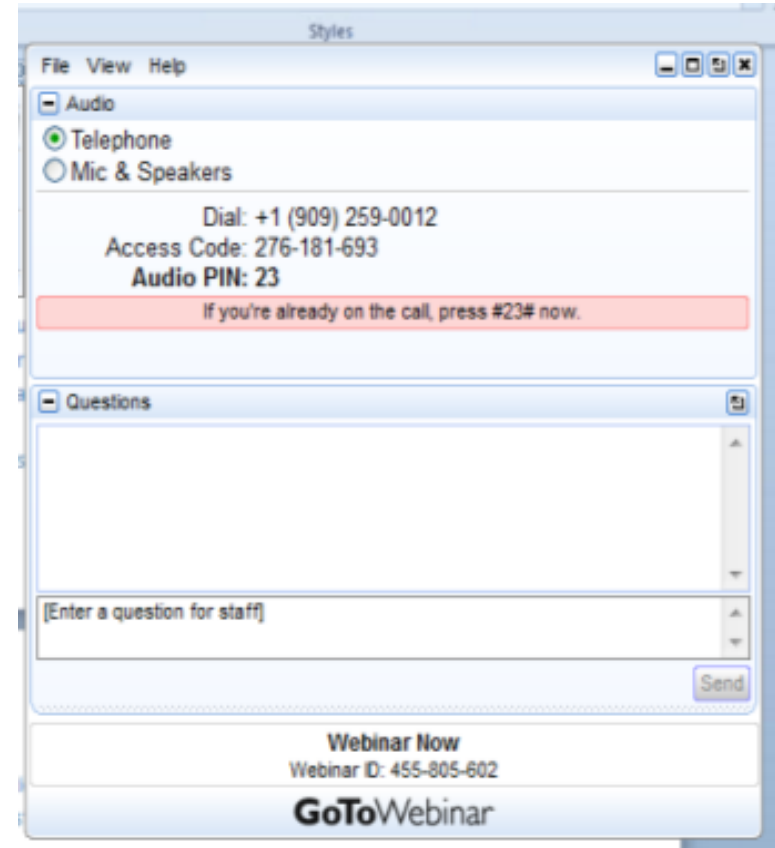


*The Voice of Public Transportation in Virginia*

# Procurement - Getting What You Need the Right Way

- **Questions:**

Type questions into the box at bottom of webinar panel. Panelists will address all questions at end of webinar (include panelist name.)



# Procurement - Getting What You Need the Right Way

- **Panelist**

- **Nick Britton, Michael Baker International**

# PROCUREMENT BASICS

VTA Webinar

February 28, 2019

Nick Britton, AICP  
**Michael Baker International**

# AGENDA

- Documents and References
- Procurement Basics
- Procurement Steps
  - Identify the Need
  - Independent Cost Estimate
  - Determine Procurement Type
  - Develop the Solicitation
  - Execute, Evaluate, and Award
  - Contract Administration
- Procurement Issues
- The Most Common Mistake
- Upcoming NTI Classes
- ProcurementPRO
- FTA Help
- Volkswagen Settlement

# APPLICABLE DOCUMENTS & REFERENCES

- [FTA Circular 4220.1F: “Third Party Contracting Guidance”](#)
- [FTA Best Practices & Lessons Learned Manual](#)
- [DBE Final Rule: Program Implementation Modifications \(49 CFR Part 26\)](#)
- [FTA Master Agreement](#)
- [49 U.S.C. § 5323\(j\): Buy America](#)
- [ProcurementPRO](#)

# BASICS

- Federal, state, and local rules all apply even for locally procured goods or services
  - Federal regulations eclipse state or local ones (unless state or local are more restrictive)
- Grantees should have written procurement rules
- FTA recipients are responsible for:
  - Open and equitable competitions of all bidders
  - Planning, soliciting, awarding, administering, and documenting all FTA-funded contracts
  - Maintenance of all contract administration files
- It's a good idea to talk to DRPT for big items and services before you start

# PROCUREMENT STEPS

1. Identify the need
2. Independent Cost Estimate (ICE): establishes a reasonable cost estimate
3. Determine procurement type
4. Develop the solicitation (if an RFP or IFB)
5. Execute, evaluate, and award
6. Contract administration



# 1. IDENTIFY THE NEED

- Clearly identify the good or service you need
- Specificity here will help all the steps down the road

## 2. INDEPENDENT COST ESTIMATE

- Used to help determine type of procurement
- Completed prior to the solicitation
- Developed internally or by a third party (not by a potential bidder)
- Determines a fair and reasonable price
  - Established market prices
  - Established catalog prices
  - Prices set by law or regulation
  - Comparison to previous purchases
  - Value analysis
  - Cost analysis
  - Comparison to another ICE

# 3. DEFINE PROCUREMENT TYPE

- Micro-purchases
  - \$10,000 or less (as of June 2018)
  - No competitive quotations required
  - Exempt from Buy America (in most cases)
- Small purchases (Simplified Acquisition Threshold)
  - \$10,001 - \$250,000
  - Must obtain price/rate quotes from adequate number of qualified sources
  - Buy America still kicks in at \$150,000

# 4. DEVELOP THE SOLICITATION

- Sealed Bids (IFBs)
  - Publicly solicited bids
  - Precise specifications, fixed price
  - Awarded to qualifying bidder who has the lowest price
  - Unlikely to need follow-up interviews
- Competitive proposals (RFPs)
  - Performance or functional specifications
  - Price alone not the only determining factor
  - Discussions expected
- Other options: design-bid-build, design-build, qualification-based\*

# 4. DEVELOP THE SOLICITATION

- Things to include in solicitation
  - Instructions, conditions, and deadlines
  - Pre-bid and pre-proposal conference(s) and questions
  - Special contract requirements
  - Protest procedures
  - The specifications, the statement of purpose, scope of work
  - Evaluation measures and methodology
  - Federal clauses (see FTA Circular 4220.1F and the Master Agreement)
  - DBE requirements
  - Buy America requirements
  - Other clauses and requirements specific to the solicitation

# 5. EXECUTE, EVALUATE, AND AWARD

- Advertise or solicit quotes
- Pre-bid and/or pre-proposal conferences
- Distribute all questions and answers to all bidders
- Evaluate proposals based on criteria established in solicitation
- Conduct cost/price analysis – this is what the ICE is for
- Make sure all FTA-funded contracts include all required certifications and clauses
- Check bidder's eligibility

# 6. CONTRACT ADMINISTRATION

- Document every step of the process
- Contracting monitoring
- Contract modifications
- Modifying options or extensions
- Closing out contract

# PROCUREMENT ISSUES IN TRIENNIAL REVIEWS

- Procurement issues
  - 20% of all findings in FY17
  - 24% of all findings in FY18
- In the Top 10 Findings between FY14 and FY18
  - No ICE
  - No FTA clauses
  - No policies or procedures documented
  - No verification that excluded parties are not participating
  - Lacking required cost/price analysis



# MOST COMMON PROCUREMENT MISTAKE

- Lacking cost/price analysis
  - Required for procurements over Simplified Acquisition Threshold (\$250,000)
- Why this mistake?
  - Procurement might be decentralized function
  - Analysis is done but not documented
  - Recipients forget that some of the money is coming from the FTA
  - Recipients just don't know they have to do it
- How do you fix this mistake?
  - Make a checklist
  - Create a standardize form for cost/price analysis
  - Get both from the Best Practices Procurement and Lessons Learned Manual

# UPCOMING NTI CLASSES

- Orientation to Transit Procurement (Series I)
  - Pittsburgh: March 25 – 29
  - Kansas City: April 1 – 5
  - Little Rock: May 6 – 10
  - Boston: June 3 - 7

# PROCUREMENTPRO

- From RTAP
- Free web-based application for rural agencies
- Provides required federal clauses and certifications
- Six-step process
- [1 h 15 m video](#)... if you're interested

The image displays four screenshots of the ProcurementPRO application interface, arranged in a 2x2 grid. Each screenshot shows a different step in a six-step process, with a green header bar indicating the current step number.

- Step 1 of 6: Procurement Type**  
The header is green with "Step 1 of 6" in white. Below the header, a blue bar contains the text: "The 'Procurement Type' is the type of item being purchased. Projects will fall into one of eight (8) categories as listed below." Below this, a light blue bar says: "Please check the appropriate procurement type from the list below and click next." The main content area lists eight categories with checkboxes and "Help" and "Example" links: Rolling Stock, Materials and Supplies, Professional Services (checked), Architecture, Engineering, Architecture & Engineering, Operations and Management, and Construction. At the bottom, there is a "ProcurementPRO - National RTAP's Procurement Software Application" footer and "Back" and "Next" buttons.
- Step 2 of 6: Procurement Cost**  
The header is green with "Step 2 of 6" in white. Below the header, a blue bar contains the text: "Procurement is the acquisition of appropriate goods and/or services that meet the needs of the purchaser at the best possible value. Begin below by entering the cost estimated for the acquisition of a particular item or service. You may utilize two methods to arrive at a total cost (By Unit or Lump Sum)." Below this, a light blue bar says: "If 'By Units' method, enter '# of Units' and 'Cost per Unit,' click calculate, then click next. If by 'Lump Sum' method, enter total 'Estimated Budget,' then click next." The main content area has input fields for "# of Units?", "Cost Per Unit", "Total Cost", and "Estimated Budget". A green "Calculate" button is next to the "Cost Per Unit" field. At the bottom, there is a yellow box with text: "A Federal Procurement will fall under one of three cost thresholds: Micro-Purchase (Up to \$3,000), Small Purchase (\$3001-\$100,000), and Sealed Bid or Competitive Proposal (Above Small Purchase Threshold)." and "ProcurementPRO - National RTAP's Procurement Software Application" footer and "Back" and "Next" buttons.
- Step 3 of 6: Procurement Threshold**  
The header is green with "Step 3 of 6" in white. Below the header, a blue bar contains the text: "Based on your calculation, this project's federal procurement threshold falls within the range stated below. Please click 'Next' to continue." Below this, a light blue bar says: "Procurement Threshold". The main content area has a checked checkbox for "Sealed Bid or Competitive Proposal" and a "Help" link. At the bottom, there is a "ProcurementPRO - National RTAP's Procurement Software Application" footer and "Back" and "Next" buttons.
- Step 4 of 6: Procurement Method**  
The header is green with "Step 4 of 6" in white. Below the header, a blue bar contains the text: "Below are the minimum competitive procedure(s) that can be used for this project based on federal procurement thresholds. The selected procedure must comply with State and local procurement requirements as well as with Federal requirements." Below this, a light blue bar says: "After selection of the appropriate method, please click Next." The main content area lists three methods with checkboxes and "Help" and "Example" links: Invitation for Bid (IFB), Request for Proposal (RFP), and Sole Source. At the bottom, there is a "ProcurementPRO - National RTAP's Procurement Software Application" footer and "Back" and "Next" buttons.

# FTA HELP

The screenshot shows the Federal Transit Administration website. At the top, there is a blue header with the FTA logo and the text 'Federal Transit Administration'. To the right of the header is a search bar with a 'GO' button. Below the header is a navigation menu with links for 'About', 'Funding', and 'Regulations & Guidance'. The main content area has a breadcrumb trail: 'Home » Funding » Procurement » Third Party Procurement'. On the left side, there is a vertical menu with links for 'Funding', 'Grant Programs', 'Applying', 'Grantee Tools', and 'Resources'. The main heading is 'Third Party Procurement FAQs'. Below the heading is a paragraph: 'Got a question? Need an answer fast? The following is a topical listing of questions frequently asked of the Federal Transit Administration's Office of Procurement. Follow the topical link to learn more about related questions and answers.' To the right of the main content is a 'Related Links' section with two links: 'Sign Up for Updates' and 'Ask Us a Question about Third-Party Procurement'. Below that is a 'Share' section with social media icons for Facebook, Twitter, Google+, and a plus sign. The main content area is organized into columns with letter headers: 'A', 'J', 'L', and 'M'. Each column contains a list of links to various procurement topics.

Federal Transit Administration

GO

About Funding Regulations & Guidance

Home » Funding » Procurement » Third Party Procurement

Funding

Grant Programs

Applying

Grantee Tools

Resources

## Third Party Procurement FAQs

Got a question? Need an answer fast? The following is a topical listing of questions frequently asked of the Federal Transit Administration's Office of Procurement. Follow the topical link to learn more about related questions and answers.

### A

- [A&E Contracts](#)
- [Acquiring Real Estate](#)
- [ADA Requirements](#)
- [Advance Payments](#)
- [Airline Passenger Complaints](#)
- [Allowable Costs for Grants](#)
- [Alternate Bids](#)
- [Altoona Testing](#)
- [Applicability of FTA Circular 4220.1E to Grantee Contractors](#)
- [Applicability of FTA Circular 4220.1F](#)
- [ARRA](#)
- [ARRA Contract Clauses](#)
- [Artwork](#)
- [Asset Life](#)
- [Assignment of Grant Funds](#)
- [Associated Capital Maintenance Items](#)
- [Audits of Third Party Contracts](#)
- [Availability of FTA Grants for Private Business](#)
- [Availability of FTA Grants for Transit Safety Equipment](#)
- [Availability of FTA Grant Funds for a University](#)

### J

- [JARC](#)
- [Joint Procurements](#)
- [Justifying Sole Source Procurements](#)

### L

- [Late Proposals](#)
- [Leases](#)
- [Legal Services](#)
- [Letters of Credit](#)
- [Licensing of Contractors](#)
- [Light Rail Window Standards](#)
- [Limited Product Liability](#)
- [Limiting the Number of Bids](#)
- [Liquidated Damages](#)
- [Listing of Transit Agencies](#)
- [Local Matching Funds](#)
- [Local vs. Federal Funds](#)
- [Locating FTA Documents](#)

### M

- [Matching Share](#)

### Related Links

- [Sign Up for Updates](#)
- [Ask Us a Question about Third-Party Procurement](#)

### Share

[f](#) [t](#) [G](#) [+](#)

# VOLKSWAGEN SETTLEMENT

- Virginia received \$93.6M from Volkswagen settlement
- \$14M of that fund is allocated to replacing older buses with electric buses
- Eligible replacement buses are 10+ year old diesel buses (must be rendered inoperable)
- VW Trust funds reimburse 100% of the incremental cost between new all-EV and new diesel bus and up to 100% of a depot charger per bus
- DRPT has begun the process of procurement for 12-year electric buses



# Procurement - Getting What You Need the Right Way

## Questions and Answers



*The Voice of Public Transportation in Virginia*

# Procurement - Getting What You Need the Right Way

Thank You  
For Attending!

**Virginia Transit Association**

1108 East Main Street, Suite 1108

Richmond, VA 23219

804.643.1166

[www.vatransit.com](http://www.vatransit.com)



*The Voice of Public Transportation in Virginia*