



Procurement Training

WI Department of Transportation
November 2018



Introduction

Concern: How is federal money being spent?

- ▶ The “Golden Rule”...They who have the gold, make the rules!
- ▶ If one penny of FTA money is used in the procurement, then all of the FTA requirements must be met.
- ▶ WisDOT is here to help!



Overview

- ▶ Procurement Responsibilities
- ▶ Contract Basics
- ▶ Procurement Planning
- ▶ Procurement Process
- ▶ Procurement Types
- ▶ Procurements by Grant Program
- ▶ Key Elements in all Procurements
- ▶ 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
- <https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/procurement/8286/fta-best-practices-procurement-and-lessons-learned-manual-2016.pdf>



Contract Basics

Grant Agreement: An instrument FTA *and WisDOT* uses to provide financial assistance for various transportation purposes.

A Grant Agreement defines, among other things:

- Grant recipient or subrecipient
- Award amount
- Grant period of performance
- Project scope
- Project budget

Contract Basics *(continued)*

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

- Includes a subrecipient's contract with a vendor or contractor, including procurement by purchase order or purchase by credit card, which is financed with FTA assistance.

Procurement Planning

- ▶ 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

- ▶ Planning the Solicitation
- ▶ Conducting the Solicitation
- ▶ Awarding the Contract
- ▶ Administering the Contract
 - Contract Monitoring/Administration
 - Contract Modifications
 - Exercising Options (if applicable)
- ▶ Contract Close Out



Procurement Types

- ▶ **Micro–Purchase** (less than \$5000)
- ▶ **Small Purchase** (\$5,000–\$49,999)
- ▶ **(IFB) Invitation for Bid** (over \$50,000 and very detailed specifications are provided)
- ▶ **(RFP) Request for Proposal** (over \$50,000 and detailed specifications are not provided)
- ▶ **Human Service Vehicle** (WisDOT conducts an IFB in which subrecipients can purchase their vehicles)

Procurements By Grant Program

5311	5310
Micro-Purchase	Human Service Vehicles
Small Purchase	
RFP	
IFB	
Human Service Vehicles	

- Typical procurement types by grant program are listed in the table
- Examples of Purchases: *Micro-Purchases* (office supplies, computer); *Small Purchases* (computers, software lease); *RFP* (Services such as Shared-Ride Taxi Service or Consultants, *IFB* (Vehicles, Construction)



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



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): This required element is the anticipated cost for the item or service to be procured. The ICE is:

- ✓ 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



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.
- This allows for fair and open competition.



Key Elements *(continued)*

Bidders List: WisDOT maintains 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 reasonably 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”.



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, subrecipients 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 Subrecipient (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.

<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>



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

Sample – Procurement History File Checklist

PROCUREMENT HISTORY FILE CHECKLIST

Method of Procurement: RFP

CONTRACT NUMBER				CONTRACTOR NAME				CONTRACT AWARD DATE			
COMMODITY CODE/ BRIEF ITEM DESCRIPTION								AMOUNT \$		CONTRACT START DATE	
NO.	ITEM	IN FILE	N/A	NO.	ITEM	IN FILE	N/A				
1.	WRITTEN HISTORY OF PROCUREMENT <i>(Appendix A)</i>			18.	NEGOTIATION MEMORANDUM <i>(If Applicable)</i>						
2.	INDEPENDENT COST ESTIMATE <i>(Appendix B)</i>			19.	CONTRACTOR RESPONSIBILITY DETERMINATION <i>(Appendix L)</i>						
3.	PROCUREMENT PLAN, TIMELINE <i>(DOA 3720, Appendix C)</i>			20.	REQUIRED AWARD APPROVALS <i>(given by WisDOT)</i>						
4.	STATEMENT OF WORK SPECIFICATION <i>(Appendix D & E)</i>			21.	SIGNED FEDERAL CLAUSES AND CERTIFICATIONS <i>(Appendix M)</i>						
5.	SOLE SOURCE JUSTIFICATION <i>(Appendix F, if Applicable)</i>			22.	BOARD APPROVAL <i>(Submit a copy of the minutes)</i>						
6.	MARKET RESEARCH DOCUMENTS			23.	NOTICE OF INTENT TO AWARD						
7.	SOLICITATION AND AMENDMENTS <i>(Appendix G)</i>			24.	PROTESTS <i>(If Applicable)</i>						
8.	PRE-SOLICITATION APPROVALS <i>(given by WisDOT)</i>			25.	SIGNED (CONFORMED) CONTRACT						
9.	ADVERTISING <i>(ad on VendorNet & local ads)</i>			26.	CHANGE ORDER REVIEW CHECKLIST <i>(Appendix N, if Applicable)</i>						
10.	SOURCE SELECTION PLAN AND DOCUMENTS <i>(Appendix H, DOA 3721, and DOA 3780)</i>			27.	OPTION EXERCISES AND RELATED DOCUMENTS <i>(Submitted Annually)</i>						
11.	PRE-BID OR PROPOSAL CONFERENCE NOTES AND QUESTIONS & ANSWERS <i>(If Applicable)</i>			28.	CONTRACT DATA AND REPORTS <i>(If Applicable)</i>						
12.	BIDS/PROPOSALS AND SOLICITATION AMENDMENT ACKNOWLEDGEMENTS			29.	COMPLAINT AND PERFORMANCE REPORTS <i>(If Applicable)</i>						
13.	"NO BID" LETTERS OR OFFEROR DISQUALIFICATION CORRESPONDENCE			30.	DOCUMENTATION CONCERNING PRE- OR POST AWARD MISTAKES IN BID						
14.	SINGLE BID ANALYSIS <i>(Appendix I, if applicable)</i>			31.	INVOICES/ VOUCHERS <i>(If Applicable)</i>						
15.	COST OR PRICE ANALYSIS <i>(Appendix J)</i>			32.	LOCAL OR WISDOT CORRESPONDENCE						
16.	BIDDER'S LIST <i>(Appendix K)</i>			33.	GENERAL CONTRACT CORRESPONDENCE						
17.	SOURCE SELECTION REPORT AND RELATED DOCUMENTS <i>(Section 6 of Appendix H)</i>			34.	CONTRACT CLOSE-OUT						

REMARKS

BUYER'S SIGNATURE

DATE



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>

Contact Information

WisDOT Roles and Responsibilities

Procurement Step	WisDOT Contact
Grant Application & Award	Program Manager
Plan the Contract Solicitation	Program Manager
Conduct the Solicitation	<i>Procurement Manager</i>
Award the Contract	<i>Procurement Manager</i>
Administer the Contract	Program Manager
Contract Modifications	Program Manager
Contract Close Out	Program Manager

Contact Information

WisDOT Procurement Manager

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WisDOT Program Managers

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



Comments and Questions?

- ▶ Make contact with WisDOT staff when ready to begin the procurement process
- ▶ WisDOT Procurement Manager is available to walk through toolkits

