



PURCHASING POLICY

Revised March 2025

CARTA Purchasing Summary

- I. Micro-Purchases - purchases / contracts that do not exceed \$10,000. May include telephone quotes.
- II. Small Purchases - purchases / contracts more than \$10,000, but do not exceed \$49,999. May include telephone quotes.
- III. Large Purchases - purchases over \$50,000.
- IV. Dollar Amounts - In the event a contract is entered into for an extended period (i.e. 3 years), or there are multiple purchases of one or more items, the dollar amount for the entire length of the contract, or the total cost of all items anticipated to be purchased (for multiple purchases), must be considered in determining whether it is a micro, small, or large purchase. For example, if for a certain contract \$5,000 is expended per month for a service, over five years the total contract would be \$300,000. The contract would, therefore, be considered a large purchase and require a formally advertised procurement.
- V. Written Quote - document submitted by a vendor to CARTA in writing via fax, mail, or electronic means. Written quotes are preferred for Small Purchases and preferred over telephone quotes or the stamp for Micro Purchases.

I. Purchases that do not exceed \$10,000 - Options for purchasing:

- A. May be obtained without obtaining competitive quotes if the price is determined to be fair and reasonable. All micropurchases with only one (1) quote must include the "Fair and Reasonable Price Determination" section of the purchase order to be signed, dated, and reason checked off. **The purchase order must be forwarded to accounting.** CARTA will distribute micropurchases procured in this manner equitably among qualified suppliers.
- B. At least two telephone quotes may be obtained, and **must** be documented using the Telephone Quote form, which should include the date, vendor's name, address, phone number, and contact person. In this case, the "Fair and Reasonable Price Determination" form at the bottom of the purchase order **is not needed. The completed telephone quote form must be forwarded to accounting.**
- C. Two written quotes may be obtained by fax, mail, or electronic means. If submitted electronically, the quote must be printed. No "Fair and Reasonable Price Determination" form at the bottom of the purchase order is needed if you have at least two written quotes. **Copies of all quotes must be forwarded to accounting.**

Davis-Bacon prevailing wage requirements apply to any micropurchases exceeding \$2,000. Procurements may not be divided or reduced to come within the micropurchase limit.

II. **Purchases that exceed \$10,000, but not more than \$49,999:** There are two options for small purchases, you **must** have at least two written quotes or telephone quotes. Telephone quotes are acceptable for any purchases under \$50,000. Such approval will include a cost or price analysis as outlined in CARTA's purchasing policy.

III. **Purchases over \$50,000:** must be awarded by sealed bid (IFB) or request for proposal (RFP) and must adhere to the formal advertising process.

IV. No contract will be written for or extended beyond 5 years without the approval of CARTA's Board of Directors. Vehicle contracts cannot exceed 5 years.

V. Please refer to CARTA's purchasing policy for details of purchasing regulations.

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I. Purpose

The purpose of these policies and procedures is to establish guidelines relating to the purchase or sale of real and personal property, the granting of concessions, and the making of certain contracts by CARTA, in accordance with U.S. Department of Transportation (U.S. DOT) Federal Transit Administration (FTA) documents, [FTA Circular 4220.1G, 49 C.F.R. 18, Master Agreement, the Best Practices Procurement Manual, including updates], 2 CFR Part 200, and the Municipal Purchasing Law of 1983 (Tennessee Code Annotated (TCA) 6-56-301-307, TCA Title 12 as updated. CARTA and its subrecipients may use locally developed procurement procedures, if procurements conform to applicable Federal law and regulations. In practices where there is a conflict between local, state, and Federal law and regulations, the more stringent regulations will prevail.

CARTA will hold employees accountable to the procedures outlined in this purchasing policy. Anyone violating the procedures outlined below will receive appropriate disciplinary action (i.e. written warning, termination, etc.).

II. Definitions

Abstract of Bids: document used to record the results of sealed bids for each bidder, which is subsequently made available for public inspection, after completion of the bid process.

Alternate Contracting Method (ACM): any method of contracting for a construction project other than traditional design-bid-build. ACMs include, but are not limited to, design-build, progressive design-build, construction manager/general contractor, construction manager-at-risk, public-private partnership, and other innovative methods with or without a name.

Best-Value: a selection process in which proposals contain both price and qualitative components, and award is based on a combination of price and qualitative considerations. Qualitative considerations may include technical design, technical approach, quality of proposed personnel, and/or management plan. The award selection is based upon consideration of a combination of technical and price factors to determine (or derive) the offer most advantageous and of the greatest value to CARTA.¹

Board: will mean the Board of Directors of CARTA.

Cardinal Change: a major deviation from the original purposes of the work or the intended method of achievement, or a revision of contract work so extensive, significant, or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract. Also referred to as a “tag-on.”

Change Order: an order authorized by CARTA directing the contractor to make changes, pursuant to contract provisions for such changes, with or without the consent of the contractor.

Chairman: will mean the Chairman of the Board of Directors of CARTA and will include the Vice- Chairman when the Chairman is unavailable.

Constructive Change: occurs through an action or failure to act that effectively alters the

contractual scope of work without a formal “change order.” This concept recognizes the changes in project work, whether explicitly directed or inferred that would necessitate adjustments in contract terms and potentially in budget.

Contract: a mutually binding legal relationship obligating the seller to furnish supplies or services (including construction) and the buyer to pay for them. It encompasses various commitments that obligate CARTA to expenditure in writing, including bilateral instruments, awards, job orders, letter contracts, and purchase orders that become effective by acceptance or performance. Contracts under Federal awards must adhere to procurement standards established in 2 CFR 200.317-200.327.

Contract Administration: the post award administration of the contract to ensure compliance with the terms of the contract by both the contractor and CARTA.

Contract Administration File Documentation: the documentation contained in the contract file maintained by, or on behalf of, the contract administrator. It reflects the actions taken by the contracting parties in accordance with the requirements of the contract and documents the decisions made, and the rationale therefore, of matters which may result (or have resulted) in controversy or dispute.

Design-Bid-Build Project: a construction project under which a recipient commissions an architect or engineer to prepare drawings and specifications under a design services contract, and separately contracts for construction, by engaging the services of a contractor through sealed bidding or competitive negotiations to complete delivery of the project.

Design-Build Project: a delivery method for construction projects where a recipient contracts with a seller, firm, or consortium of firms to design and build a public transportation system or an operable segment thereof, meeting specified performance criteria. This contract may include an option to extend to the financing, operating, or the maintenance of the system segment. The essence of the design-build delivery method is the integration of design and construction services into a single contract, potentially offering benefits such as expedited completion time and cohesive project execution. Design-build also extends to contracts combining the design and construction of public transportation facilities, aiming to streamline project delivery and enhance performance outcomes.

Electronic Commerce (E-Commerce): consists of electronic techniques for accomplishing business transactions including electronic mail or messaging, World Wide Web internet technology, electronic bulletin boards, purchase cards, electronic funds transfer, electronic signatures, and electronic data interchange.²

FTA: Federal Transit Administration – an operating administration of the U.S. Department of Transportation.

Full and Open Competition: that all responsible sources are permitted to compete.

Joint Procurement: (sometimes called “cooperative procurement”) a method of contracting in which two or more purchasers agree from the outset to use a single solicitation document and enter into a single contract with a vendor for delivery of property or services in a fixed quantity, even if expressed as a total minimum or maximum. Unlike a State or local government purchasing schedule or contract, a joint procurement is not drafted for the purpose of accommodating the needs of other parties that may later choose to participate in the benefits

of that contract.

Large Purchase: purchases over \$50,000, may include: Invitation for Bids (IFB), Request for Proposals (RFP), Two-Step Procurement Procedures, Design-Bid-Build, Design-Build, and Architectural and Engineering Services (A&E).³

Local Government: a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, any other regional or interstate government entity, or any agency or instrumentality of a local government. This term does not include a local public institution of higher education.

Master Agreement: the FTA document incorporated by reference and made part of FTA's standard grant agreements and cooperative agreements, that contains the standard terms and conditions governing the administration of a project supported with Federal assistance awarded by the FTA.

Micro-Purchase: purchases / contracts that do not exceed \$10,000. May be made with Telephone Quotes.

Modification: any written change to the terms of a contract.

Noncompetitive Proposals (sole source): procurement only if you can justify not soliciting additional competition in the manner explicitly defined in FTA Circular 4220.1G Chapter VI, page VI-14.

Progressive Design-Build (PDB): one of several Alternative Contract Methods (ACMs) available for improving project delivery for use on Federal aid construction contracts. PDB uses a two-phased qualification-based selection process, requiring the owner agency and PDB Team to progress the design together, toward a final scope, schedule, and budget (guaranteed maximum price (GMP) or target maximum price (TMP)). This method is best used for complex construction projects.

Project Labor Agreement (PLA): an agreement between the contractor, subcontractors, and the union(s) representing workers. Under a PLA, the contractor, subcontractors, and union(s) working on a project agree on terms and conditions and employment for the project, establishing a framework for labor-management cooperation to advance the buyer's procurement interest in cost, efficiency, and quality.

Property: includes real property consisting of land and buildings, structures, or appurtenances on land, equipment, supplies, other expendable property, intellectual property, and intangible property.

Public Private Partnership (P3): a contractual agreement formed between public and private sector partners, which allows for greater private sector participation in the delivery and financing of transportation projects. This partnership often involves sharing resources, risks, and rewards to enhance the efficiency, effectiveness, and overall quality of service delivery. P3s are used to leverage private sector expertise and capital for the public good, ensuring that the project's goals align with public transportation policy objectives and regulations.

Purchase: will mean the procurement by purchase, lease, or otherwise of real or personal

property by CARTA, and awarding of contracts for construction, alterations, supplies, equipment, repairs or maintenance, or for rendering any services to CARTA.

Recipient: means CARTA or any organization receiving funds directly from FTA.

Revenue Contract: a contract in which CARTA or a subrecipient provides access to public transportation assets for the primary purpose of either producing revenues in connection with a public transportation related activity or creating business opportunities involving the use of FTA assisted property.

Sale: will mean the sale, lease, or other disposition of any real or personal property by CARTA.

Small Purchase: purchases / contracts between \$10,001 and \$49,999. Purchases between \$10,001 and \$49,999 may be made with telephone quotes.

Subrecipient: an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Telephone Quote: quote for micro-purchases or small purchases obtained by calling a vendor and verbally stating specifications for goods or services in order to solicit a quote. Documentation for telephone quote must be recorded on the "Telephone Quote" form. Telephone quotes are only acceptable for micropurchases and small purchases.

Third party contract: a contract with a vendor or contractor, including procurement by purchase order or purchase by credit card (See Appendix F for Credit Card Standard Operating Procedure).

Unsolicited Proposal: is a proposal that is :

- (1) Innovative and unique,
- (2) Independently originated and developed by the offeror,
- (3) Prepared without the recipient's supervision, endorsement, direction, or direct involvement,
- (4) Sufficiently detailed that its benefits in support of the recipient's mission and responsibilities are apparent,
- (5) Not an advance proposal for property or services that a recipient could acquire through competitive methods, and
- (6) Not an offer responding to a recipient's previously established expression of need or request for proposals.

Value Engineering: the systematic application of recognized techniques that identify the function of a product or service, establish a value for that function, and provide the necessary function reliably at the lowest overall cost. In all instances, the required function should be achieved at the lowest possible life cycle cost consistent with requirements for performance, maintainability, safety, security, and aesthetics.

U.S. DOT: United States Department of Transportation.

Written Quote: document submitted by vendor to CARTA in writing via fax, mail, or electronic means. May be used for Micro or Small purchases.

III. Ethics / Standards of Conduct

It is the policy of CARTA to adopt an arm's length relationship regarding all suppliers, vendors, service companies, and passengers, with whom CARTA may have a relationship as part of its normal daily operations. It is important that CARTA not only remain free from all conflict-of-interest situations, but that CARTA must also remain free from the appearance of a conflict of interest.

A. Personal Conflicts of Interest

No employee, officer, agent, board member, or his or her immediate family member, partner, or organization that employs or its about to employ any of the forgoing individuals may participate in the selection, award, or administration of a contract supported with Federal, state, or local assistance if a conflict of interest, real or apparent, would be involved. Such a conflict arises when any of those individuals previously listed has a financial or other interest in the firm selected for award.

B. Gifts

Officers, employees, agent, and board members of the recipient must not solicit or accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties involved in subcontracts, except for gifts of nominal value. Unsolicited gifts of nominal intrinsic value (\$25 or less) may be accepted.

C. Violations

Anyone violating the regulations for proper ethics and standards of conduct will receive appropriate disciplinary action (i.e. written warning, termination, dismissal from Board)

D. Organizational Conflicts

When conducting business with third party contractors and subrecipients, disclosing information that may give them an unfair competitive advantage, or that may impair its objectivity in performing contract work is prohibited.

Furnishing advice or services to a firm bidding on or planning to bid on a contract with CARTA, or which is currently doing business with CARTA is prohibited. Accepting employment with such third parties is considered a strong conflict of interest (bias) may result in extreme disciplinary action.

E. Issuance of Standards of Conduct

CARTA will issue these standards as a pre-employment orientation document to be read and signed by each employee involved in the procurement process and placed into his/her personnel file. A copy of these standards will also be issued to each board member at the time of their appointment.

IV. Disadvantaged and Small Business Enterprises

CARTA maintains a Disadvantaged Business Enterprises program. The program is updated, in accordance with 49 C.F.R. Part 26. CARTA encourages the use of certified DBE's and sometimes will set DBE goals on contracts with subcontracting opportunities.

In addition, CARTA will take all necessary steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. CARTA will do this through the following:

1. Placing small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total purchase requirements, when feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
5. Using the services and assistance of organization such as the Small Business Administration and Minority Business Development Agency of the Department of Commerce; and
6. Requiring any prime contractors, if subcontracts are to be let, to take the steps 1-5 above

V. General Procurement Practices

A. Awards to Responsible Contractors

CARTA will make every effort to ensure that all procurement activities be entered into with responsible businesses, persons, and contractors.

A responsible contractor is one which:

- Has adequate financial resources, or the ability to obtain such resources as required during the performance of the contract, if adequate security is not otherwise furnished;
- Is able to comply with the required or proposed delivery or performance schedule; as a satisfactory record of performance or the equivalent, and
- Has a satisfactory record of and reputation of integrity.⁵

CARTA verifies this information utilizing a checklist provided by the Tennessee Department of Transportation (TDOT) for responsibility determination. This checklist includes the following activities:

- Verifying that the bidder or proposer has not been suspended or debarred for procurements greater than \$25,000. CARTA includes a contract certification in its contract provisions provided to bidders and proposers but also checks sam.gov to assure that information provided is accurate.
- Verifying that the bidder or proposer has a satisfactory record of integrity and business ethics. This information will be requested from the bidder or proposer and verified through a reference check.
- Verifying DBE compliance: for procurements with subcontracting opportunities, CARTA may set a contract goal for DBE participation. If such a contract goal has been set, CARTA will ensure that it has been met or that the bidder or proposer has made good faith efforts to meet the contract goal.
- Verification of compliance with public policy, administrative and technical capacity, any licensing and taxes through evaluation of information provided by the bidder or proposer and verified through a reference check.
- Verifying the bidder or proposer has the financial resources to perform the contract or can obtain them through evaluation of information provided by the bidder or proposer and verified through a reference check.
- Verifying that the bidder or proposer has the production capability to complete the contract or has the ability to obtain appropriate resources through evaluation of information provided by the bidder or proposer and verified through a reference check.
- Evaluation of timeliness through a review of the project schedule. CARTA will also verify that the bidder or proposer has a history of keeping to the agreed upon schedule through checking references.

Evaluating the above information will allow CARTA to determine if the bidder or proposer is a responsible contractor.

B. Review of Procurement Requests to Avoid Duplicate or Unnecessary Purchases⁶

CARTA has purchasing procedures for micro-purchases, small purchases, and large purchases (IFB/ RFP/A&E), respectively. The Manager of Purchasing & Procurement completes micro purchases, and the Director of Grants & Procurement, Manager of Grants & Procurement, and Manager of Purchasing & Procurement conduct IFB/ RFP/A&E purchases/contracts. CARTA's Leadership Team remain involved in purchases that affect their departments either through consultation with the Procurement team or serving on evaluation or oversight committees for larger procurements.

Because of the collaborative effort involved in conducting IFB/RFP/A&E, it is not possible to make duplicate purchases under this process. Because one person is responsible for issuing purchase orders, there is no duplication of micro and small purchases either.

Purchase order requisitions are signed by the following for the areas assigned:

Chief Executive Officer (CEO): All Areas

Chief of Staff: All Areas

Chief Financial Officer (CFO): All Areas

Chief Operating Officer (COO): Operations (Fixed Route, Care-A-Van, and CARTA GO) and Maintenance

Chief Administrative Officer: Safety, Planning, Customer Service, and Communication

Director of Grants & Procurement: All Areas

Director of Parking & Facilities: Parking and Buildings and Grounds

Director of Innovation & Technology: Information Technology Systems and Services

Director of Safety & Training: Safety and Training Activities

Director of the Incline Railway: Incline Activities

Director of Maintenance: Maintenance Activities for Wilcox and Shuttle Park South

Purchasing and Procurement Manager: Replenishing Stock and items under \$500 for all areas

These individuals are accountable for meeting budgets in their departments and understand what their departments are responsible for procuring, which avoids overlap. An authorized individual other than the individual signing as requestor should approve a purchase requisition. The Purchasing and Procurement Manager may sign purchase orders under \$500. Anything above \$500 also requires the signature of the Chief Executive Officer or Chief Financial Officer. CARTA is a small, financially constrained organization and much attention is paid to purchasing only necessary items.

C. Competition; Non-Collusive Bids and Proposals

All purchases and sales, whether by formal advertising or otherwise, will be made on a competitive basis to the maximum practicable extent. In the event identical bids are submitted on any contract for the sale or purchase of property, the Director of Grants and Procurement or the Chief Financial Officer will report such fact to CARTA's General Counsel if there is any reason to suspect collusion.

D. Splitting Purchases

Purchases will not be split to place them in a smaller procurement category.

E. Purchase Orders

Purchase orders are required for all purchases of goods and services unless otherwise stated. Purchase orders are not required in emergency situations or in instances where dues, fees, etc. automatically renew. Purchase orders are required for most capital items. Purchase orders must be vendor-specific and not project oriented. If an invoice is greater than 10% above the purchase order amount, a new purchase order is required.

In an emergency, purchases may be authorized by the Chief Executive Officer or Chief Financial Officer to expedite the need to restore services and functional operations of the Chattanooga Area Regional Transportation Authority. Any emergency procurements will be reported to the Board of Directors at the next regularly scheduled Board meeting.

When purchase orders are not obtained prior to purchasing a good or service, then payment can only be made on the invoice after obtaining approval of the Chief Executive Officer or Chief Financial Officer.

Blanket purchase orders may be issued for up to one year for some items that are other regularly occurring services or goods that have been quoted or bid from a particular supplier. Blanket purchase orders will have a not to exceed amount and a defined period of time and should have detailed documentation of pricing terms.

F. Entering a Contract

Only the Chief Executive Officer and Chief Financial Officer are authorized to enter into a formal contract with a vendor under \$50,000. For any contracts over \$50,000, authorization from the Board of Directors is required for the Chief Executive Officer to enter into a contract.

G. Oversight of Subrecipients

CARTA is the designated recipient for Section 5307 and 5310 funds and has responsibility for the oversight of subrecipients for these funds. As FTA grantees, all Section 5307 and 5310 funding recipients must use procurement procedures reflecting applicable state and local laws and regulations, subject to the FTA requirements that the procedures ensure competitive procurement and conform to applicable federal law, including 49 CFR Part 18 – specifically Section 18.36, and FTA Circular 4220.1G, “Third Party Contracting Requirements.”

The procurement procedures used by subrecipients must ensure competitive

procurement and conform to applicable federal law. FTA requirements and standards apply to the procurement of all supplies, equipment, and services funded by FTA. Purchasing of equipment may be done directly by the subrecipient, with CARTA oversight, or by CARTA directly on behalf of the subrecipient. The subrecipient will ensure that purchases are made competitively and that every contract that the subrecipient enters contains all applicable federal and state required clauses, and any certifications required.

VI. Methods of Procurement

A. Micro-Purchases

Micro-purchases are purchases or contracts that do not exceed \$10,000. Purchases below that threshold may be made without obtaining competitive quotes. The Davis-Bacon Act must be applied to construction contracts over \$2,000. Minimum documentation requirements include determination that the price is fair and reasonable, and how this determination was made. CARTA will distribute micropurchases equitably among qualified suppliers. Procurements may not be divided or reduced in size to be within the micro-purchase limit. CARTA must certify on an annual basis, in accordance with 2 CFR 200.334, clear justification of its micropurchase threshold. Supporting documentation of any of the following must be included: a qualification as a low-risk auditee, in accordance with the criteria in 2 CFR 200.520 for the most recent audit; or an annual internal institutional risk assessment to identify, mitigate, and manage financial risks.

Whenever feasible, it is CARTA's preference to complete a "Telephone Quote" form documenting at least two telephone quotes or obtain copies of at least two written quotes for such purchases. (See definition of written quote). Once the telephone or written quotes have been obtained, a requisition form will be submitted to the Manager of Purchasing & Procurement with the appropriate signature. Subsequently, the Purchasing and Procurement Manager will complete a "Purchase Order" form. All micro-purchases with only 1 quote must include the "Fair and Reasonable Price Determination Form" signed, dated, and the reason checked off.

If submitted electronically, the written quote must be printed. If the quote is obtained by telephone, the dates, names of vendors, addresses, phone numbers, and contact persons must be submitted for at least 2 vendors and documented on the "Telephone Quote" form. All supporting documentation must be submitted to the Accounts Payable Administrator with the purchase order. If a grant will be used to fund the purchase, the Accounts Payable Administrator will also provide a copy of the documentation to the Manager of Grants & Procurement along with any copies of checks paid to vendors under that purchase order.

B. Small Purchases

Small purchases are purchases of services, supplies, or other property that

exceed \$10,000, but not more than \$49,999. CARTA will adopt a maximum threshold of \$49,999 for small purchases. Small purchases must be made by obtaining at least two telephone or written quotes. Telephone quotes may be used for small purchases up to \$49,999.

Written quotes are documents submitted by the vendor to CARTA in writing via fax, mail, or electronic means. Once the written quotes are received and the low bidder has been determined, a requisition form with the appropriate signature will be submitted to the Purchasing and Procurement Manager and a purchase order form will be completed. All documentation must be submitted to the Accounts Payable Administrator. If a grant will be used to fund the purchase, the Accounts Payable and Administrator will provide a copy of the documentation to the Manger of Grants & Procurement along with copies of checks paid to vendors.

TDOT will monitor CARTA's small and large purchases for compliance with FTA and TDOT requirements. All procurements greater than \$10,000 must be submitted to TDOT for review and approval. Additional information can be found at <https://www.tn.gov/tdot/multimodal-transportation-resources/office-of-public-transportation/opt-procurement.html>. Approval from TDOT will be requested by the Director of Grants & Procurement, the Manager of Purchasing & Procurement, and the Manager of Grants & Procurement. Documentation of approval will be included with the associated purchase order.

C. Large Purchases

CARTA's policy is that purchases over \$50,000 use the large purchase procurement procedures in accordance with T.C.A. § 12-3-1212. These contracts will be awarded by sealed bid or request for proposals, unless there is an explicit exception. Independent estimates must be made before receiving bids or proposals. As mentioned above, TDOT will monitor CARTA's small and large purchases for compliance with FTA and TDOT requirements.

1. General Requirements for all Large Purchases

(a) Practices Deemed Restrictive of Competition, and therefore not allowable include:

- Unreasonable requirements placed on firms in order for them to qualify to do business;
- Unnecessary experience and excessive bonding requirements;
- Restraint of Trade: noncompetitive pricing between firms or between affiliated companies;
- Noncompetitive awards to any person or firm on retainer contracts;
- Organizational conflicts of interest (also applies to micro and small purchases);
- Restrictive use of brand names (also applies to micro and small

- purchases);
- Any arbitrary action in the procurement process (also applies to micro and small purchases);
- Improper Prequalification: using prequalification procedures that conflict with the prequalification standards described in *FTA Circular 4220.1G, Chapter VI, §1.c*;
- Geographic preferences (With the exception of Architectural and Engineering services).

(b) Prequalification: Prequalification lists are generally used in procurements that require lengthy evaluations to determine whether the product is satisfactory to certain standards. CARTA may prequalify people, firms, and property if: 1) CARTA ensures that all prequalification lists it uses are current; 2) CARTA ensures that all prequalification lists it uses include enough qualified sources to provide for maximum full and open competition; and 3) when establishing or amending prequalified lists, CARTA considers objective factors that evaluate price and cost to maximize competition, 4) CARTA permits potential bidders or offerors to qualify during the solicitation period (from the issuance of the solicitation to its closing date).⁸ Historically, CARTA has not utilized prequalification lists.

(c) Specifications, Plans, and Drawings: Plans, drawings, or specifications will state only CARTA's actual minimum needs and will describe the property or service to be acquired or sold in a manner which will encourage maximum competition and eliminate, insofar as possible, any restrictive features which might limit acceptable offers to a relatively few bidders.

Where CARTA's requirements for a commodity can only be estimated, and bids are to be submitted based upon that estimate, the specifications for the commodity may provide that CARTA's requirements may vary within a given range from the estimate. However, a maximum and minimum amount should be stated to facilitate free and open competition. Specifications and drawings with references to brand names, or items manufactured by a single company, will be used to the minimum extent feasible. CARTA may not add quantities or options solely to allow them to be reassigned to another agency later.

(d) Purchase Description: The description may include a statement of the qualitative nature of the property or services to be acquired. When possible, descriptions of requirements should be in terms of functions to be performed or level of performance required, including the range of acceptable characteristics or minimum acceptable standards. Detailed product specifications should be avoided if possible.

When it is not possible or economical to provide a clear and accurate description of the technical requirements of the required property, a "brand

name or equal” description may be used to define the performance or other salient characteristics of the property. Where a “brand name or equal” purchase description is used, the “salient characteristics” of the brand name must be described so that bidders may offer an “or equal” product. Known, acceptable products should be listed.

Please see *FTA’s Best Practices Procurement Manual* for examples related to a “brand name or equal” description.

- (e) Alternate Articles - Invitations for bids and requests for proposals may provide for alternate bids or proposals on different articles or quantities of material (e.g., where two or more articles will be equally acceptable to CARTA depending upon relative price); however, the alternate articles or quantities must be precisely described to assure that the same degree of competition is obtainable.
- (f) Bonding Requirements – The Common Grant Rules require bonds for all construction contracts exceeding the simplified acquisition threshold (currently set at \$250,000) except to the extent FTA determines the Federal interest is adequately protected through other arrangements. FTA and CARTA’s bonding policies are as follows:

Bid Guarantee: FTA, the Common Grant Rules, and CARTA require a bid guarantee from each bidder equivalent to 5 percent of the bid price. The bid guarantee shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will honor its bid upon acceptance of his or her bid.

Performance Security: FTA, the Common Grant Rules, and CARTA require a performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.

- (1) **Payment Security:** A payment bond is one executed in connection with a contract to assure payment as required by law of all people supplying labor and material in the execution of the work provided for in the contract. FTA has determined the following payment bond amounts are adequate to protect FTA’s interest: less than \$1 Million – Fifty percent of the contract price if the contract price is not more than \$1 Million;
- (2) More Than \$1 Million but Less than \$5 Million – Forty percent of the contract price if the contract price is more than \$1 million but not more than \$5 Million; or
- (3) More Than \$5 Million – Two and a half million dollars if the contract is more than \$5 million.

- (g) Written Record of Procurement History - Large purchases must be documented by written procurement selection procedures. Such

documentation may include records of specifications, plans and drawings, purchase descriptions, and alternate articles, in addition to formal advertising. Each contract file will contain documentation of actions taken with respect to the purchase, sale, or contract, including final disposition, sufficient to constitute a full history of the transaction in order to:

- Support actions taken by various employees of CARTA in connection with the purchase, sale, or contract;
- Provide information for reviews conducted by the Board or others having the right to conduct such reviews; and
- Furnish essential facts in the event of legal proceedings.

In the case of purchases, sales, or contracts in which formal advertising is required, each file may include the following data, in addition to such records as may be required by the above paragraph:

- Purchase request, acquisition planning information, and other pre-solicitation documents;
- Evidence of availability of funds;
- Rationale for the method of procurement;
- Description of work/scope of services;
- Copy of published legal notices;
- Selection of contract type;
- Basis for contract price;
- A copy of the budget or engineering estimates;
- A list of the bidders solicited or a memorandum explaining why the list of bidders was limited;
- A copy of the invitation for bids, or request for proposal, including any drawings and specifications, or a reference thereto;
- One copy of each signed bid or proposal received;
- Liquidated damages determination;
- A record of the abstract of bids;
- A document showing the reasons for the selection of the successful contractor;
- Contracting officer's determination of contractor responsiveness and responsibility, including checking SAM.gov to ensure that debarred bidders are not participating in FTA funded procurements that exceed \$25,000;
- Determination that price is fair and reasonable including an analysis of the cost and price data and required internal approvals for award;
- A copy of the contract or award;
- Notice of award;
- Notice to unsuccessful bidders or offerors and record of any debriefing;
 - Record of any protest
 - Bid, Performance, Payment, or other bond documents, and notices to sureties;
 - Required insurance documents;
 - All pertinent correspondence;

- Copies of all amendments or supplements to the contract, with supporting documents;
- Any additional documents reflecting actions peculiar to the specific purchase or sale; and
- Documentation of late bids.

Procurement files and records will be retained through the end of the contract time period plus an additional five years.

(h) Use of Technology/Electronic Commerce: CARTA will utilize electronic commerce to the extent feasible. At this time, this includes receipt of written quotes, bids, or proposals through electronic mail and publishing all large procurement not only in the newspaper but also through CARTA's website at <https://www.gocarta.org/about/business-center/>.

2. *Invitation for Bid (IFB)/Sealed Bids (Formal Advertising)*

In order to assure that the sealed bidding process is feasible, CARTA will make every effort to ensure that: ¹⁰

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the business;
- The procurement lends itself to a firm fixed price contract when feasible, and the selection of the successful bidder can be made principally on the basis of price; and
- No discussion with bidders is needed.

(a) Contents of Invitation for Bid: Invitation for bids will contain the applicable information described, and any other information required for a particular purchase or sale.

In the case of purchases, the invitation for bids will contain the following information, if applicable to the purchase involved:

- CARTA's address and name of issuing activity;
- Date of issuance;
- Date, hour, and place of opening;
- Description of the supplies or services to be furnished by the bidder in sufficient detail to permit full and free competition;
- Time of delivery or performance requirements;
- Permission, if any, to submit alternate bids;
- Permission, if any, to submit telegraphic or e-mailed bids;
- Bid Guarantee, performance bond, and payment bond requirements, if any;
- When considered necessary, a requirement that all bids must allow a period for acceptance by CARTA of not less than a minimum period stipulated in the invitation for bids, and that bids offering less than

the minimum stipulated acceptance period will be rejected (the minimum period so stipulated should be no more than reasonably required for evaluation of bids);

- In cases where bidders are required to have special technical qualifications, a statement of such qualifications;
- Directions for obtaining copies of any documents, such as plans, drawings, and specifications, which have been incorporated by reference;
- A statement that CARTA reserves the right to reject any or all bids;
- A statement that CARTA reserves the right to cancel the invitation to bids, at its sole discretion, without penalty;
- A statement that bids received after the exact time set for opening are “*late bids*,” and will not be considered for award, except in certain circumstances, such as registered or certified mail that was not delivered on a timely bases, or it was determined that there was mishandling on CARTA’s part;
- A statement that any modifications or bid withdrawals must be received prior to the set time for bid opening;
- Standard contract provisions provided by the Federal Transit Administration, as applicable. CARTA maintains a number of boilerplate instructions and conditions that contain general and special provisions for certain contract types;
- In the case of sales, the invitation for bids will contain a description of the property to be sold by CARTA in sufficient detail to permit full and free competition.

(b) Methods for Soliciting Invitations for Bids - Specific methods used in solicitation of bids may include the following:

- All purchases and sales in which formal advertising is required will be awarded only after publication of the essential details of the invitation for bids in a newspaper of general circulation in the metropolitan area at least two weeks prior to the bid opening, longer if needed. Bidders will be allowed sufficient time to prepare bids before the date of bid opening.
- A reasonable number of copies of invitations for bids, including specifications and other pertinent information will be maintained at CARTA’s administrative office. Upon request, prospective contractors not initially solicited may be provided copies of such invitations for bids to the extent they are available.

(c) Receipt and Safeguarding of Bids will be as follows:

- All bids (including modifications) received prior to the time of opening will be kept secure, and except as provided in the paragraph below, unopened;
- If an invitation for bids is canceled, or if a bidder effectively withdraws his/her bid in accordance with the specifications set forth, all bids, or the withdrawn bid, as the case may be, will be returned to the bidder(s);

- Unidentified bids may be opened solely for the purpose of identification, and then only by an official specifically designated for this purpose;
- If a sealed bid is opened by mistake, the person who opens the bid will immediately write his/her signature and position on the envelope, along with the date and time opened, as well as an explanation of why/how it was opened. The envelope will then be delivered to the Director of Grants & Procurement or the Chief Financial Officer, and will be resealed.

(d) Opening of Bids: The following steps are taken in regard to the opening of bids:

- The Director of Grants & Procurement, Manager of Purchasing & Procurement, or the Manager Grants & Procurement will decide and set the time for public bid opening and will so declare to those present. He/she or a designated official of CARTA will then personally and publicly open all bids received prior to that time, and when practicable, read them aloud to the persons present, and have the bids recorded. The original of each bid will be carefully safe guarded until the Abstract of Bids has been made and its accuracy verified.

Examination of bids by interested persons will be permitted if it does not interfere unduly with the performance of CARTA's business. However, original bids will not be allowed to pass out of the hands of an official of CARTA, unless a duplicate bid is not available for public inspection. In such cases, the original bid may be examined by the public only under the immediate supervision of an official of CARTA, and under conditions which preclude possibility of a substitution, addition, deletion, or alteration in the bid.

- Bids will not be opened if a protest is received within the time limits specified in the protest procedures within this document.

(e) Recording of Bids: All legitimate bids will be abstracted and recorded on the "Abstract to Bids" document. Information recorded will include:

- An identification of the invitation for bids;
- Opening date;
- General description of the item/contract being purchased or sold;
- Names of each bidder;
- Prices bid; and
- Any other information required by bid evaluation.

When the items are too numerous to warrant the recording of all bids completely, entry should be made of the opening date, general description of the material, item number, and the price bid.

The abstract will be completed as soon as practicable after the bids have been opened. When all bids have been opened, the Director of Grants & Procurement, Manager of Purchasing & Procurement, or Manager of Grants & Procurement will so certify on the abstract.

(f) Award of Bids - In the awarding of bids, CARTA will execute the following

actions:

- Unless all bids are rejected, award will be recommended by the Director of Grants and Procurement or Chief Financial Officer to the Board of Directors, to the responsible bidder whose bid, conforming to the invitation for bids, is the lowest bidder. Awards given to “other than lowest bidder” are addressed in a succeeding section in this document. Upon approval by the Board of Directors, the Chief Executive Officer will be authorized to enter into a contract.
- Where the bids sought are for the award of concessions, CARTA will accept the bid of that responsible bidder whose base bid and other material terms, conforming to the invitation for bid will be most advantageous to CARTA, price and other factors considered.
- In the event identical low bids are received, the Director of Grants & Procurement or the Chief Financial Officer may, at his/her discretion, recommend award of the contract equally among the identical bidders, award the bid to the bidder who submitted his/her bid first, or may reject all bids and re-advertise. (See also section on Competition, Non-Collusive Bids and Proposers)
- Awards will be made by mailing or presenting the bidder with a formal award. All provisions of the invitation for bids, including any acceptable additions or changes made by a bidder in the bid will be clearly and accurately set forth (either expressly, or by reference in the formal award document), since the award is an acceptance of the bid, and the bid and award constitute the contract.

(g) Amendment of Invitation for Bids – If, after issuance of an invitation for bids, but before the time for bid opening, it becomes necessary to make changes in quantity, specification, delivery schedules, opening dates, etc., or to correct a defective or ambiguous invitation, such change will be accomplished by issuance of an amendment to the invitation for bids. The amendment will be sent to everyone to whom invitations have been furnished. The following actions will also be taken:

- Before issuing an amendment to an invitation for bids, the period of time remaining until bid opening and the need for extending this period must be considered.
- Where only a short time remains before the time set for bid opening, consideration should be given to notifying bidders of an extension of time by facsimile, telephone, or electronic mail. Such notification should be confirmed in the amendment.
- Acknowledgement of receipt of the amendment of invitation for bid should be received from each bidder.
- Any information given to a prospective bidder concerning an invitation for bids will be furnished promptly to all other prospective bidders, as an amendment to the invitation, if such information is necessary to the bidders in submitting bids on the invitation, or if the lack of such information would be prejudicial to uninformed bidders.
- No award will be made on the invitation, unless such amendment has been issued in sufficient time, to permit all

prospective bidders to consider such information in submitting, or modifying their bids.

(h) Cancellation of Invitations Before Opening: CARTA will include in all solicitations for invitations for bid, a statement that CARTA reserves the right to cancel the solicitation without penalty, at its sole discretion. Since cancellations of an invitation for bids usually involves the loss of time, effort, and money spent by CARTA and bidders in carrying the bidding process up to the point of cancellation,

- Invitations for bids should not be canceled unless cancellation is clearly in the public interest, such as where there is no longer a requirement for the supplies or services, or where amendments to the invitation would be of such magnitude that a new invitation is desirable;
- When an invitation is canceled prior to bid opening, bids which have been received will be returned unopened to the bidders, and a notice of cancellation will be sent to all prospective bidders.
- The notice of cancellation will identify the invitation for bid, briefly explain the reason for cancellation, and where appropriate, assure prospective bidders that they will be given an opportunity to bid on any re-solicitation of bids or any future requirements for the type of material or services involved.

(i) Modification or Withdrawal of Bids: Bids may be modified or withdrawn in writing, by telecommunication, by facsimile, or by electronic mail. Modifications or withdrawals must be received by CARTA no later than the exact time set for opening of bids.

Acceptable procedures for modification or withdrawal of bids are as follows:

- Modifications received by facsimile transmission or by printed electronic mail, will be sealed by an official of CARTA who will write thereon the date and time of receipt and by whom, the invitation for bid description, and his/her signature. No information contained therein will be disclosed prior to the time set for bid opening.
- A bid may be withdrawn in person by a bidder or his/her authorized representative, provided his/her identity is made known, and he/she signs a receipt for the return of the bid, but only if the withdrawal is prior to the exact time set for opening of bids.

(j) Rejection of All Bids: CARTA recognizes that the preservation of the integrity of the competitive bid system indicates that after bids have been opened, award must be made to that responsible bidder who submitted the lowest responsive bid, or in the case of a sale, to that responsible bidder who made the highest responsive bid. Every effort will be made to anticipate changes in a requirement prior to the date of opening and to notify all prospective bidders of any resulting modification or cancellation, thereby preventing the unnecessary exposure of bid prices.

Invitations for bids may be canceled after opening but prior to award, and all bids rejected, where the Director of Grants & Procurement or Chief Financial Officer determines in writing that:

- Inadequate or ambiguous specifications were given in the invitation;
- The supplies or services being purchased are no longer required;
- All otherwise acceptable bids received are at unreasonable prices;
- Reasonable evidence exists that bids were not independently arrived at in open competition, were collusive, or were submitted in bad faith; or
- For other reasons, cancellation is clearly in the best interest of CARTA.

(k) Rejection of Individual Bids: Any bid which fails to conform to the essential requirements or specifications of the invitation for bids will be rejected, unless the invitation authorized the submission of alternate bids. Alternate bids must meet the requirements specified in the invitation. Other reasons for rejection of individual bids may include:

- Any bid which fails to conform to the delivery schedule or permissible alternates thereto stated in the IFB will be rejected as non-responsive.
- Bids where the bidder attempts to impose conditions which would modify requirements of the IFB, or limit his/her liability to CARTA, such practices may include:
 - Attempts to protect himself/herself against future changes in conditions, such as increased costs, or the total possible costs to CARTA cannot be determined;
 - Fails to state a price and in lieu thereof, states that the price will be “price in effect at time of delivery” or equivalent; or
 - States a price but qualifies such price as being subject to “price in effect at time of delivery,” or equivalent. A low bidder may be requested to delete objectionable conditions from his/her bid, provided these conditions do not go to the substance, as distinguishable from the form of the bid, or work an injustice on other bidders. A condition goes to the substance of a bid, where it affects price, quantity, quality, or delivery of the item offered.
- Any bid may be rejected if it is determined to be priced unreasonably.
- Low bids received for concerns determined to be not responsible, as stated in the section on Responsible Bidders, will be rejected.
- Where a bid guarantee is required and a bidder fails to furnish it in accordance with the requirements of the IFB, the bid will be rejected.

The originals of all rejected bids, and any written findings with respect to such rejection, will be preserved in the contract file.

(l) Disposition of Late Bids: Late bids which are not considered for award will be held unopened until after award, and then returned to the bidder, unless other disposition is requested, or agreed to by the bidder. An unidentified bid however may be opened solely for the purpose of identification.

The following will, if available, be included in the contract file with respect to each late bid:

- A statement of the date and hour of mailing, filing, or delivery, as the case may be;
- A statement of the date and hour of receipt;

- The determination of whether or not the late bid was considered for award, with supporting facts;
 - A statement of the disposition of the late bid; and
 - The envelope or covering, if the late bid was considered for award.
- (m) Minor informalities or Irregularities in Bids : A minor informality is one which is merely a matter of form, or is some immaterial variation from the exact requirements of the invitation for bids, having no effect or merely a trivial or negligible effect on the price, quantity, or delivery of the supplies or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of, or be otherwise prejudicial to other bidders. The Director of Grants & Procurement or the Chief Financial Officer will either give the bidder an opportunity to correct the deficiency, or waive any such deficiency, where it is to CARTA's advantage.
- (n) Mistakes in Bids: After opening of bids, the Director of Grants & Procurement or the Chief Financial Officer will examine all bids for mistakes. In cases of apparent mistakes, and in cases where there is reason to believe that a mistake may have been made, he/she will request from the bidder a verification of the bid, calling attention to the suspected mistake. If the bidder alleges a mistake, the matter will be processed in the manner set forth below. Such actions will be taken prior to award:
- Any clerical mistake apparent on the face of a bid may be corrected by the Director of Grants & Procurement or the Chief Financial Officer, if he/she has first obtained from the bidder, verification of the bid actually intended. Examples of such apparent mistakes are:
 - Obvious error in placing decimal point;
 - Obvious reversal of price f.o.b. destination and the price f.o.b. factory;
 - Obvious error in destination of unit. Correction will be reflected in the award document.

The Director of Grants & Procurement or the Chief Financial Officer, with the advice of CARTA's General Counsel, is authorized to make the following administrative determination in connection with mistakes in bids, other than apparent clerical mistakes, alleged after opening of bids and prior to award:

- Where an official of CARTA knows, or has reason to suspect, that a mistake in a bid has been made, a "Request for Verification in Bid" may be submitted to assure that the bid as confirmed is without error, or to elicit the allegation of a mistake by the bidder. In such case, a written request to the bidder that it verify its bid price will be prepared and submitted.
- Where the bidder requests permission to withdraw a bid, and clear and convincing evidence establishing the existence of a mistake, a determination permitting the bidder to withdraw his/her bid may be made. If the evidence is clear and convincing, as to the existence of a mistake, and as to the bid actually intended, and if the bid, (whether corrected or uncorrected) is the lowest bid received, a determination may be made to correct the bid and not permit its

withdrawal.

- Where the bidder requests permission to correct a mistake in his/her bid, and clear and convincing evidence establishes the existence of a mistake, and as to the bid actually intended, a determination permitting the bidder to correct the mistake may be made; provided that, in the event such correction would not result in displacing one or more lower bids. If the evidence of the mistake, and the bid actually intended are not ascertainable substantially from the invitation and bid itself as opposed to evidence brought to CARTA in response to a request for verification, correction will not be allowed.
- If the evidence is clear and convincing only as to the mistake, but not as to the intended bid, a determination permitting the bidder to withdraw his/her bid may be made.

Where the evidence is not clear and convincing that the bid as submitted was not the bid intended, a determination may be made requiring that the bid be considered for award in the form submitted. (Refer to *FTA Best Practices Procurement Manual*, for further recommendations and clarifications).

- (o) Change Order Policy - Changes to contract agreements after award will be approved by the Chief Executive Officer or the Chief Financial Officer. All change orders must be documented in writing, be supported by a written justification, including a cost or price analysis, and signed and dated by the authorized officials. A contract change that is not within the scope of the original contract is considered a sole source procurement.

3. Request for Proposals (RFP)²⁴

Large purchases may be procured through competitive proposals/request for proposals, when conditions are not appropriate for the use of sealed bids. This can include conditions when the property or services needed are described in a performance or functional specification; or if described in detailed technical specifications, other circumstances such as the need for discussions or the importance of basing contract award on factors other than price alone are present. In such cases, either a fixed price, or cost reimbursement type contract is awarded. Prior to utilizing the Request for Proposals process, the Director of Grants & Procurement or the Chief Financial Officer will present the request to the Board of Directors for approval prior to publicizing the Request for Proposals.

- (a) Publicizing the proposal: Proposals will be advertised in metropolitan newspapers, as well as solicitation from an adequate number of qualified sources. CARTA will also place the Request for Proposals and subsequent addenda on the CARTA website.
- (b) Selection Criteria - CARTA will list, in the request for proposals, the selection criteria. Price should always be a selection criteria.

CARTA may list selection criteria in the request for proposals, in order of priority with weights, if any. This is the preferred method, because if it is not done, CARTA must establish the priority, weights and scoring method on an internal document prior to the day the RFP becomes available to potential proposers.

- (c) Evaluation of Proposals: Proposals will be evaluated based on the evaluation criteria, not against other offers. Criteria for evaluation of proposals will be established prior to a request for proposals, and may include:
- Responsibility criteria, such as financial, human, and physical capabilities to perform the contract. (Refer to Best Practices Procurement Manual - Responsibility of Contractor).
 - Technical criteria - may include the technical experience of the proposer, the suitability of the products or methods proposed for CARTA's needs, or objective performance criteria (fuel efficiency, percent savings guaranteed, proven ridership increases, etc.).
 - Price criteria - price must be evaluated, unless the Brooks Act applies (where price is only considered after the most qualified proposer is selected for procurement of A&E services). Awards will be made to the responsible firm whose proposal is most advantageous to CARTA's program, with price and other factors considered.
 - Compliance criteria - will include responsiveness to proposal requirements.
 - Management criteria - may include the qualifications of the project managers, the budget and schedule performance proposed and recorded on past projects, and the projected effectiveness of the management plan proposed.
 - The Director of Grants & Procurement, the Manager of Purchasing & Procurement, and the Manager of Grants & Procurement will provide copies of the proposals to the evaluation team. Procurement will evaluate the pricing component (if not a Brooks Act procurement) and provide proposals for the evaluation team to complete independently. The evaluation team may conduct interviews to fully evaluate proposals. During the evaluation period, there will be no discussions between evaluation members or with the proposers. All correspondence will be between Procurement and the firms that submitted proposals.
- (d) Award of Proposals: CARTA will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed agreement. Consideration will be given to such factors as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Additionally, as stated above, awards will be made to the responsible firm whose proposal is most advantageous to CARTA's program with price and other factors considered.

- (e) Request for Revised Proposals: In the event CARTA finds it necessary to revise an initial request for proposal because of deficiencies, the decision to do so will be approved by the Director of Grants & Procurement or the Chief Financial Officer, and the deficiencies must be listed and explained.
- A complete revised proposal, including price (except under the Brooks Act) will be requested from each offeror in the competitive range.
 - Unless explicitly stated otherwise, the revised offer extinguishes the prior offer.
 - The proposer should identify all changes in the revised offer.

CARTA may exercise the right to request revised proposals as many times as necessary in order to obtain the most advantageous offer.

- (f) Discussions and Clarifications (Negotiations): CARTA will exercise its right to hold discussions for clarifications with all offerors in the competitive range. At such time, negotiations and bargaining may be made. At which time, the offeror will have an opportunity to revise or modify his/her proposal. The discussions and negotiations may initially be written or oral, with appropriate documentation following the discussions. Strict confidentiality in such cases will be maintained. Emphasis will be made known to the offeror, that the name and number of proposals received is not normally considered a public record and need not be released to competitors or the public at large.

- (g) Request for Best and Final Offer: A best and final offer (BAFO) may be requested from each offeror in the competitive range at the conclusion of discussions (negotiations) with those offerors. If an offeror does not respond to the request, CARTA may consider the most recent offer to be the best and final offer. The request for best and final offer will include:
- Specific notice that discussions are concluded;
 - Notice that this is the opportunity for the offeror to submit a best and final offer;
 - A definite, common cutoff date and time that allows a reasonable opportunity for the preparation and submission of the best and final offer, and
 - Notice that the final offer must be received at the place designated by the time and date set in the request and is subject to any provisions dealing with the submissions, modifications, and withdrawals of proposals set forth in the solicitation.

Following receipt of the best and final offers, officials of CARTA will evaluate them in accordance with terms of the solicitation and recommend award to the Board of Directors in accordance with those terms. CARTA will make every attempt to submit only one request for best and final offer,

however, in the event additional technical or price/cost related issues surface as a result of the offerors' final submissions or other factors that preclude a reasonable justification for contractor selection and award, CARTA may submit request for subsequent best and final offers, as it may be clearly in the best interest of CARTA

(h) **Award Based on Initial Proposals**

CARTA may accept one of the initial proposal if it can be demonstrated that acceptance of the most favorable initial proposal without discussion will result in a fair and reasonable price. Solicitations for proposals will contain a notice that award may be made without discussion of proposals received, and that proposals should be submitted initially on the most favorable terms possible, from a price and technical standpoint.

(i) Withdrawal of Proposal - In order to avoid frivolous offers, or offers submitted with the sole intention of casting light on other offers, the solicitation for the request for proposals will state a date and time by which offers must be submitted, and a period following that date during which offers remain firm. Proposers will be allowed to withdraw or modify their proposals up to the time due. However, it will also be stated that after that date all proposals are firm and cannot be withdrawn, regardless of whether the proposer has had second thoughts.

(j) Debriefing Unsuccessful Offerors: CARTA will maintain complete records on its award decision, and how it came to that decision. CARTA will remain as objective as possible in making that decision. In the event a proposer was excluded from the competitive range, and requests a debriefing, the Director of Grants & Procurement or the Chief Financial Officer, at his/her discretion will offer a candid explanation of the process. However, if CARTA foresees that a dispute is probable, it is not required to notify or debrief unsuccessful offerors.

4. *Two-Step Procurement Procedures*

CARTA may use two-step procurement procedures in both sealed bid and competitively negotiated procurements, as long as the opportunity for full and open competition remains.

- a. Review of Technical Qualifications and Approach: The first step is a review of the proposing contractors' technical approach to the request and technical qualifications to carry out the approach. CARTA may then narrow the competitive range to prospective contracts that demonstrate a technically satisfactory approach and have satisfactory qualifications.
- b. Review of Bids and Proposals Submitted by Qualified Prospective Contractors: The second step consists of soliciting and reviewing complete bids or proposals, including price, submitted by each

prospective contractor determined to be qualified. Unless there are exceptional circumstances, CARTA should attempt to solicit at least three bids or proposals for qualified prospective contractors.

5. Procurement of Architectural and Engineering Services (A&E)

When procuring architectural, engineering, or related services, CARTA will use competitive proposal procedures based on the Brooks Act, as defined in 40 U.S.C. §1101 through 1104. Other types of services considered A&E services include program management, construction management, feasibility studies, preliminary engineering, design, surveying, mapping, and services which require performance by a registered or licensed architect or engineer. The nature of the work to be performed and its relationship to construction, not the nature of the prospective contractor, determine whether the Brooks Act may be used. Provided a sufficient number of qualified firms are eligible to compete for the third party contract, the contractor's geographic location may be a selection criterion.

The Brooks Act requires that:

- An offeror's qualifications be evaluated;
- Price be excluded as an evaluation factor;
- Negotiations be conducted with only the most qualified offeror; and
- Failing agreement on price, negotiations with the next most qualified offeror be conducted until a contract award can be made to the most qualified offeror whose price is fair and reasonable to CARTA.

This "qualification based procurement method" can only be used for the procurement of A&E services. This method of procurement cannot be used to obtain other types of services even though a firm that provides A&E services is also a potential source to perform other types of services.

Audits and Indirect Costs: The following requirements apply to a third party contract for program management, architectural, engineering, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping, or related services:

- i. Performance of Audits: The third party contract or subcontract must be performed and audited in compliance with FAR Part 31 cost principles.
- ii. Indirect Cost Rates: CARTA and the third party contractor, its subcontractors, and subrecipients, if any, must accept FAR indirect cost rates for one-year applicable accounting periods established by a cognizant Federal or State government agency, if those rates are not currently under dispute.
- iii. Application of Rates: After a firm's indirect cost rates established are accepted, those rates will apply for purposes of contract estimation, negotiation, administration, reporting, and payments, not limited by administrative or de factor ceilings.
- iv. Prenotification; Confidentiality of Data: Before requesting or using cost or rate data, CARTA must notify the affected firms. That data must be kept

confidential and may not be accessible by or provided by the group of agencies that share cost data, except by written permission of the audited firm. Before requesting or using cost or rate data, CARTA should notify the affected firm and also obtain permission to provide that data in response to a valid request under applicable State law.

6. Design-Bid-Build

The design-bid-build procurement method requires separate contract for design services and for construction.

7. Design-Build

The design-build procurement method consists of contracting for design and construction at the same time with contract award to a single contractor, consortium, joint venture, team, or partnership that will be responsible for both the project's design and construction.

8. Procurement by Other than Full and Open Competition (Noncompetitive Proposals/Sole Source)

Sole source procurements are procurements accomplished through solicitation or acceptance of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. A contract amendment or change order that is not within the scope of the original contract is also considered a sole source procurement that must comply with the guidelines below. Any sole source procurements will be reported to the Board of Directors at the next regularly scheduled Board meeting.

a. General Guidelines for Other than Full and Open Competition

Procurement by noncompetitive proposals may be used when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:

1. Competition Adequacy: After soliciting several sources, FTA expects CARTA to review its specifications to determine if they are unduly restrictive or if changes can be made to encourage submission of more bids or proposals. If it is determined that the specifications are not unduly restrictive and changes cannot be made to encourage greater competition, CARTA may determine the competition to be adequate. A cost analysis must be performed prior to award.

2. Sole Source: When CARTA requires supplies or services available from only one responsible source, and no other supplies or services will satisfy its requirements, a sole source award may be made. This can occur through a unique capability or availability from the contractor or through a single bid or proposal. If a determination has been made to solicit an offer from only one source, the justification for this decision will be in writing.

- i. Unusual and Compelling Urgency: to include when the public exigency or emergency will not permit a delay resulting from competitive solicitation for the needed property or services.
- ii. Authorized by FTA

Less than full and open competition is not justified based on CARTA failure to plan or limited availability of federal assistance (i.e., pending expiration of grant funds).

b. Procurement Procedures: for less than full and open competitive procurements involves soliciting offers from as many sources as possible; providing a sole source justification if it is decided to solicit a proposal from only one source; preparing or obtaining a cost analysis; and submitting for preaward review to FTA if requested.

9. Awards to Other than the Lowest Bidder

CARTA may award a third party contract to other than lowest bidder, when such an award is in the best interest of CARTA.³⁴

10. Acquisition of Real Property

CARTA will comply with the “Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Program,”⁴⁹ CFR Part 24, and FTA Circular 5010.1F when purchasing real property.

11. Leasing Project Property to Another Party

In the event CARTA chooses to lease property purchased with federal funds to another party, CARTA agrees to retain ownership of the property, and assure that the lessee will use the property appropriately, either through a “Lease and Supervisory Agreement,” or another similar document. Upon request by FTA, CARTA agrees to provide a copy of any relevant documents.

VII. Protest Procedures

Protests concerning CARTA’s purchasing policies, the contract requirements, the specifications, the bidding procedures, or the contract award, or any other request for explanation or clarification must be submitted in writing to the Director of Grants & Procurement and must include the following information:

- The name and address of the protester.
- The name and telephone number of the protester’s contact person having responsibility.

A complete statement of the grounds of the protest with full documentation of the protester’s claim.

A. Pre-award Protests

Pre-award protests must be received by CARTA no less than ten (10) working days before the scheduled bid opening. CARTA will respond to the protest in writing and render its final decision at least five (5) working days prior to bid opening. CARTA will report such protests to the FTA regional office.

B. Post-award Protests

Post-award protests will be received no later than five (5) working days after notification of the award bid. CARTA will have ten (10) working days after receipt of the formal protest package to evaluate, and issue a response, except in cases where the original bid has been awarded by the Board. In such cases, the decision to protest will be handled at the next regularly scheduled Board meeting, following completion of the staff review of the protests. CARTA will report such protests to the FTA regional office and keep FTA apprised as to the 'status' of such protest.

C. Appeals to FTA

It is the responsibility of CARTA to settle contract issues and disputes. CARTA is committed to using good sound administrative practices and business judgments, as well as professional ethics. Reviews of protests by FTA will be limited to alleged failure by CARTA to have followed proper protests procedures, or its failure to review a complaint or protest. Protesters dissatisfied with CARTA's final decision may appeal to FTA regional or Headquarters Office within five (5) working days of the date the protester knew or should have known of the violation.

VIII. Contract Administration System

CARTA will actively manage all contracts. This is primarily done by the leadership team member that orders or is responsible for the work. The Director of Grants & Procurement, Manager of Purchasing & Procurement, and the Grants & Procurement will maintain contract files, including terms of payment. Any on-going contract administration files will be the responsibility of the assigned leadership team member.

Leadership team members and Accounts Payable will be provided terms of payment so that associated invoices can be approved for payment. Any invoices that don't match previous approved terms of payment are the responsibility of the leadership team member to resolve.

CARTA will schedule internal audits on a quarterly basis to ensure that payments are reconciled to purchase orders.

IX. Contract Clauses

A. Required Contract Clauses

CARTA maintains a current list of required contract clauses applicable to contract type as required by the FTA and TDOT. When establishing contract agreements, including small purchases, all contracts will include provisions to define a sound and complete agreement which include specifications that allow for administrative, contractual, termination, and legal remedies. CARTA will also refer to the U.S. DOT FTA Master Agreement, U.S. DOT FTA Third Party Procurement Manual, and the U.S. DOT Best Practices Procurement Manual, Chapter 8 - Contract Clauses, when establishing required contract clauses.

B. General Contract Clauses

CARTA maintains a boilerplate of general contract clauses that apply to many purchases.

C. Special Contract Clauses and Additional Special Contract Clauses

Special contract clauses may be applied selectively to purchases based on contract type or some other variable criteria. In the case of special contract clauses, CARTA may consult FTA rules and regulations and/or CARTA General Counsel, before such clauses are incorporated into any contract agreement.

For procurements for steel and manufactured products that do not qualify for a small purchase waiver, CARTA must ensure that the bidder submits the appropriate Buy America certificate. Pre- award and post-delivery audits are required for purchases of rolling stock.

CARTA is required to comply with section 6002 of the Solid Waste Disposal Act, which requires that CARTA procure items that contain the highest amount of recovered materials practicable as identified in 40 CFR part 247 (found at <https://www.ecfr.gov/current/title-40/part-247>), consistent with maintaining a consistent level of competition, for items greater than \$10,000 of the value of the quantity purchased in the previous fiscal year exceeds \$10,000. A contract clause for this requirement is found in TDOT's procurement clause checklist.

D. Procuring Equipment or Materials Using Option Clauses

1. Definition of Option Contract

An option is a unilateral right in a contract by which, for a specified time, CARTA may elect to purchase additional equipment, supplies, or

services called for by the contract, or may elect to extend the term of the contract.

2. FTA Requirements for Option Contracts

If CARTA elects to use option clauses in contracts, the FTA requires the following:

- Evaluation of Options. The option quantities or periods contained in the contractor's bid or offer must be evaluated in order to determine contract award. When options have not been evaluated as part of the award, the exercise of such options will be considered a sole source procurement, and will be subject to a cost or price analysis before exercising.
- Exercise of Options. CARTA will ensure that the exercise of an option is in accordance with the terms and conditions of the option stated in the initial contract award. It will also be determined that the option price is better than prices available in the market or that the option is the more advantageous offer at the time the option is exercised.

3. Purchasing Options on Other Grantee's Bus Procurement

Although not encouraged by FTA, CARTA may acquire contract rights through assignment from another recipient as long as the original contract contains an assignability clause. This assignability clause will permit the assignment of all or a portion of the specified deliverables under the terms originally advertised, completed, evaluated, and awarded, or contains an appropriate assignment provision. In the event CARTA elects to purchase options on another grantee's bus procurement it will be established that the original purchaser's options are reduced by the same number that has been assigned to CARTA, otherwise CARTA understands that this may constitute a sole source procurement. A price analysis must also be performed before CARTA exercises such an option. Prior to entering into such a contract, CARTA will determine that the original contract price remains fair and reasonable, and the original contract provisions are adequate for compliance with all Federal requirements. CARTA will also be responsible for ensuring that the manufacturer's compliance with FTA's Buy America requirements and execution of all required Buy America pre-award review and post-delivery review certifications.

X. Contract Guidance

A. Maximum Length of Service and/or Supply Contracts

CARTA will not enter into either rolling stock or replacement parts contracts with a period of performance exceeding five (5) years, inclusive of options, without prior written approval from FTA. However, delivery of vehicles is allowed after this date, as long as the contract or options for these vehicles

were executed within five years of the original agreement execution date.

All other contracts (supply, service, leases of real property, revenue, construction, etc.) should be based on sound business judgment. If it is determined that it would be beneficial to enter into a contract for greater than 5 years (the current average for a contract), approval by the Board of Directors will be required.

B. Purchasing Extended Warranties with Capital Grant Funds

CARTA may purchase extended warranties with capital grant funds. However, FTA's Best Practices Procurement Manual encourages grantees to evaluate the cost of an extended warranty through a separate analysis from the acquisition costs so that the best business decision may be made.

In the case of warranty provisions for bus procurements, CARTA will adopt the American Public Transit Association's (APTA) Standard Bus Procurement Guidelines, which have been accepted as industry standard by FTA, and are summarized as follows:

- Complete Bus - 1 year or 50,000 miles
- Body and Chassis (structural integrity) - 3 years or 150,000 miles
- Body and Chassis (corrosion/fatigue) - 12 years or 500,000 miles
- Propulsion System (i.e. engine, transmission, axles) - 5 years or 300,000 miles
- Major Subsystems (i.e. brakes, signs, heat, A/C, doors, air compressor/dryer, W/C lifts, ramps, starter, alternator) - 3 years or 150,000 miles

All RFPs, IFBs, and other solicitation documents and contracts will be maintained in the procurement files for purchase of such warranties or extended services.

C. Payment Provisions In Contracts

1. Using Advance Payments

CARTA will not enter into any contractual agreement to pay any or part of the payments prior to costs incurred by the contractor, unless prior written concurrence is obtained from the FTA Administrator.

2. Using Progress Payments

Progress payments are defined as payment for contract work that has not yet been completed. CARTA may use FTA assistance for progress payments as long as CARTA obtains adequate security for the payments and has sufficient written documentation to authenticate the work for which payment is requested. The Common Grant Rules require that any progress

payments for construction projects be made on a percentage of completion method. However, CARTA may not use the percentage of completion method for any other types of contracts.

3. Withholding and Final Payment

CARTA will refer to specific contract provisions that expressly authorize the withholding of payments, such as the Davis Bacon Act Clause, or the Contract Work Hours and Safety Standards Act Clause. CARTA may also establish payment withholding based on the standard Federal government clause for the payment of fixed fee on Cost Plus Fixed Fee contracts, which call for a 15% withholding of the fixed fee until the contractor submits a certified final indirect cost rate proposal and otherwise complies with the final deliverable documentation requirements of the contract.

In the event CARTA decides to withhold payments on a contract, it will ensure that the amount of money withheld bears a reasonable relationship to the unsatisfactory work (e.g. the amount withheld will represent a reasonable estimate of the contractor's potential liability). The amount withheld will not be so great however, such that it impairs the contractor's ability to perform.

Final payment will be made to the contractor when it has satisfied all of the deliverable requirements called for by all provisions of the contract, including all required documentation. Before making final payment, CARTA may obtain a signed release from the contractor releasing it from further claims by the contractor.

4. Liquidated Damages Provisions

CARTA may use liquidated damage clauses if it is reasonably expected that CARTA will suffer damages through delayed contract completion, and the extent or amount of such damages would be difficult or impossible to determine. The rate and measurement period must be specified in the third party contract and may not be excessive. The assessment for damages is usually established at a specific rate per day for each day beyond the contract's delivery date or performance period, but a measurement period other than a day may be established if appropriate. Any liquidated damages shall be credited to the project account involved unless the FTA permits otherwise.

XI. Specific Contract Types

A. Revenue Contracts

A revenue contract is any contract whose primary purpose is to either generate revenues in connection with a transit-related activity or to create business opportunities using an FTA-funded asset. Examples may include

advertising, concessions (food and news stands), use of right-of- ways, licenses, and land and property leasing. CARTA will adhere to the following conditions regarding such contracts:

- No contract award will be entered into for any period beyond 5 years, with the exception of land or property leases, which may be extended beyond 5 years with approval by the Board of Directors;
- CARTA will use competitive selection procedures for award of such contracts if there is limited availability of the asset. CARTA has discretion in entering into revenue contracts that are available to multiple parties at any time; and
- CARTA will not exclude Disadvantaged Business Enterprises (DBEs) from participating in business opportunities by entering into long-term, exclusive agreements with non-DBEs for the operation of major transportation-related activities or major activities for the provision of goods and services.

B. Use of Time and Materials Type Contracts

CARTA will use time and materials type contracts only:

- After a determination that no other type contract is suitable; and
- If the contract specifies a ceiling price that the contractor will not exceed except at its own risk.

XII. Methods for Performing Cost and Price Analyses

CARTA will conduct a cost or price analysis in connection with every procurement action, including contract modifications.

A. Cost Analysis

1. When to Perform a Cost Analysis

A cost analysis will be performed when:

- The offeror is required to submit the elements (i.e., Labor Hours, Overhead, Materials, etc.) of the estimated cost, e.g., under professional consulting and architectural and engineering services contracts; or
- Adequate price competition (2 or more bids or proposals) is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public, or on the basis of prices set by law or regulation.

A price analysis may be used in all other instances to determine the reasonableness of the proposed contract.

2. Cost Analysis Process

Some common elements in performing cost analysis may include the following:

- Making an estimate based on inspection of the product itself (with technical guidance), review of drawings, specifications, and prior data (such as cost data from prior procurements);
- Review of each element of cost to determine whether the offeror's estimate contains an accurate and reasonable prediction of the cost incurred during performance; and/or
- Adding a rate of profit to the cost that has been determined to be fair.

All reasonable costs of performance can be considered, however, the cost will be consistent with Federal cost principles found in Federal Acquisition Regulation Part 31.

B. Price Analysis

Some common price analysis techniques that may be considered may include:

- Comparison of proposed prices received in response to the solicitation;
- Comparison with competitive, published price lists, published market price of commodities, similar indexes, and discount or rebate arrangements;
- Comparison of proposed prices with the cost estimate performed prior to solicitation, if it can be performed such that it can render a reasonable determination that the price is reasonable; and
 - Comparison of proposed prices received with prior procurement actions for the same or similar end items, with consideration given to:
 - Changes in economic conditions between the times of the two procurements;
 - Differences in quantities; and
 - Inclusion of nonrecurring cost in the prices, such as design, capital equipment, production facilities, etc. To make a fair comparison, nonrecurring costs may be removed from both prices.

C. Profit

CARTA will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

D. Federal Cost Principles

CARTA will make every effort to ensure that all cost estimates included in negotiated prices are consistent with Federal cost principles. In doing

so, CARTA will reference past and current cost principles that comply with applicable Federal cost principles.

The cost plus a percentage of cost and percentage of construction cost methods of contracting will not be used. The Common Grant Rules expressly prohibit the use of cost plus a percentage of cost and percentage of construction cost methods of contracting.

XIII. Rental/Leasing in Lieu of Purchase

In certain situations, CARTA's equipment requirements may be more economically filled by rental/lease than by purchase. The decision to rent rather than purchase must be made on a case-by-case basis and should only be used when it is in CARTA's best interest. The Director of Grants & Procurement should perform a lease versus purchase analysis to support the decision to rent or lease for amounts over \$50,000.

Decisions to rent/lease may be made for short-term leases of equipment which is required for a short time or for a unique task, or when it can be determined that it is easier to have equipment maintained if it is leased. Conversely, long term leases and leases for items that should be purchased and capitalized but cannot be because of budget constraints are not considered economically prudent.

A lease versus purchase analysis should be appropriate to the size and complexity of the procurement. In determining whether the lease of equipment is feasible, the following factors must be considered:

- Estimated length of the period the equipment is required and the amount of time of actual equipment usage;
- Financial and operating advantages of alternative types and makes of equipment;
- Total rental/lease cost for the estimated period of use;
- Net purchase price, if acquired by purchase;
- Transportation and installation costs;
- Maintenance and other service costs;
- Trade-in or salvage value;
- Imputed interest costs; and
- Availability of a servicing facility especially for highly complex equipment

For description of other leases and requirements such as Capital leases, leases involving Certificates of Participation, and Cross-Border leases, refer to *U.S. DOT FTA Master Agreement*.

XIV. Purchasing / Leasing Buses with FTA Funds (Bus Testing)

To the extent applicable, CARTA agrees to comply with the requirements of 49 U.S.C. § 5323(c) and FTA regulations, "Bus Testing," 49 C.F.R. Part 665, and any revision thereto, for buses purchased or leased with FTA funds.

CARTA will certify to FTA that any new bus model required to be tested has been tested at the FTA-sponsored test facility in Altoona, Pennsylvania.

A new bus model is a bus design variation of a bus design (usually designated by the manufacturer by a specific name and/or model number) that has not been in use in U.S. mass transit service prior to October 1, 1988, or that has been in service prior to that date, but is being procured with a major change in configuration or components. A new bus model must be tested.

Bus testing requirements apply to different mass transit vehicles including vans, other small vehicles, medium-light-duty mid-size buses, and heavy-duty small and large buses. Bus testing does not apply to unmodified mass-produced vans, bus prototypes, some electric buses, or trolley buses (meaning genuine trolleys, not replica trolleys).

CARTA will maintain documentation in the procurement files to demonstrate how this requirement has been implemented. This documentation will indicate whether a bus model has been tested and whether testing is required. For buses that require testing, a copy of the test report must be obtained prior to acceptance of the buses and expenditure of Federal funds.⁵⁰

XV. Disposition of Surplus and Scrap

A. Premature Withdrawal of Property from Use

CARTA will notify FTA immediately when any Project real property, equipment, or supplies are prematurely withdrawn from appropriate use, whether by planned withdrawal, misuse, or casualty loss.

Unless otherwise approved by the FTA, CARTA will remit to FTA its share of the fair market value of real property, equipment, or supplies prematurely withdrawn from appropriate use. The amount of Federal share in the property will be determined on the basis of the ratio of the Federal assistance awarded by the Federal Government for the property to the actual cost of the property. CARTA agrees that the fair market value of the property prematurely withdrawn from use will be calculated as outlined in the U.S. DOT FTA Master Agreement.

B. Capital Inventory

CARTA will conduct a physical inventory of equipment and reconcile the results with the equipment records every two years. Documentation of the inventory and any reconciliation with equipment records will be kept until a triennial review of that inventory.

C. Identification of Surplus and Scrap The identification of surplus and scrap will be the responsibility of the Purchasing and Procurement Manager, Director of Maintenance, or the Assistant Director of Maintenance. The

following justifications may apply:

- Equipment will be surplus when it becomes obsolete to CARTA either because it has been replaced by more cost-efficient equipment, or because it services equipment no longer in the CARTA fleet.
- Parts are surplus when stock on hand exceeds a maximum, as established or revised due to use history, and are not expected to be used. This includes useful parts for vehicles no longer in the CARTA fleet. Equipment will be scrapped when it is non-functional and non-repairable, or when it is obsolete to CARTA and all other operators CARTA has contracted.
- Parts will be scrapped when they are not useful to CARTA and other operators contracted, and they cannot be returned to the supplier.

D. Disposition of Surplus Stock

Surplus stock uses both inventory space and working capital. It is the policy of CARTA to dispose of surplus and scrap in the most effective manner available. Steps to be followed include, but are not necessarily limited to:

- Returning to vendor for credit
- Sale to other operators

Surplus stock which cannot be returned or sold to another operator will not be sold as scrap while it is still applicable to vehicles in the CARTA fleet. All sales over \$5,000 will be by cashier's check.

E. Disposition of Scrap

Parts or equipment identified as scrap will be sold to the highest bidder of at least two (2) scrap dealers willing to make bids, or to the highest bidder in a publicly advertised sale. Disposition of equipment identified as scrap will be coordinated with the Director of Grants & Procurement and the Director of Maintenance, since its disposition may have grant or property record implications. All sales over \$5,000 will be by cashier's check.

F. Specific Procedures for Disposition of Surplus and Scrap

Specific procedures may include:

- Competitive bidding procedures for all material offered for sale.
- Development of specifications for the surplus items to be offered for sale and review by the Purchasing and Procurement Manager, Maintenance General Manager, or the Director of Grants & Procurement.
- Preparation of a solicitation and advertising of the items being offered for sale.
- Analysis of bids by the Director of Grants & Procurement or the Maintenance General Manager, with a written recommendation for award.

The above procedures may be completed in part by an auto auction house at CARTA's discretion.

Appendix A
Abstract of Bids

CARTA

ABSTRACT OF BIDS FORM

Solicitation No.	Opening Date and Time	Page of Pages
------------------	-----------------------	-------------------------

Description of Supplies or Services

Name of Contractor / Vendor	License No.	Amount of Bid	Comments

I certify that I have opened and read and recorded on this abstract all offers received in response to the above solicitation

Print or type name: _____ Title: _____ Date: _____
 Signature: _____

Appendix B
Requisition Form

**CARTA
REQUISITION FOR SUPPLIES**

DATE:		WHEN NEEDED:		REQUISITION #		
QTY	ITEM NUMBER	ACCT #	STOCKED ITEM	DESCRIPTION	ESTIMATED COST	EXT. COST
DELIVER TO DEPT.:			CHARGE TO:			DEPT.
REQUISITIONED BY:				APPROVED BY:		

Appendix C

Sample Purchase Order

CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY



1617 Wilcox Blvd. Chattanooga, Tennessee 37406
Phone: (423) 629-1411
Fax: (423) 698-7178

PURCHASE ORDER

CAPITAL OPERATING

ORDER NUMBER

00001-0000057246

This number must appear on all invoices, shipping receipts, packing slips, cases, bundles, and correspondence.

MAIL INVOICE IN DUPLICATE NOT LATER THAN DAY AFTER SHIPMENT DIRECT TO COMPANY.

DATE OF SHIPMENT

TERMS

F.O.B.

VIA

This order is exempt from all taxes. Exemption certificate will be furnished on request. The fulfillment of this order is an acceptance of the conditions and instructions found at www.gocarta.org.

00001-0000000001
CREDIT CARD- CARTA
1617 WILCOX BLVD
CHATTANOOGA, TN 37406
423-629-1414 Ext. 129

Table with columns: QTY, PART NO., DESCRIPTION, UNIT PRICE, EXT. PRICE, ACCOUNT/GRANT. Multiple empty rows for item entry.

Fair and Reasonable Price Determination for Orders Less than \$10,000.00

I hereby determine the price to be fair and reasonable based on at least on of the following:

- Found reasonable on recent purchase
Obtained from current catalog
Similar price in related industry
Regulate rate (utility)
Obtained from current price list
Commercial market sales price from advertisement
Personal knowledge of item procured
Other:

Signed Date

EXT. TOTAL 0.000

Purchasing Agent

Management Approval (For Items Over \$500.00)

Session 6: Methods of Procurement

Appendix D
Telephone Quote Form

CARTA

Telephone Quote Form

ITEM DESCRIPTION: _____

VENDOR #1

Name: _____

Address: _____

Phone #: _____

Contact Person: _____

Date: _____ **Price Quote \$** _____

VENDOR #2

Name: _____

Address: _____

Phone #: _____

Contract Person: _____

Date: _____ **Price Quote \$** _____

VENDOR #3

Name: _____

Address: _____

Phone #: _____

Contract Person: _____

Date: _____ **Price Quote \$** _____

If the award is not to the lowest bidder, specify why below

****Circle the price quote of the vendor selected**

Appendix E

TDOT Purchasing Checklists

Procurement Clauses and Certifications Check List

Grantee:	
Item to Procure:	
Reviewed by:	
Date of Review:	

Regulation	Clauses	Applicability	State Only	Statewide	State Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
TENNESSEE STATE									
State Contract Requirements - All State Assisted Third Party Subcontracts and Procurements									
State Contract Paragraph Subcontracting Clause State Contract Conflicts of Interest Clause	Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Grantee in connection with any work contemplated or performed relative to this Grant Contract.	<ul style="list-style-type: none"> All Contracts 							
State Contract Paragraph Subcontracting Clause State Contract Paragraph Lobbying Clause	<p>Lobbying. The Grantee certifies, to the best of its knowledge and belief, that:</p> <p>a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.</p>	<ul style="list-style-type: none"> All Contracts 							



Regulation	Clauses	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
	<p>b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.</p> <p>c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.</p> <p>This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352</p>								
State Contract Paragraph Subcontracting Clause State Contract Paragraph Nondiscrimination Clause	<p>Nondiscrimination. The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Grantee shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.</p>	<ul style="list-style-type: none"> All Contracts 							
State Contract Paragraph Subcontracting Clause	<p>Public Accountability. If the Grantee is subject to Tenn. Code Ann. § 8-4-401 et seq., or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may</p>	<ul style="list-style-type: none"> All Contracts 							



Regulation	Clauses	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
State Contract Paragraph Public Accountability Clause	<p>present grievances about the operation of the service program. The Grantee shall also display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating:</p> <p>NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454.</p> <p>The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.</p>								
State Contract Paragraph Subcontracting Clause State Contract Paragraph Public Notice Clause	<p>Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee in relation to this Grant Contract shall include the statement, "This project is funded under a grant contract with the State of Tennessee, Department of Transportation." All notices by the Grantee in relation to this Grant Contract shall be approved by the State.</p>	<ul style="list-style-type: none"> All Contracts 							
State Contract Paragraph Subcontracting Clause State Contract Paragraph Records Clause	<p>Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.</p>	<ul style="list-style-type: none"> All Contracts 							



Regulation	Clauses	Applicability	State Only	Statewide	State Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
	<p>The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.</p> <p>In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i>.</p> <p>Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.</p> <p>The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.</p> <p>The Grantee shall establish a system of internal controls that utilize the COSO Internal Control -Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.</p> <p>Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.</p>								
State Contract Paragraph Environmental Tobacco Smoke Clause	<p>Environmental Tobacco Smoke</p> <p>Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the "Children's Act for Clean Indoor Air of 1995," Tenn Code Ann. §§39-17-1601 through 1606, the Grantee shall prohibit smoking of tobacco products within any indoor premises in which</p>	<ul style="list-style-type: none"> All Contracts 							

Regulation	Clauses	Applicability	State Only	Statewide	State Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
	<p>services are provided to individuals under the age of eighteen (18) years. The Grantee shall post “no smoking” signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Grant Contract.”</p>								
<p>State Contract Paragraph Debarment and Suspension</p>	<p>Debarment and Suspension The Grantee certifies, to the best of its knowledge and believe, that the Selected Offeror:</p> <ul style="list-style-type: none"> a. is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency; b. has not within a three (3) year period preceding this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property; c. is not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and d. has not within a three (3) year period preceding this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default. <p>The Grantee will provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, the Selected Offeror is excluded or disqualified, or presently falls under any of the prohibitions of sections a-d.</p>	<ul style="list-style-type: none"> • Not Micro Purchase • Only if Purchase Order or Contract issued • <u>If Federal Debarment and Suspension option is included in procurement documents, this clause is not needed per External Audit Division</u> 							



Regulation	Clauses	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
FEDERAL									
All FTA Assisted Third Party Contracts and Subcontracts									
4220.1F Appendix D A. 2021 MA §3.(i)(5) 2021 MA §16.(a)	Incorporation of FTA Terms Requirements to Third Party Participants <ul style="list-style-type: none"> Third Party Agreements – Incorporation of FTA terms. 	<ul style="list-style-type: none"> Not Micro-Purchase All Contracts 							
2021 MA §3.(i)(6)	Changes to Federal Requirements Requirements to Third Party Participants <ul style="list-style-type: none"> Third Party Participants Notice requirement –Include Changes to Federal requirements apply. 	<ul style="list-style-type: none"> Not Micro-Purchase All Contracts 							
4220.1F.IV.2.a.(5)(a) 4220.1F.IV.2.a.(5)(b) 4220.1F.IV.2.a.(5)(c) 4220.1F.IV.2.a.(5)(d) 4220.1F.IV.2.c.(2) 2021 MA §12 PP Civil Rights & Equal Opp	Civil Rights Clause <ul style="list-style-type: none"> Civil Rights Requirements Nondiscrimination in Federal Public Transportation Programs Nondiscrimination – Title VI of the Civil Rights Act Equal Employment Opportunity DBE Nondiscrimination on the Basis of Sex Nondiscrimination on the Basis of Age Nondiscrimination on the Basis of Disability Drug & Alcohol Abuse 	<ul style="list-style-type: none"> Not Micro Purchase 							
4220.1F.IV.2.a.(6) 49 CFR Part 26 2 CFR 200 §200.321(6)	Disadvantaged Business Enterprise (DBE) Assurance Clause Clause is for the contractor to assure that they will abide by DBE rules. Such as who is eligible and encouraging DBE participation.	<ul style="list-style-type: none"> Not Micro Purchase 							
4220.1F Appendix D A. 2021 MA §3.(l)	No Federal Government Obligations to Third Parties	<ul style="list-style-type: none"> Not Micro Purchase All Contracts 							
4220.1F Appendix D A. 2021 MA §4.(e)	False or Fraudulent Statements or Claims	<ul style="list-style-type: none"> Not Micro Purchase All Contracts 							
49 CFR Part 26.29(a)	Prompt Payment <ul style="list-style-type: none"> All non-TVM contracts with subcontractors if threshold for a DBE program met 	<ul style="list-style-type: none"> Not Micro Purchase Non-TVM Contracts Use Subcontractors 							

Regulation	Clauses	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
49 CFR Part 26.29(b)	Return of Retainage <ul style="list-style-type: none"> All non-TVM contracts with subcontractors if threshold for a DBE program met 	<ul style="list-style-type: none"> Not Micro Purchase Non-TVM Contracts Use Subcontractors Include, however TDOT does not allow retainage, use non-retainage option 							
2021 MA §9.(a)	Record Retention and Access to Sites of Performance <ul style="list-style-type: none"> Third party participants required to retain documents. 	<ul style="list-style-type: none"> Not Micro-Purchase 							
2021 MA §9.(c)(1)	Record Retention and Access to Sites of Performance – Access to Recipient and Third Party Participant Records <ul style="list-style-type: none"> Access to Third Party contract records 	<ul style="list-style-type: none"> Not Micro-Purchase 							
4220.1F.IV.2.c.(4) 42 USC 6321 42 U.S.C. § 6201	Energy Conservation Required third party contract provisions as necessary for compliance with applicable energy efficiency standards and policies of State energy conservation plans issued under the Energy Policy and Conservation Act.	<ul style="list-style-type: none"> Not Micro Purchase 							
4220.1F.IV.2.a.(8) 2021 MA §34.(a)(2)	Safe Operation of Motor Vehicles – Seat Belt Use <ul style="list-style-type: none"> Require Seat Belt Use provision in each third party agreement 	<ul style="list-style-type: none"> Not Micro Purchase Third Party Agreement 							
4220.1F.IV.2.a.(9) 2021 MA §34.(b)(3)(iii)	Safe Operation of Motor Vehicles – Distracted Driving, Including Text Messaging While Driving <ul style="list-style-type: none"> Workplace safety policies, decrease distracted driving, Conduct enterprise size appropriate workplace safety initiatives Require this provision in each third party agreement 	<ul style="list-style-type: none"> Not Micro Purchase Third Party Agreement 							
Awards Exceeding \$10,000									
2 CFR 200 Appendix II (B) 2021 MA 16d(2)	Termination for Cause or for Convenience <ul style="list-style-type: none"> Termination for cause and for convenience including the manner by which it will be affected and the basis for settlement. 	<ul style="list-style-type: none"> Not Micro-Purchase >\$10,000 							



Regulation	Clauses	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
Awards Exceeding \$25,000									
2 CFR §180.300 2 CFR 200 Appendix II (H) 2021 MA 16d(8)	Debarment and Suspension <ul style="list-style-type: none"> • Requirement for contractor is <ul style="list-style-type: none"> ○ Checking SAM exclusions or ○ Collecting a certification from the contractor or ○ Adding a clause or condition to the covertransaction with the contractor 	<ul style="list-style-type: none"> • Not Micro-Purchase • >\$25,000 (Usually) • If use certification in procurement documents, clause is not needed • If use clause in procurement documents, clause is not needed • SAM exclusions is preferred 							
2021 MA §39.(b)	Notice to FTA and USDOT Disputes, Breaches, Defaults, and Litigation <ul style="list-style-type: none"> • Notice to FTA and USDOT Inspector General of information related to fraud, waste, abuse, or other legal matters. 	<ul style="list-style-type: none"> • “covered transaction” according to 2 CFR §180.220 & §1200.220 • >\$25,000 • Require prime contractor to flow down to subcontractors 							
Awards Exceeding \$100,000									
2 CFR 200 Appendix II (I) 2021 MA 16d(9)	Byrd Anti-Lobbying Amendment Clause <ul style="list-style-type: none"> • Complete required certification to tier above • Federal funds not used in lobbying • Not member of agency, Congress, Congress employee 	<ul style="list-style-type: none"> • Not Micro-Purchase • Same as State D.7. Clause • >\$100,000 							
Awards Exceeding \$150,000									
2 CFR 200 Appendix II (G) 4220.1F.IV.2.c.(3) 42 USC §§7401 – 7671q 33 USC §§1251 - 1388 2021 MA 16d(7)	Clean Air Act & Federal Water Pollution Control Act <ul style="list-style-type: none"> • Comply with Clean Air Act standards • Comply with Federal Water Pollution Control Act • Violations must be reported to FTA and EPA 	<ul style="list-style-type: none"> • Not Micro-Purchase • >\$150,000 							
2 CFR 200 Appendix II (L) 2 CFR 200 §200.322 4220.1F.IV.2.c.(5)	Buy America Clause - Domestic Preference for Procurements <ul style="list-style-type: none"> • Produced in the United States 	<ul style="list-style-type: none"> • Not Micro-Purchase • Including but not limited to iron, aluminum, steel, 							

Regulation	Clauses	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
4220.1F.IV.2.i.(9) 2021 MA 15 2021 MA 16d(1) 2021 MA 16m		cement, and other manufactured goods <ul style="list-style-type: none"> >\$150,000 							
Awards Exceeding the Simplified Acquisition Threshold									
2 CFR 200 Appendix II (A) 2021 MA 16d(1)	Legal Remedies for Violation or Breach <ul style="list-style-type: none"> Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. 	<ul style="list-style-type: none"> Not Micro-Purchase >\$250,000 (>SAT) 							
2021 MA §16.(d)(1)	Simplified Acquisition Threshold	<ul style="list-style-type: none"> Not Micro Purchase >\$250,000 							
4220.1F.IV.2.b.(6)	<p>Protections Against Performance Difficulties</p> <p>The Common Grant Rule for governmental recipients authorizes FTA to require each governmental recipient to include contract provisions that would reduce potential problems that might occur during contract performance. In addition to other clauses that may be approved by the Office of Federal Procurement Policy, FTA expects the governmental recipient to include provisions.</p> <ul style="list-style-type: none"> Changes – FTA expects a governmental recipient to include changes and changed conditions provisions or clauses in most contracts, except for routine supply contracts. Remedies – The Common Grant Rule for governmental recipients authorizes FTA to require remedies. Accordingly, FTA expectations are <ul style="list-style-type: none"> Liquidated Damages – May be used. The rate and measurement standards must be calculated to reasonably reflect the recipient’s costs should the standards not be met, and must be specified in the solicitation and contract. The assessment for damages is often established at a specific rate per day for each day beyond the contract’s delivery date or performance period. A measurement other than a day or another period of time, 	<ul style="list-style-type: none"> Not Micro Purchase Required for governmental recipient contracts, optional for others 							

Regulation	Clauses	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
	however, may be established if that measurement is appropriate, such as weight requirements in a rolling stock purchase. The procurement file should include a record of the calculation and rationale for the amount of damages established. Any liquidated damages recovered must be credited to the project account involved unless FTA permits otherwise.								
Non-Construction Activities									
2 CFR 200 Appendix II (E) 4220.1F.IV.2.i.(7) 40 USC 3701 – 3708 2021 MA 16d(5) 2021 MA 24(b)	Contract Work Hours and Safety Standards Act <ul style="list-style-type: none"> • Wages based on 40 hour standard workweek • Pay at 1.5 times standard rate for hours over 40 • No unsanitary, hazardous, or dangerous conditions • Does not apply to supplies, materials, articles available on the open market. 	<ul style="list-style-type: none"> • Not Micro-Purchase • Employ mechanics • Employ laborers • >\$100,000 • Not supplies purchase • Not materials purchase • Not articles purchase • 							
Construction Activities									
2 CFR 200 Appendix II (D) 4220.1F.IV.2.i.(5) 2021 MA 16d(4)	Davis-Bacon Act <ul style="list-style-type: none"> • Pay laborers/mechanics prevailing wage • Pay not less than once per week • Prevailing wage listed in solicitation document • Award conditioned on contractor acceptance • Report all suspected or reported violations 	<ul style="list-style-type: none"> • Prime construction contract • >\$2,000 • Includes Micro-Purchases 							
2 CFR 200 Appendix II (D) 4220.1F.IV.2.i.(6) 29 CFR 3.1 and 3.11 18 USC §874 40 USC §3145 2021 MA 16d(4)	Copeland Anti-Kickback Act <ul style="list-style-type: none"> • Provision for Copeland Anti-Kickback Act compliance • Prohibition from compensation give up • Report all suspected or reported violations 	<ul style="list-style-type: none"> • Prime construction contract • >\$2,000 • Includes Micro-Purchases 							
2 CFR 200 Appendix II (E) 4220.1F.IV.2.i.(7) 40 USC 3701 – 3708	Contract Work Hours and Safety Standards Act <ul style="list-style-type: none"> • Wages based on 40 hour standard workweek • Pay at 1.5 times standard rate for hours over 40 	<ul style="list-style-type: none"> • Not Micro-Purchase • Construction Workers • >\$100,000 							



Regulation	Clauses	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
2021 MA 16d(5) 2021 MA 24(a)	<ul style="list-style-type: none"> No unsanitary, hazardous, or dangerous conditions Does not apply to supplies, materials, articles available on the open market. 	<ul style="list-style-type: none"> Not supplies purchase Not materials purchase Not articles purchase 							
4220.1F.IV.2.i.(2) 49 CFR §41.117	<p>Seismic Safety</p> <ul style="list-style-type: none"> Design and construction of new building and addition to existing buildings financed in whole or in part through Federal grants. 	<ul style="list-style-type: none"> Not Micro Purchase Construction Contract of new buildings or additions to existing buildings 							
4220.1F.IV.2.i.(4) 2 CFR 200 Appendix II (C) 2021 MA 16d(3)	Construction – Equal Employment Opportunity	<ul style="list-style-type: none"> Not Micro Purchase Construction Contract 							
4220.1F.IV.2.i.(10) 2021 MA §12 PP Civil Rights & Equal Opportunity	Construction – Accessibility (ADA)	<ul style="list-style-type: none"> Not Micro Purchase Construction Contract 							
4220.1F.IV.2.c.(1)(c) 49 USC §5325(k)	Veterans Employment Capital project hiring preference.	<ul style="list-style-type: none"> Not Micro Purchase Capital Contract 							
4220.1F.IV.2.i.(1) 2 CFR 200.325	<p>Bonding</p> <ul style="list-style-type: none"> Bid Guarantee – 5% of bid price – The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. Performance Bond – 100% of contract price – A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract. Payment Bond – 100% of contract price – A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. 	<ul style="list-style-type: none"> Not Micro Purchase Construction Contract >\$250,000 							
Transit Operation Activities									



Regulation	Clauses	Applicability	State Only	Statewide	State Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
Miscellaneous Special Requirements									
4220.1F.IV.2.f.(6) 49 USC §5323(f) 2021 MA §29.	School Bus Operations Restrictions <ul style="list-style-type: none"> A third party contractor performing services using FTA assisted facilities or equipment may not use those facilities or that equipment to support exclusive school bus operations except as permitted by 49 U.S.C. Sections 5323(f) or (g) and FTA regulations, "School Bus Operations," 49 CFR Part 605, to the extent consistent with 49 U.S.C. Sections 5323(f) or (g). 	<ul style="list-style-type: none"> Not Micro Purchase Transit Operating Contract 							
4220.1F.IV.2.f.(5) 49 USC §5323 49 CFR Part 604	Charter Service Restrictions <ul style="list-style-type: none"> A third party contractor performing services using FTA assisted facilities or equipment may not use those facilities or that equipment to support any charter service operations except as permitted by 49 USC Section 5323(d) and FTA regulations, "Charter Service," 49 CFR Part 604. 	<ul style="list-style-type: none"> Not Micro Purchase Transit Operating Contract Transit operations funded with 5307, 5309, 5311, and 5316 funds 							
4220.1F.IV.2.f.(2) 49 CFR Part 40.11(c) 2021 MA §35.	Drug Use and Testing and Alcohol Misuse and Testing <ul style="list-style-type: none"> A third party contractor providing services involving the performance of safety sensitive activities must comply with 49 U.S.C. Section 5331 and FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," 49 CFR Part 655. 	<ul style="list-style-type: none"> Not Micro Purchase Transit Operating Contract 							
4220.1F.IV.2.f.(5) 2021 MA §24.(d)	Public Transportation Employee Protective Arrangements Certification (US DOL Certification required.)	<ul style="list-style-type: none"> Not Micro Purchase Transit Operating Contract 							
Miscellaneous Special Requirements									
4220.1F.IV.2.c.(6) 46 CFR Part 381.7	Shipments of Property <ul style="list-style-type: none"> US Flag Requirements 	<ul style="list-style-type: none"> Not Micro Purchase Acquiring property possibly shipped by ocean vessel 							
4220.1F.IV.2.c.(7)	Fly America <ul style="list-style-type: none"> Use of US Flag Air Carriers 	<ul style="list-style-type: none"> Not Micro Purchase Projects that include transportation of persons or property by air, origin or 							



Regulation	Clauses	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
		destination is either or both outside US							
2 CFR 200 Appendix II (F) 2021 MA 16d(6)	Rights to Inventions Made under a Contract Agreement <ul style="list-style-type: none"> Contracts that meet the definition of “funding agreement” under 37 CFR §401.2 (a). Recipient contract with small business firm or non-profit organization. Performance of experimental, development, research work, recipient to comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements.” 	<ul style="list-style-type: none"> Not Micro-Purchase Funding agreement Contract with small business Contract with non-profit org 							
2 CFR 200 Appendix II (J) 2 CFR 200 §200.323 4220.1F.IV.2.c.(3)(f) 2021 MA 16d(10)	Procurement of Recovered Materials <ul style="list-style-type: none"> Comply with §6002 of the Solid Waste Disposal Act When procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. Solid waste management procurement maximizes energy and resource recovery Establish affirmative program for procurement of recovered materials 	<ul style="list-style-type: none"> Not Micro-Purchase Recipient is State or Political Subdivision of State Designated items >\$10,000 >\$10,000 total previous year 							
4220.1F.IV.2.d.(1) 23 USC §517(d) 66 FR 1455	Intelligent Transportation Systems Intelligent transportation system (ITS) property and services must comply with the National ITS Architecture and Standards.	<ul style="list-style-type: none"> Not Micro Purchase Projects with ITS components 							
2 CFR 200 Appendix II (K) 2 CFR 200 §200.216	Prohibition on certain telecommunications and video surveillance services or equipment <ul style="list-style-type: none"> Public law 115-232 §889 Prohibited equipment produced by list of companies 	<ul style="list-style-type: none"> Equipment produced by prohibited companies 							
Rolling Stock									
4220.1F.IV.2.e.(1) 49 CFR Part 37	Rolling Stock – Accessibility Rolling Stock must comply with accessibility requirements.								



<i>Regulation</i>	<i>Clauses</i>	<i>Applicability</i>	<i>State Only</i>	<i>Statewide</i>	<i>Sole Source</i>	<i>Small</i>	<i>Element Required</i>	<i>Element Documentation Location &/or Explanation, if required</i>	<i>TDOT Confirmation</i>
36 CFR Part 1192 49 CFR Part 38	Certification is required in current years Master Agreement.								
4220.1F.IV.2. 49 USC §5318 49 CFR Part 665	Rolling Stock – Bus Testing (Clause) Assurance of compliance with requirement BusTesting	<ul style="list-style-type: none"> Not Micro Purchase Rolling Stock 							
4220.1F.IV.2.e.(5) 40 CFR Part 85 40 CFR Part 86 40 CFR Part 600	Air Pollution and Fuel Economy Each third party contract to acquire rolling stock must include provisions to ensure compliance with applicable Federal air pollution control and fuel economy regulations.	<ul style="list-style-type: none"> Not Micro Purchase 							
END OF CLAUSE CHECKLIST									



Regulation	Certifications	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
Federal									
All State Assisted Third Party Subcontracts and Procurements									
4220.1F.IV.2.a.(6) 49 CFR Part 26 2 CFR 200 §200.321(6)	Disadvantaged Business Enterprise (DBE) Certification Also, usually part of the current year Master Agreement. (a) Disadvantaged Business Enterprises (DBE) Certification is for the contractor to push down DBE requirements to lower tier contractors.	<ul style="list-style-type: none"> Not Micro Purchase 							
Awards Exceeding \$25,000									
2 CFR §180.300 2 CFR 200 Appendix II (H) 2021 MA 16d(8)	Debarment and Suspension <ul style="list-style-type: none"> Requirement for contractor is <ul style="list-style-type: none"> Checking SAM exclusions or Collecting a certification from the contractor or Adding a clause or condition to the cover transaction with the contractor 	<ul style="list-style-type: none"> Not Micro-Purchase >\$25,000 (Usually) If use certification in procurement documents, clause is not needed If use clause in procurement documents, clause is not needed SAM exclusions is preferred 							
Awards Exceeding \$100,000									
4220.1F.IV.2.a.(4) 49 CFR Part 20	Lobbying Certification	<ul style="list-style-type: none"> Not Micro Purchase >\$100,000 							
Awards Exceeding \$150,000									
ProcurementPro Certification	Buy America Certification Bidder or offeror must submit to the Agency the appropriate Buy America certification.	<ul style="list-style-type: none"> Not Micro Purchase Steel, Iron, Manufactured Products >\$150,000 							
Transit Operation Activities									
4220.1F.IV.2.f.(5)	Public Transportation Employee Protective Arrangements (Clause)	<ul style="list-style-type: none"> Not Micro Purchase 							

Regulation	Certifications	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
49 USC §5333(b) 2021 MA §24.(d)		<ul style="list-style-type: none"> Transit Operating Contract Transit operations funded with 5307, 5308, 5309, 5310, 5311, 5312, and 5316 funds 							
Rolling Stock									
4220.1F.IV.2.e.(7) 49 USC §5318 49 CFR Part 665.7	Bus Testing (Certification) <ul style="list-style-type: none"> Recipient to certify in the FTA application that it has determined that a vehicle to be acquired has satisfied the requirements that <ul style="list-style-type: none"> The vehicle was tested at the Bus Testing Facility and that The vehicle received a passing score. The recipient has received the full Bus Testing Report and any partial testing reports before the acceptance of the first vehicle. 	<ul style="list-style-type: none"> FTA application certification by recipient (TDOT), usually completed in the TrAMS grant application document in the Executive Summary and possibly in the Activity Line Item (ALI) description 							
4220.1F.IV.2.e.(2) 49 CFR §26.49	Transit Vehicle Manufacturer (TVM) Compliance with DBE Requirements Transit Vehicle Manufacturer (TVM) must submit a certification that it has complied with the FTA's DBE requirements.	<ul style="list-style-type: none"> Not Micro Purchase Only for vehicles used in public transportation Not service vehicles 							
4220.1F.IV.2.e.(6) 49 USC §5323(m) 49 CFR Part 663	Pre-Award Buy America Certification <ul style="list-style-type: none"> Recipient certification that the recipient is satisfied that the rolling stock to be purchased <ul style="list-style-type: none"> Has a letter from the FTA for a Buy America waiver of requirements under §§ 165(b)(1), (b)(2), or (b)(4) of §§ 165(b)(3) of the Surface Transportation Assistance Act of 1982 or Meets the requirements of §§ 165(b)(3) of the Surface Transportation Assistance Act of 1982 after having reviewed documentation that lists <ul style="list-style-type: none"> Component and subcomponent parts identified by manufacturer of parts of rolling stock to be purchased, their country of origin and costs, and The location of the final assembly point with a description of the activities that will take place at the final assembly point and the cost of final assembly. 	<ul style="list-style-type: none"> Not Micro Purchase Rolling Stock >\$150,000 Collect after select winning bid and before entering contract 							

Regulation	Certifications	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
	<ul style="list-style-type: none"> US Manufacturing content must meet percentage requirements – Post Federal Fiscal Years 2019, more than 70% 								
4220.1F.IV.2.e.(6) 49 USC §5323(m) 49 CFR Part 663	<p>Pre-Award Purchaser’s Requirement</p> <ul style="list-style-type: none"> Recipient certifies that <ul style="list-style-type: none"> Rolling stock to be contracted for is the same as described in the purchaser’s solicitation specification, and The proposed manufacturer is a responsible manufacturer with the capability to produce a vehicle that meets the specifications set forth in the solicitation. 	<ul style="list-style-type: none"> Not Micro Purchase All Rolling Stock Purchases Collect after select winning bid Collect before entering contract 							
4220.1F.IV.2.e.(6) 49 USC §5323(m) 49 CFR Part 663	<p>Pre-Award Federal Motor Vehicle Safety Standards (FMVSS) Certification</p> <ul style="list-style-type: none"> The recipient’s certification that is has received a copy of the manufacturer’s self-certification of compliance with or inapplicability of the Federal Motor Vehicle Safety Standards (FMVSS), required by §319 of STURAA and 49 CFR §663. 	<ul style="list-style-type: none"> Not Micro Purchase All Rolling Stock Purchases Collect after select winning bid Collect before entering contract 							
4220.1F.IV.2.e.(6) 49 USC §5323(m) 49 CFR Part 663	<p>Post Delivery Buy America Certification</p> <ul style="list-style-type: none"> Recipient certification that the recipient is satisfied that the rolling purchased <ul style="list-style-type: none"> Has a letter from the FTA for a Buy America waiver of requirements under §§ 165(b)(1), (b)(2), or (b)(4) of §§ 165(b)(3) of the Surface Transportation Assistance Act of 1982 or Meets the requirements of §§ 165(b)(3) of the Surface Transportation Assistance Act of 1982 after having reviewed documentation that lists <ul style="list-style-type: none"> Component and subcomponent parts identified by manufacturer of parts of rolling stock purchased, their country of origin and costs, and The location of the final assembly point with a description of the activities that took place at the final assembly point and the cost of final assembly. 	<ul style="list-style-type: none"> Not Micro Purchase Rolling Stock >\$150,000 Collect upon delivery, but before earlier of title is transferred or rolling stock put into revenue service 							



Regulation	Certifications	Applicability	State Only	Statewide	Sole Source	Small	Element Required	Element Documentation Location &/or Explanation, if required	TDOT Confirmation
	<ul style="list-style-type: none"> US Manufacturing content must meet percentage requirements – Post Federal Fiscal Years 2019, more than 70% 								
4220.1F.IV.2.e.(6) 49 USC §5323(m) 49 CFR Part 663	<p>Post Delivery Purchaser’s Requirement</p> <ul style="list-style-type: none"> A recipient certification that the recipient keeps on file that <ul style="list-style-type: none"> For procurements of 10 or fewer buses, or procurements of 20 or fewer vehicles to serve rural areas, or any number of primary manufacturer standard production and unmodified vans, after visually inspecting and road testing vehicles, the vehicles meet the contract specifications. For all other procurements of rolling stock, <ul style="list-style-type: none"> A resident inspector (not an employee of the manufacturer) was at the manufacturing site throughout the period of manufacture of the rolling stock to be purchased and monitored and completed a report on the manufacture of the rolling stock. The report, at a minimum shall <ul style="list-style-type: none"> Provide accurate records of all vehicle construction activities, and Address how the construction and operation of the vehicles fulfills the contract specifications. After reviewing the report, and visually inspecting and road testing the delivered vehicles meet the contract specifications. 	<ul style="list-style-type: none"> Not Micro Purchase All Rolling Stock Purchases Collect upon delivery, but before earlier of title is transferred or rolling stock put into revenue service 							
4220.1F.IV.2.e.(6) 49 USC §5323(m) 49 CFR Part 663	<p>Post Delivery Federal Motor Vehicle Safety Standards (FMVSS) Certification</p> <ul style="list-style-type: none"> The recipient’s certification that is has received a copy of the manufacturer’s self-certification of compliance with or inapplicability of the Federal Motor Vehicle Safety Standards, required by section 319 of STURAA and 49 CFR §663 both at the pre-award and post delivery stages. 	<ul style="list-style-type: none"> Not Micro Purchase All Rolling Stock Purchases Collect upon delivery, but before earlier of title is transferred or rolling stock put into revenue service 							
END OF CERTIFICATION CHECKLIST									

Procurement – Pre-Solicitation Independent Estimate Worksheet

Grantee:	Click or tap here to enter text.
Completed by:	Click or tap here to enter text.
Item to Procure:	Click or tap here to enter text.
Date Completed:	Click or tap to enter a date.

Pre-Solicitation Independent Estimate – Prior to developing a cost or price analysis, a recipient must develop a pre-solicitation independent cost estimate (ICE) of the proper price and cost levels for the products or services to be purchased. The pre-solicitation ICE should inform the post-bid cost and price analysis. The ICE can assist in determining the reasonableness or unreasonableness of price and/or the estimated costs to perform the work.	
Date of estimate:	Click or tap to enter a date.
Pre-Solicitation Independent Estimate: (Based on Price or Cost Method)	\$ Independent Estimate

Price Estimate or Cost Estimate	
D	Price Estimate section is completed.
D	Cost Estimate section is completed.

PRICE ESTIMATE			
Method of Obtaining Independent Price Estimate:			
	Sources Sources of the Independent Estimate Determination	References Name or description of source. Attach documentation of reference for amount	Price Attach documentation of amount
1.	Choose an item.	Reference	\$ Source Price
2.	Choose an item.	Reference	\$ Source Price
3.	Choose an item.	Reference	\$ Source Price
4.	Choose an item.	Reference	\$ Source Price
5.	Choose an item.	Reference	\$ Source Price

COST ESTIMATE				
<i>Required for Sole Source Procurements and Single Response Procurements</i>				
Method of Obtaining Independent Cost Estimate:				
Note that using a Cost Analysis requires the recipient to negotiate profit as a separate element of cost. (4220.1F VI.6.a(2))				
	Element of Cost	Estimated		Total Element Cost
		Hours (If Applicable)	Unit Cost (If Applicable)	
1.	Element	Hours	\$ Unit	\$ Element Total
2.	Element	Hours	\$ Unit	\$ Element Total
3.	Element	Hours	\$ Unit	\$ Element Total
4.	Element	Hours	\$ Unit	\$ Element Total
5.	Element	Hours	\$ Unit	\$ Element Total
6.	Element	Hours	\$ Unit	\$ Element Total
7.	Element	Hours	\$ Unit	\$ Element Total
8.	Element	Hours	\$ Unit	\$ Element Total
9.	Element	Hours	\$ Unit	\$ Element Total
10.	Profit			\$ Element Total
	Total			\$ Grand Total

	True	False
Other Price Estimation or Cost Estimation Worksheet A different price estimation or cost estimation worksheet was used to develop the independent estimate? (If true, attach documentation.)	D	D

Procurement – Statewide Contract Purchase Worksheet

Grantee:	Click or tap here to enter text.
Completed by:	Click or tap here to enter text.
Item to Procure:	Click or tap here to enter text.
Date Completed:	Click or tap here to enter text.

Part 1 - Solicitation

Statewide Contract – Step Skipped

Part 2 - Before Issuing Purchase Order

Planning and Purchase Order Preparation

State Purchasing Schedules (Statewide Contract Purchase) (4220.1F Chapter V Section 4.)		
	True	False
1. The Specification worksheet is completed?	D	D
2. The Necessity worksheet is completed?	D	D
3. The Independent Estimate worksheet is completed? The independent estimate must be based on recent prices established in the open market. If the statewide contract procurement contains a price analysis for the award of the contract and the recipient determines it to be currently adequate, the recipient may then use the price analysis from the procurement. The recipient is required to document the analysis of how it arrived at the determination that the price being paid is fair and reasonable. If the item on the statewide contract is higher than other items of the same nature on the contract or other statewide contracts then the recipient must document the reasons for requiring the higher priced product.	D	D
4. The Procurement Method Selection worksheet is completed and Statewide Contract Purchase was selected?	D	D

Statewide Contract Purchase – Full and Open Competition – All Federal Requirements Apply Review the statewide contract procurement to determine if full and open competition was followed (e.g. no geographic preferences given, the procurement was publicized, etc.). (4220.1F.V.4.c.)		
	True	False

The statewide contract procurement has been reviewed and determined to be a full and open competition procurement (e.g. no geographic preferences appear to be given)?	D	D
Statewide Contract Purchase – Federal Clauses and Certifications Review the statewide contract to determine if all required Federal clauses are included in the contract and certifications will be included. When obtaining property or services from off of a statewide contract, the recipient must ensure all Federal requirements, required clauses, and certifications (including Buy America) are properly followed and included. (4220.1F.V.4.c.)		
	True	False
The statewide contract has been reviewed and all federal clauses are included or if they are not included the supplier has agreed to append the missing federal clauses to the purchase order to affect the purchase? (4220.1F.V.4.c.)	D	D
All required federal certifications are included in the procurement documentation (for example, if applicable, the recipient must obtain the Buy America certification before entering into the purchase order)? (4220.1F.V.4.c.)	D	D
The recipient understands that all federal requirements apply? (4220.1F.V.4.c.)	D	D
Purchase Order Contents Check List Contents of Solicitation documents and Contract include the following items and should be the same responses as on the planning worksheets and clauses check list (see Item Specifications and Necessity worksheets).		
	True	False
Item or Service specifications, technical requirements, or performance requirements (see Item Specification Worksheet)?	D	D
Quantities (see Necessity Worksheet)?	D	D
Performance Period?	D	D
Options descriptions to be evaluated?	D	D
Payment provisions described (Paid upon invoice after delivery of item or service or other description, No payments before award of funding, No payments in advance of work completed or delivery of assets, No progress payments for work not completed)?	D	D
All required clauses and certifications included from Federal Clause and Certification Check List?	D	D

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Responsible Contractor Determination		
	True	False
The Responsible Determination worksheet is completed for the selected supplier? <small>(4220.1F VI.2.a.) (2 CFR Part §200.318(h)) <i>SAM.gov search needed before issuing purchase order for procurements greater than \$25,000</i></small>	D	D

Rolling Stock Requirements			
	True	False	N/A
The Rolling Stock Requirements worksheet Pre-Award section is completed for the selected supplier or the procurement is not for Rolling Stock? <small>(4220.1F.IV.2.e.) <i>Check SWC to confirm Pre-Award requirements are met</i></small>	D	D	D

Construction Requirements			
	True	False	N/A
The Construction Requirements worksheet is completed for the selected supplier or the procurement is not for Construction? <small>(4220.1F.IV.2.i.)</small>	D	D	D

Price Analysis and Cost Analysis		
	True	False
The Price Analysis and Cost Analysis worksheet is completed for the selected offer? <small>(4220.1F.VI.6.) (2 CFR Part §200.324)</small>	D	D

Requirements Prohibitions Analysis – Competitive Procurements		
	True	False
The Requirements Prohibitions Analysis worksheet completed to check solicitation was in compliance?	D	D

Clauses and Certifications Checklist		
	True	False
The Clauses and Certifications Check List is completed to check for required compliance?	D	D

PART 2 – End Check Point

Evaluation and Award Preparation

Statewide Contract Purchase – Letter to Proceed with Purchase Order

<p>Before issuing the purchase order, submit the planning and purchase order documents to TDOT for review and to receive the letter to proceed with issuing the purchase order. After receiving letter to proceed, issue purchase order to selected supplier. See Part 3 for next steps, Contract Administration review.</p>		
	True	False
<p>Before issuing the purchase order, will the planning and purchase order documents be submitted to TDOT for review and to issue a letter to proceed with Issuing the Purchase Order?</p>	D	D

PART 3 – Post Award

Contract Administration

Invitation to Bid – Post Award

- Issue purchase order with added clauses, as needed, to supplier.
- Contract Administration – Oversight of contract performance executed as described in the solicitation.
- If Rolling Stock procurement, complete post award certifications before receiving titles.
- Contract Administration – Receive goods and services.
- Contract Administration – Pay invoices.
- Program reimbursement request.

(2 CFR §200.318(b))

Rolling Stock Requirements

	True	False	N/A
The Rolling Stock Requirements worksheet Post Delivery section is completed for the selected offer? (4220.1F.IV.2.e.)	D	D	D

Procurement – Sole Source Worksheet

Grantee:	Click or tap here to enter text.
Completed by:	Click or tap here to enter text.
Item to Procure:	Click or tap here to enter text.
Date Completed:	Click or tap to enter a date.

	True	False
Sole Source Check List Worksheet (4220.1F.VI.3.i.) (2 CFR §200.320(c))		
1. The Specification worksheet is completed?	D	D
2. The Necessity worksheet is completed?	D	D
3. The Independent Estimate worksheet is completed?	D	D
4. The Procurement Method Selection worksheet is completed and Sole Source Procurement resulted?	D	D

Sole Source Supplier
Click or tap here to enter text.

	True	False
Responsible Contractor Determination		
The Responsible Determination worksheet is completed for the selected source? (4220.1F VI.2.a.) (2 CFR Part §200.318(h))	D	D

Sole Source Procurement Procedures – Sole Source Justification If the recipient decides to solicit an offer from only one source, the recipient must justify its decision (4220.1F.VI.3.i.(3)(b))	
Sole Source Circumstance If the recipient decides to solicit an offer from only one source, one or more of the following circumstances must apply. (2 CFR §200.320 (c)) Select all circumstances that apply:	
D	The item is available from a single source. (Complete Section A) (2 CFR §200.320 (c)(2))

D	The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation. (Complete Section B) (2 CFR §200.320 (c)(3))
D	The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity. (Complete Section C) (2 CFR §200.320 (c)(4))
D	After solicitation of a number of sources, competition is determined inadequate. (Complete Section D) (2 CFR §200.320 (c)(5))

Section A: Sole Source Justification – Single Source Justification	
<p>Sole Source Justification – Single Source Justification: When the recipient requires supplies or services available from only one responsible source, and no other supplies or services will satisfy its requirements, the recipient may make a sole source award. The property or services are available from one source if one of the conditions described below is present. (2 CFR §200.320 (c)(2)) (4220.1F.VI.3.i.(1)(b)<u>1</u>)</p> <p>Select the justification that applies.</p>	
D	<p>Unique or Innovative Concept. The offeror demonstrates a unique or innovative concept or capability not available from another source. Unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted, and is available to the recipient only from one source and has not in the past been available to the recipient from another source. (4220.1F.VI.3.i.(1)(b)<u>1a</u>)</p>
D	<p>Patents or Restricted Data Rights. (4220.1F.VI.3.i.(1)(b)<u>1b</u>)</p>
D	<p>Substantial Duplication Costs. In the case of a follow-on contract for the continued development or production of highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition. (4220.1F.VI.3.i.(1)(b)<u>1c</u>)</p>
D	<p>Unacceptable Delay. In the case of a follow-on contract for the continued development or production of a highly specialized equipment and major components thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the recipient’s needs. (4220.1F.VI.3.i.(1)(b)<u>1d</u>)</p>
Explanation of Single Source Circumstances:	

Provide a detailed explanation of the circumstances that requires supplies or services from only one responsible source, and why no other supplies or services will satisfy the requirements.

Click or tap here to enter text.

Section B: Sole Source Justification – Public Exigency or Emergency

Sole Source – Public Exigency or Emergency:

The recipient may also limit the solicitation when the public exigency or emergency will not permit a delay resulting from competitive solicitation for the property or services.

(2 CFR §200.320 (c)(3))

Provide a detailed explanation of the circumstances of the public exigency or emergency which will not permit a delay resulting from competitive solicitation for the property or services.

Click or tap here to enter text.

Section C: Sole Source Justification – Federal Awarding Agency Authorization

Sole Source – Federal Awarding Agency Authorization:

The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity.

(2 CFR §200.320 (c)(4))

Provide a detailed explanation of the circumstances of the Federal awarding agency’s or pass-through entity’s non-competitive procurement authorization of a written request from the non-Federal entity.

(Attach copy of the written request and authorization.)

Click or tap here to enter text.

Section D: Sole Source Justification – Inadequate Competition

Sole Source – Inadequate Competition
 After solicitation of a number of sources, competition is determined inadequate.
 (2 CFR §200.320 (c)(5))

This circumstance is the result of a single bid analysis where the specifications proved to unduly restrict competition or potential sources reported that specifications were the reason for not submitting an offer. Provide a detailed explanation of the justification as to why the specifications as requested in the solicitation must be used.
 (Attach copy of the written request and authorization.)

Click or tap here to enter text.

Sole Source Justification – Prohibited Reasons

	True	False
Prohibited Reasons – Failure to Plan The sole source justification is not due to the recipient’s lack of advance planning? (4220.1F.VI.3.i.(2)(a))	D	D

Prohibited Reasons – Failure to Plan
 Explain how the justification is not due to the lack of advance planning.
 (2 CFR §200.320 (c)(5))

Click or tap here to enter text.

Prohibited Reasons – Limited Availability of Federal Assistance	D	D
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The sole source justification is not due to concerns about the amount of Federal assistance available to support the procurement? <small>(4220.1F.VI.3.i.(2)(b))</small>		
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Sole Source Procurement Procedures – Cost Analysis Prepare or obtain a cost analysis verifying the proposed cost data, the projections of the data, and the evaluation of the costs and profits. <small>(4220.1F.VI.3.i.(3)(c))</small>		
	True	False
Sole Source Procurement Procedures – Cost Analysis A cost analysis was completed, and profit was negotiated? <small>(4220.1F.VI.3.i.(3)(c)) (4220.1F.VI.6.) (2 CFR Part §200.324)</small> (Complete and attach a copy of the Cost Analysis Worksheet.)	D	D

Sole Source Procurement Procedures – Pre-Award FTA Review The proposed sole source procurement will be submitted by TDOT to the FTA. The FTA may request to complete a pre-award review. <small>(4220.1F.VI.3.i.(3)(d))</small>		
	True	False
Sole Source Procurement Procedures – Pre-Award FTA Review It is understood that TDOT will inform the FTA of the proposed sole source procurement and that the FTA may request to complete a pre-award review? <small>(4220.1F.VI.3.i.(3)(d))</small> (Note that time should be built into the sole source procurement plan to allow time for FTA to request a pre-award review.)	D	D

	True	False
Rolling Stock Requirements		
The Rolling Stock Requirements worksheet Pre-Award section is completed for the selected offer or the procurement is not for Rolling Stock? <small>(4220.1F.IV.2.e.)</small>	D	D

	True	False
Construction Requirements		
The Construction Requirements worksheet is completed for the selected offer or the procurement is not for Construction? <small>(4220.1F.IV.2.i.)</small>	D	D

	True	False
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Clauses and Certifications Checklist		
The Clauses and Certifications Check List is completed to check for required compliance?	D	D

Pre-Award Check Point		
Award Preparation		
	True	False
Sole Source Procurement Procedures – Letter to Proceed with Award Execution Before executing the award contract, submit sole source determination documents to TDOT for review and to receive the letter to proceed with award contract. After receiving letter to proceed, execute contract with selected source. See Post Award Section for next steps.		
Before executing the award contract, will the sole source determination documents be submitted to TDOT for review and to issue a letter to proceed with the Award Execution?	D	D

<h2 style="margin: 0;">Post Award</h2> <p style="margin: 0;">Contract Administration</p>
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- | |
|---|
| <p>Sole Source Procurement Procedures – Post Award</p> <ul style="list-style-type: none"> • Execute contract. • Contract Administration – Oversight of contract performance executed as described in the solicitation. • If Rolling Stock procurement, complete post award certifications before receiving titles. • Contract Administration – Receive goods and services. • Contract Administration – Pay invoices. • Program reimbursement request. <p>(2 CFR §200.318(b))</p> |
|---|

	True	False
Rolling Stock Requirements		
The Rolling Stock Requirements worksheet Post Delivery section is completed for the selected offer or the procurement is not for Rolling Stock? (4220.1F.IV.2.e.)	D	D

Procurement – Single Response Analysis Worksheet

Grantee:	Click or tap here to enter text.
Contracting Officer:	Click or tap here to enter text.
Item to Procure:	Click or tap here to enter text.
Date Completed:	Click or tap to enter a date.

Single Response Analysis
 Upon receiving a single bid or single proposal in response to a solicitation, the recipient should determine if competition was adequate. This should include a review of the specifications for undue restrictiveness and might include a survey of potential sources that chose not to submit a bid or proposal.
 (4220.1F.VI.3.i.(1)(b)2)

Single Response Offeror
 Enter Single Response Offeror

Click or tap here to enter text.

Single Response Analysis – Specification Review for Undue Restrictiveness
 Review the specifications for the item or service and the solicitation and discuss if specifications appear to be restrictive of competition. Are specifications unduly restrictive of competition?

Click or tap here to enter text.

Single Response Analysis – Survey of Potential Sources
 Survey potential sources that chose not to submit an offer. Note below the source and reason for not submitting an offer.

Potential Source	Reason for Not Submitting an Offer (Attach email/correspondence documentation)
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.

	True	False
Single Response Analysis – Specification Review for Undue Restrictiveness Does the discussion above appear to demonstrate that the specifications for the item/service and the solicitation were not unduly restrictive of competition?	D	D
Single Response Analysis – Specification Review for Undue Restrictiveness Do the survey responses of potential sources reveal that overly restrictive item/service or solicitation specifications were not the reason for their lack of a response?	D	D

Single Response Analysis: Select the result of the prior two questions.	
D	Adequate Competition. If the responses to both questions above are true, then the reasons for few responses are beyond the recipient’s control and no sole source justification is required. The procurement qualifies as a valid competitive award. Continue with the procurement method process that was initiated. (4220.1F.VI.3.i.(1)(b)2a)
D	Inadequate Competition. If the responses to both questions above are not true, then the reasons for few responses is within the recipient’s control and a sole source justification is required. Complete the sole source procurement method. The recipient will have to provide a justification as to why the specifications as requested in the solicitation must be used. (4220.1F.VI.3.i.(1)(b)2b)

Procurement – Responsible Determination Worksheet

Grantee:	Click or tap here to enter text.
Completed by:	Click or tap here to enter text.
Item to Procure:	Click or tap here to enter text.
Date Completed:	Click or tap to enter a date.

Responsible Determination – Part 1

Reviewed prior to advertising

4220.1F VI.8.b. Award Only to a Responsible Bidder or Offeror	
49 U.S.C. Section 5325 requires FTA assisted contract awards to be made only to “responsible” contractors possessing the ability, willingness, and integrity to perform successfully under the terms and conditions of the contract. Responsibility is a procurement issue that is determined by the recipient after receiving bids or proposals and before making contract award. FTA expects the prospective contractor to demonstrate affirmatively to the recipient that it qualifies as “responsible” under the standards of 49 U.S.C. Section 5325, and that its proposed subcontractors also qualify as “responsible.”	
The determination of a responsible Offeror is a procurement issue that is determined by the recipient after receiving bids or proposals and before making the contract award. While the determination is made after the solicitation, the recipient must plan how it will collect the information to make the determination.	
What is the plan on how to receive Offeror responsibility criteria information and how to make a responsible Offeror determination?	
Formal Procurements	
D	Responsible Offeror criteria will be requested in the solicitation notification and the responsible determination made after Offeror selection and before making the award.
D	Responsible Offeror criteria will be requested in Offeror interviews after Offeror selection and the responsible determination made before making the award.
D	Other, please describe: Click or tap here to enter text.
Small Purchase Procurements	
D	Responsible Offeror criteria will be requested at the same time Offeror quotes are requested and the responsible determination made at that time.
D	Other, please describe: Click or tap here to enter text.

In planning the procurement to receive the information needed about the Offeror, see Part 2 for the list of the minimum criteria that the FTA expects the recipient to consider in making a responsible determination.

Responsible Determination – Part 2

Reviewed prior to making award

4220.1F VI.8.b. Award Only to a Responsible Bidder or Offeror
 49 U.S.C. Section 5325 requires FTA assisted contract awards to be made only to “responsible” contractors possessing the ability, willingness, and integrity to perform successfully under the terms and conditions of the contract. Responsibility is a procurement issue that is determined by the recipient after receiving bids or proposals and before making contract award. FTA expects the prospective contractor to demonstrate affirmatively to the recipient that it qualifies as “responsible” under the standards of 49 U.S.C. Section 5325, and that its proposed subcontractors also qualify as “responsible.”

Selected Offeror	Click or tap here to enter text.
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Responsible Offeror Criteria
 Document considerations and discussions with Offeror below

2 CFR Part §200.318(h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

4220.1F IV.2.a. Contractor Qualifications
 A responsible contractor analysis should be completed on the contractor selected for award. Elements to perform an evaluation should be requested in the solicitation and used to support the responsible analysis. The recipient should do some verification of information supplied.
 4220.1F IV.2.a.(1) Responsibility Requirements“...Before selecting a contractor for award, the recipient must consider such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.”

Criteria 1: Debarment and Suspension

- **Procurements greater than \$25,000**
 Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.
 (4220.1F. Chapter VI. Section 8.b.(2)) (4220.1F. Chapter IV. Section 2.a.(2)(b)) (2 CFR 200 §200.214)
- **Required verification options (one of three required)**
 (2 CFR 200 §180.300)

D	Documentation not excluded on SAM.gov, or
D	Offeror certification, or

D	Clause or condition included in transaction documentation: contract or purchase order.
D	Not Applicable. Award value is less than \$25,000.
Criteria 2: Integrity and Ethics Has a satisfactory record of integrity and business ethics. (4220.1F. Chapter VI. Section 8.b.(1)) (49 U.S.C. Section 5325(j)(2)(A)) How considered?	
D	Offeror provided information in offer submission or discussions with recipient
D	Other consideration, explain: Click or tap here to enter text.
Criteria 3: Affirmative Action and DBE In compliance with applicable Affirmative Action and Disadvantaged Business Enterprise (DBE) requirements. (4220.1F. Chapter VI. Section 8.b.(3)) How considered?	
D	Offeror provided information in offer submission or discussions with recipient
D	Other consideration, explain: Click or tap here to enter text.
Criteria 4: Public Policy In compliance with public policies of the Federal Government. (4220.1F. Chapter VI. Section 8.b.(4)) (49 U.S.C. Section 5325(j)(2)(B)) How considered?	
D	Offeror provided information in offer submission or discussions with recipient
D	Other consideration, explain: Click or tap here to enter text.
Criteria 5: Administrative and Technical Capacity Has the necessary organization, experience, accounting, and operational controls, and technical skills, or the ability to obtain them. (4220.1F. Chapter VI. Section 8.b.(5)) (49 USC Section 5325(j)(2)(D)) How considered?	
D	Offeror provided information in offer submission or discussions with recipient
D	Other consideration, explain: Click or tap here to enter text.
Criteria 6: Licensing and Taxes	

In compliance with applicable licensing and tax laws and regulations. <small>(4220.1F. Chapter VI. Section 8.b.(6))</small>	
How considered?	
D	Offeror provided information in offer submission or discussions with recipient
D	Other consideration, explain: Click or tap here to enter text.
Criteria 7: Financial Resources Has the financial resources adequate to perform the contract or the ability to obtain them. <small>(4220.1F. Chapter VI. Section 8.b.(7)) (49 USC Section 5325(j)(2)(D))</small>	
How considered?	
D	Offeror provided information in offer submission or discussions with recipient
D	Other consideration, explain: Click or tap here to enter text.
Criteria 8: Production Capability Has the necessary production, construction, and technical equipment and facilities, or the ability to obtain them? <small>(4220.1F. Chapter VI. Section 8.b.(8))</small>	
How considered?	
D	Offeror provided information in offer submission or discussions with recipient
D	Other consideration, explain: Click or tap here to enter text.
Criteria 9: Timeliness Able to comply with the required delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments. <small>(4220.1F. Chapter VI. Section 8.b.(9))</small>	
How considered?	
D	Offeror provided information in offer submission or discussions with recipient
D	Other consideration, explain: Click or tap here to enter text.
Criteria 10: Performance Record Has a satisfactory current performance record. <small>(4220.1F. Chapter VI. Section 8.b.(10)(a))</small>	
<ul style="list-style-type: none"> • has a satisfactory past performance record with sufficient resources, such as key personnel with adequate experience, and/or a parent firm with adequate resources and experience, and/or key subcontractors with adequate experience and past performance, and, 	

(4220.1F. Chapter VI. Section 8.b.(10)(b)1)

- has past experience in carrying out similar work with particular attention to management approach, staffing, timeliness, technical success, budgetary controls, and other specialized considerations as described in the solicitation? And,
 (4220.1F. Chapter VI. Section 8.b.(10)(b)2)
- has past deficiencies or past deficiencies that are not the fault of the bidder.
 A prospective bidder or offeror that is or recently has been seriously deficient in contract performance is presumed to be nonresponsible, unless the recipient determines that the circumstances were properly beyond the bidder or offeror’s control, or unless the bidder or offeror has taken appropriate corrective action. Past failure to apply sufficient tenacity, perseverance, and effort to perform acceptably is strong evidence of nonresponsibility. Failure to meet the quality requirements of a contract is a significant factor to consider in determining satisfactory performance. FTA expects the recipient to consider the number of the bidder or offeror’s contracts involved and the extent of deficient performance in each contract when making this determination.
 (4220.1F. Chapter VI. Section 8.b.(10)(b)3)

How considered?

D	Offeror provided information in offer submission or discussions with recipient
D	Other consideration, explain: Click or tap here to enter text.

Criteria 11: Other Criteria to Consider

Describe any other criteria determined relevant and considerations.

[Click or tap here to enter text.](#)

Discussions with Offeror

In doing the research necessary to make a responsibility determination, recipients are permitted to discuss with the Offeror any concerns regarding the Offeror’s responsibility.

Document discussion with Offeror here.

[Click or tap here to enter text.](#)

References

Reference	Notes
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.

History of Previous Projects (with recipient or other references)

Project	Notes
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.

Discussion or description of any attached documents:
Click or tap here to enter text.

Responsible Determination		
	True	False
Based on the analysis noted above, the selected Offeror is determined to be responsible? (2 CFR Part §200.318(h))	D	D

Procurement – Rolling Stock Worksheet

Grantee:	Click or tap here to enter text.
Completed by:	Click or tap here to enter text.
Item to Procure:	Click or tap here to enter text.
Date Completed:	Click or tap to enter a date.

Solicitation Planning – Part 1	
Completed by:	Click or tap here to enter text.
Date:	Click or tap to enter a date.

Confirm that the following items are addressed in the solicitation documents for revenue rolling stock vehicles.		
	True	False
Transit Vehicle Manufacturer (TVM) Compliance with DBE Requirements Does the solicitation explain that for a revenue rolling stock procurement only those transit vehicle manufacturers listed on FTA's eligible TVMs list, or that have submitted a goal methodology to FTA that has been approved or has not been disapproved, at the time of solicitation are eligible to bid? <small>(4220.1F. IV.2.e.(2)) (49 CFR §26.49)</small>	D	D
Bus Testing Items Needed to Complete Certification Does the solicitation explain that for a revenue rolling stock procurement the vehicle must be tested at the Bus Testing Facility, for newer vehicles must have received a passing score, and the recipient must receive the full Bus Testing Report and any partial testing reports before the acceptance of the first vehicle? <small>(4220.1F. IV.2.e.(7)) (49 USC §5318) (49 CFR Part 665)</small>	D	D

<p>Pre-Award Audit</p> <p>The Pre-Award Audit includes making and obtaining required certifications and reviewing the documentation provided by the manufacturer in support of its certification. The Pre-Award Audit is undertaken before contract award and is for the purpose of ensuring that the vehicles delivered by the manufacturer will comply with Buy America and the contract specifications</p> <p>Three certifications must be included in the pre-award audit.</p> <ul style="list-style-type: none"> • Pre-Award Buy America Certification or Pre-Award Buy America Certification of Non-Compliance • Pre-Award Purchaser's Requirements Certification • Pre-Award Certification of Compliance with Federal Motor Vehicle Safety Standards (FMVSS) or Inapplicability of FMVSS. 		
	True	False

Does the solicitation explain that for a revenue rolling stock procurement the manufacturer must be able to supply the recipient the items needed to complete a Pre-Award Audit?	D	D
Pre-Award Buy America Items Needed to Complete Certification The recipient requires either (a) or (b): <ul style="list-style-type: none"> (a) There is a letter from FTA which grants a waiver to the rolling stock to be purchased from the Buy America requirements under section 165(b)(1), (b)(2), or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended; or (b) The recipient is satisfied that the rolling stock to be purchased meets the requirements of section 165(a) or (b)(3) of the Surface Transportation Assistance Act of 1982, as amended, after having reviewed itself or through an audit prepared by someone other than the manufacturer or its agent documentation provided by the manufacturer which lists- <ul style="list-style-type: none"> (1) Component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and (2) The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly. U.S. Manufacturing content must meet percentage requirements – Post Federal Fiscal Years 2019, more than 70%.		
	True	False
Does the solicitation explain that for a revenue rolling stock procurement the manufacturer must supply either an <ul style="list-style-type: none"> (a) FTA granted Buy America requirements waiver or (b) documentation which lists <ul style="list-style-type: none"> (1) component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and (2) The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly? 	D	D
Pre-Award Buy America Audit		
	True	False
If an FTA waiver is not granted to the manufacturer, the recipient, or an auditor acting on the recipient’s behalf, will review the supporting cost documents from the manufacturer in order to verify the estimated domestic content?	D	D
Post-Delivery Purchaser’s Requirement Items Needed to Complete Certification For purchases other than <ul style="list-style-type: none"> (1) Ten or fewer buses; or (2) Procurements of twenty vehicles or fewer serving rural (other than urbanized) areas, or urbanized areas of 200,000 people or fewer; or (3) Any number of primary manufacturer standard production and unmodified vans, 		
	True	False

<p>Does the solicitation explain that the recipient will employ the services of a resident inspector (other than an agent or employee of the manufacturer) at the manufacturing site throughout the period of manufacture of the rolling stock to complete a report on the manufacture of the rolling stock, which will</p> <ul style="list-style-type: none"> (1) Provide accurate records of all vehicle construction activities; and (2) Address how the construction and operation of the vehicles fulfills the contract specifications? 	D	D
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Pre-Award Requirements – Part 2

Completed by:	Click or tap here to enter text.
Date:	Click or tap to enter a date.
<p>The following items are to be completed or collected prior to executing a contract or issuing a purchase order to the successful offeror of a rolling stock acquisition.</p> <p>In the case of a Statewide Contract purchase, if the pre-award requirements were completed at the time of the solicitation, the recipient can use the pre-award documents from the statewide procurement. If those items were not completed at the time of the statewide procurement, then all pre-award items must be completed by the recipient with the supplier before issuing the purchase order.</p>	

<p>Transit Vehicle Manufacturer (TVM) Compliance with DBE Requirements Only those transit vehicle manufacturers listed on FTA's eligible TVMs list, or that have submitted a goal methodology to FTA that has been approved or has not been disapproved, at the time of solicitation are eligible to bid.</p> <p>The list of eligible TVMs can be found at this website: https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/eligible-transit-vehicle-manufacturers</p> <p>Revenue rolling stock vehicles only. Not for service vehicles. (4220.1F.IV.2.e.(2)) (49 CFR §26.49)</p>		
	True	False
The Transit Vehicle Manufacture (TVM) has certified that it has complied with the DBE requirements of 49 CFR §26.49 or is on the list of eligible TVMs (provide copy of screen print with TVM highlighted)?	D	D

<p>Bus Testing Items Needed to Complete Certification Recipient to certify that it has determined that a vehicle to be acquired has satisfied all the following requirements.</p> <p>Revenue rolling stock vehicles only. Not for service vehicles. (4220.1F.IV.2.e.(7)) (49 USC §5318) (49 CFR Part 665)</p>		
	True	False
The vehicle was tested at the Bus Testing Facility?	D	D
The vehicle received a passing score?	D	D
The recipient has received the full Bus Testing Report and any partial testing reports before the acceptance of the first vehicle?	D	D

<p>Pre-Award Audit The Pre-Award Audit includes making and obtaining required certifications and reviewing the documentation provided by the manufacturer in support of its certification. The Pre-Award Audit is undertaken before contract award and is for the purpose of ensuring that the vehicles to be delivered by the manufacturer will comply with Buy America requirements, contract specifications, and if applicable, Federal Motor Vehicle Safety Standards (FMVSS).</p> <p>Three certifications must be included in the pre-award audit.</p> <ul style="list-style-type: none"> • Pre-Award Buy America Certification or Pre-Award Buy America Certification of Non-Compliance • Pre-Award Purchaser’s Requirements Certification • Pre-Award Certification of Compliance with FMVSS or Inapplicability of FMVSS. 		
	True	False
<p>Pre-Award Audit After completing the required certifications, the recipient has completed the Pre-Award Audit? (Attach Pre-Award Audit)</p>	D	D
<p>Pre-Award Buy America Items Needed to Complete Certification Required only for Rolling Stock purchases greater than or equal to \$150,000.</p> <p>A pre-award Buy America certification is a certification that the recipient keeps on file that -</p> <ul style="list-style-type: none"> (a) There is a letter from FTA which grants a waiver to the rolling stock to be purchased from the Buy America requirements under section 165(b)(1), (b)(2), or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended; or (b) The recipient is satisfied that the rolling stock to be purchased meets the requirements of section 165(a) or (b)(3) of the Surface Transportation Assistance Act of 1982, as amended, after having reviewed itself or through an audit prepared by someone other than the manufacturer or its agent, documentation provided by the manufacturer which lists - <ul style="list-style-type: none"> (1) Component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and (2) The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly. <p>U.S. Manufacturing content must meet percentage requirements – Post Federal Fiscal Years 2019, more than 70%.</p> <p>Revenue rolling stock vehicles only. Not for service vehicles. (4220.1F.IV.2.e.(6)) (49 USC §5323(m)) (49 CFR Part 663)</p>		
	True	False
<p>Pre-Award Buy America Manufacturer Reports The manufacturer has supplied either an</p> <ul style="list-style-type: none"> (a) FTA granted Buy America requirements waiver or (b) documentation which lists <ul style="list-style-type: none"> (1) component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and 	D	D

(2) The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly? (Attach documentation)		
Pre-Award Buy America Audit If an FTA waiver is not granted, the recipient, or an auditor acting on the recipient’s behalf, has reviewed the supporting cost documents in order to verify the estimated domestic content?	D	D
Pre-Award Buy America Certification After reviewing the Pre-Award Buy America Audit or the manufacturer’s FTA granted Buy America requirements waiver, the recipient has completed the Pre-Award Buy America Certification? (Attach copy of certification)	D	D

Pre-Award Purchaser’s Requirement Items Needed to Complete Certification A pre-award purchaser's requirements certification is a certification a recipient keeps on file that - <ul style="list-style-type: none"> (a) The rolling stock that the recipient is contracting for is the same product described in the purchaser's solicitation specification; and (b) The proposed manufacturer is a responsible manufacturer with the capability to produce a vehicle that meets the recipient's specification set forth in the recipient's solicitation. <p>Revenue rolling stock vehicles only. Not for service vehicles. (4220.1F.IV.2.e.(6)) (49 USC §5323(m)) (49 CFR Part 663)</p>		
	True	False
Pre-Award Purchaser’s Verification of Specifications The recipient has verified that rolling stock specifications provided by the proposed manufacturer match the solicitation specifications?	D	D
Pre-Award Purchaser’s Determination of Responsible Manufacturer The recipient has determined that the proposed manufacturer is a responsible manufacturer with the capability to produce a vehicle that meets the recipient's specification set forth in the recipient's solicitation?	D	D
Pre-Award Purchaser’s Certification After verifying that the proposed manufacturer has supplied specifications that match the solicitation specifications and determining that the proposed manufacturer is responsible with the capability to produce a vehicle that meets the specifications the recipient has completed the Pre-Award Purchaser’s Certification? (Attach copy of certification)	D	D

Pre-Award Federal Motor Vehicle Safety Standards (FMVSS) Items Needed to Complete Certification		
<p>A recipient shall keep on file its certification that it received, both at the pre-award and post-delivery stage, a copy of the manufacturer's self-certification information that the vehicle complies with relevant Federal Motor Vehicle Safety Standards.</p> <p>Revenue rolling stock vehicles only. Not for service vehicles. (4220.1F.IV.2.e.(6)) (49 USC §5323(m)) (49 CFR Part 663)</p>		
	True	False
<p>Pre-Award FMVSS Manufacturer's Self-Certification</p> <p>The recipient has received a copy of the manufacturer's self-certification information that the vehicle complies with relevant Federal Motor Vehicle Safety Standards? (Attach documentation)</p>	D	D
<p>Pre-Award Certification of Compliance with or Inapplicability of FMVSS</p> <p>After receiving a copy of the manufacturer's self-certification information that the vehicle complies with relevant Federal Motor Vehicle Safety Standards the recipient has completed the Pre-Award Certification of Compliance with or Inapplicability of FMVSS? (Attach copy of certification)</p>	D	D

Post-Delivery Requirements – Part 3	
Completed by:	Click or tap here to enter text.
Date:	Click or tap to enter a date.
<p>The following items are to be completed or collected on the delivery of the rolling stock, prior to the earlier of the transfer of vehicle title to the recipient or the vehicle is put into revenue service.</p>	

<p>Post-Delivery Audit</p> <p>The Post-Delivery Audit includes making and obtaining required certifications and reviewing the documentation provided by the manufacturer in support of its certification. The Post-Delivery Audit is completed upon the delivery of the vehicles but prior to the recipient receiving title to the vehicle or putting it into revenue service and is for the purpose of ensuring that the vehicles delivered by the manufacturer comply with Buy America requirements, contract specifications, and if applicable, the Federal Motor Vehicle Safety Standards (FMVSS).</p> <p>Three certifications must be included in the post-delivery audit.</p> <ul style="list-style-type: none"> Post-Delivery Buy America Certification Post-Delivery Purchaser’s Requirements Certification (based upon a review of the Resident Inspector’s Report) Post-Delivery Certification of Compliance with FMVSS or Inapplicability of FMVSS. 		
	True	False
<p>Post-Delivery Audit</p> <p>After completing the required certifications, the recipient has completed the Post-Delivery Audit? (Attach Post-Delivery Audit)</p>	D	D
<p>Post-Delivery Buy America Items Needed to Complete Certification</p> <p>Required only for Rolling Stock purchases greater than or equal to \$150,000.</p> <p>A recipient’s post-delivery Buy America certification is a certification that the recipient makes and keeps on file that -</p> <ol style="list-style-type: none"> (a) There is a letter from FTA which grants a waiver to the rolling stock to be purchased from the Buy America requirements under section 165(b)(1), (b)(2), or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended; or (b) The recipient is satisfied that the rolling stock to be purchased meets the requirements of section 165(a) or (b)(3) of the Surface Transportation Assistance Act of 1982, as amended, after having reviewed itself or through an audit prepared by someone other than the manufacturer or its agent documentation provided by the manufacturer which lists - <ol style="list-style-type: none"> (1) Component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and (2) The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly. 		

<p>U.S. Manufacturing content must meet percentage requirements – Post Federal Fiscal Years 2019, more than 70%. Revenue rolling stock vehicles only. Not for service vehicles. (4220.1F.IV.2.e.(6)) (49 USC §5323(m)) (49 CFR Part 663)</p>		
	True	False
<p>Post-Delivery Buy America Manufacturer Reports The manufacturer has provided documentation which lists</p> <ul style="list-style-type: none"> (1) Component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and (2) The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly? <p>(Attach documentation)</p>	D	D
<p>Post-Delivery Buy America Audit If an FTA waiver is not granted, the recipient, or an auditor acting on the recipient’s behalf, has reviewed the documentation provided by the manufacturer in order to verify the estimated domestic content?</p>	D	D
<p>Post-Delivery Buy America Certification After reviewing the Post-Delivery Buy America Audit or the manufacturer’s FTA granted Buy America requirements waiver, the recipient has completed the Post-Delivery Buy America Certification? (Attach copy of certification)</p>	D	D

Post Delivery Purchaser’s Requirement Items Needed to Complete Certification
 A post-delivery purchaser’s requirements certification is a certification that the recipient keeps on file that –

For procurements of:

- (1) Ten or fewer buses; or
- (2) Procurements of twenty vehicles or fewer serving rural (other than urbanized) areas, or urbanized areas of 200,000 people or fewer; or
- (3) Any number of primary manufacturer standard production and unmodified vans,

after visually inspecting and road testing the vehicles, the vehicles meet the contract specifications.

OR

For all other rolling stock procurements:

A resident inspector (other than an agent or employee of the manufacturer) was at the manufacturing site throughout the period of manufacture of the rolling stock to be purchased and monitored and completed a report on the manufacture of such rolling stock. Such a report, at a minimum, shall -

- (1) Provide accurate records of all vehicle construction activities; and

(2) Address how the construction and operation of the vehicles fulfills the contract specifications.

After reviewing the report required and visually inspecting and road testing the delivered vehicles, the vehicles meet the contract specifications.

Revenue rolling stock vehicles only. Not for service vehicles.
 (4220.1F.IV.2.e.(6)) (49 USC §5323(m)) (49 CFR Part 663)

	True	False
Post-Delivery Purchaser’s Resident Inspector’s Report Requirement A resident inspector’s report is not required for this procurement or the resident inspector’s report has been received and reviewed for those vehicles required to have one? (Attach documentation)	D	D
Post-Delivery Purchaser’s Vehicle Visual Inspection and Road Test The vehicles have been visually inspected and road tested?	D	D
Post-Delivery Purchaser’s Vehicle Visual Inspection and Road Test After first being visually inspected and road tested, and confirmed to meet the contract specifications, and the resident inspector report reviewed for those vehicles required to have one, the recipient has completed the Post-Delivery Certification for each vehicle? (Attach copy of certifications)	D	D

Post-Delivery Federal Motor Vehicle Safety Standards (FMVSS) Items Needed to Complete Certification
 A recipient shall keep on file its certification that it received, both at the pre-award and post-delivery stage, a copy of the manufacturer’s self-certification information that the vehicle complies with relevant Federal Motor Vehicle Safety Standards.
 Revenue rolling stock vehicles only. Not for service vehicles.
 (4220.1F.IV.2.e.(6)) (49 USC §5323(m)) (49 CFR Part 663)

	True	False
Post-Delivery FMVSS Manufacturer’s Self-Certification The recipient has confirmed that the manufacturer’s FMVSS sticker is attached to each vehicle? (Attach documentation)	D	D
Post-Delivery Certification of Compliance with or Inapplicability of FMVSS After receiving a copy of the manufacturer’s self-certification information that the vehicle complies with relevant Federal Motor Vehicle Safety Standards and confirmation of the FMVSS sticker is attached to each vehicle, the recipient has completed the Post-Delivery Certification of Compliance with or Inapplicability of FMVSS? (Attach copy of certification)	D	D

Procurement – Construction Worksheet

Grantee:	Click or tap here to enter text.
Completed by:	Click or tap here to enter text.
Item to Procure:	Click or tap here to enter text.
Date Completed:	Click or tap to enter a date.

Construction – Part 1

Reviewed prior to advertising

Construction - Bonding requirements		
<p>For construction or facility improvement contracts or subcontracts <u>exceeding the Simplified Acquisition Threshold</u>, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows. (2 CFR §200.326)</p>		
	True	False
<p>Bid Guarantee A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. (2 CFR §200.326(a))</p>	D	D
<p>Performance Bond A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's requirements under such contract. (2 CFR §200.326(b))</p>	D	D
<p>Payment Bond A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. (2 CFR §200.326(c))</p>	D	D
<p>Excessive Bonding Requirements Compliance with State and local bonding policies that are greater than FTA’s bonding requirements do not require FTA approval. FTA recognizes that in some situations bond requirements can be useful if the recipient has a material risk of loss because of a failure of the prospective contractor. This is particularly so if the risk results from the</p>	D	D

<p>likelihood of the contractor’s bankruptcy or financial failure when the work is partially completed. Nevertheless, if the recipient’s “excessive bonding” requirements would violate Regulations as restrictive of competition, FTA will not provide Federal assistance for procurements encumbered by those requirements. Consequently, if the recipient’s bonding policies far exceed those described in 4220.1F.IV.2.i.(1)(f); FTA reminds the recipient that it may find it useful to submit its policy and rationale to the Regional Administrator for the region administering the project.</p> <p>The solicitation does not appear to have excessive bonding requirements? (4220.1F.IV.2.i.(1)(f))</p>		
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Certifications & Clauses Review the Clause and Certification check list for Construction items to be addressed in solicitation and award. (4220.1F.IV.2.i.)		
	True	False
Certifications & Clauses Construction Clauses and Certifications are addressed in the Solicitation?	D	D

Construction – Part 2

Reviewed prior to award

Construction Bonding requirements For construction or facility improvement contracts or subcontracts <u>exceeding the Simplified Acquisition Threshold</u> , the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows. (2 CFR §200.326)		
	True	False
Bid Guarantee A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. (2 CFR §200.326(a))	D	D
Performance Bond A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a	D	D

contract to secure fulfillment of all the contractor's requirements under such contract. (2 CFR §200.326(b))		
Payment Bond A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. (2 CFR §200.326(c))	D	D
Excessive Bonding Requirements Compliance with State and local bonding policies that are greater than FTA's bonding requirements do not require FTA approval. FTA recognizes that in some situations bond requirements can be useful if the recipient has a material risk of loss because of a failure of the prospective contractor. This is particularly so if the risk results from the likelihood of the contractor's bankruptcy or financial failure when the work is partially completed. Nevertheless, if the recipient's "excessive bonding" requirements would violate Regulations as restrictive of competition, FTA will not provide Federal assistance for procurements encumbered by those requirements. Consequently, if the recipient's bonding policies far exceed those described in 4220.1F.IV.2.i.(1)(f); FTA reminds the recipient that it may find it useful to submit its policy and rationale to the Regional Administrator for the region administering the project. The solicitation does not appear to have excessive bonding requirements? (4220.1F.IV.2.i.(1)(f))	D	D

Certifications & Clauses Review the Clause and Certification check list for Construction items to be addressed in solicitation and award. (4220.1F.IV.2.i.)		
	True	False
Certifications & Clauses Construction Clauses and Certifications are received in offers and included in proposed award contract?	D	D

Procurement – Price Analysis and Cost Analysis Worksheet

Grantee:	Click or tap here to enter text.
Item to Procure:	Click or tap here to enter text.
Contracting Officer:	Click or tap here to enter text.
Date Completed:	Click or tap to enter a date.

Price Analysis or Cost Analysis	
D	Price Analysis section is completed.
D	Cost Analysis section is completed.

<h3>Price Analysis</h3>	
<p>If the recipient determines that competition was adequate, a price analysis, rather than a cost analysis, is required to determine the reasonableness of the proposed contract price. (4220.1F Chapter VI Section 6.b.)</p>	
Selected Offer Amount:	\$
Pre-Solicitation Independent Estimate: (from Independent Estimate worksheet)	\$

Reference	Notes
Offer Amount to Independent Estimate Variance \$: Selected Offer – Independent Estimate	\$
Offer Amount to Independent Estimate Variance %: (Selected Offer – Independent Estimate) / Independent Estimate	%
Explanation of Variance: Is the variance within reason and if not, is there a reasonable explanation of the difference?	
Click or tap here to enter text.	
Other Price Analysis Documentation If the above worksheet is not used for price analysis attached alternative method documentation.	

Price Determined to be Fair and Reasonable	
The price is determined to be fair and reasonable based on at least one of the following criteria (please check all that apply).	
D	Price is fair and reasonable based on comparison to independent estimate.
D	Price is fair and reasonable based on bids received (bid tabulation attached).
D	Price is fair and reasonable based on recent purchase (attach documentation).
D	Price is fair and reasonable based on catalog or market prices offered in substantial quantities to the general public.
D	Price is fair and reasonable based on prices are regulated.
D	Price is fair and reasonable based on other reasons. Attach documentation as needed. Describe:
	Click or tap here to enter text.

Cost Analysis

The recipient must obtain a cost analysis when a price analysis will not provide sufficient information to determine the reasonableness of the contract cost. The recipient must obtain a cost analysis when the offeror submits elements (that is, labor hours, overhead, materials, and so forth) of the estimated cost, (such as professional consulting and A&E contracts, and so forth). The recipient is also expected to obtain a cost analysis when price competition is inadequate, when only a sole source is available, even if the procurement is a contract modification, or in the event of a change order. The recipient, however, need not obtain a cost analysis if it can justify price reasonableness of the proposed contract based on a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation.

(4220.1F Chapter VI Section 6.a.)

Cost Analysis - Rational

Check all that apply.

D	Cost analysis prepared due to a price analysis will not provide sufficient information to determine the reasonableness of the contract.
D	Cost analysis prepared due to the offeror submitted elements of the estimated cost. (For Example, A&E type contracts)
D	Cost analysis prepared due to a sole source procurement.
D	Cost analysis prepared due to a single response from an procurement offer which resulted in inadequate competition determination and a sole source procurement

Selected Offer Amount:	\$
Pre-Solicitation Independent Estimate: (from Independent Estimate worksheet)	\$

Elements of cost					
Element	Offer	Estimate	Variance		Explanation
			\$	%	
Element	\$	\$	\$	%	Click or tap here to enter text.
Element	\$	\$	\$	%	Click or tap here to enter text.
Element	\$	\$	\$	%	Click or tap here to enter text.
Element	\$	\$	\$	%	Click or tap here to enter text.
Element	\$	\$	\$	%	Click or tap here to enter text.
Element	\$	\$	\$	%	Click or tap here to enter text.
Element	\$	\$	\$	%	Click or tap here to enter text.
Element	\$	\$	\$	%	Click or tap here to enter text.
Element	\$	\$	\$	%	Click or tap here to enter text.
Element	\$	\$	\$	%	Click or tap here to enter text.
Profit	\$	\$	\$	%	Click or tap here to enter text.
Total	\$	\$	\$	%	

Explanation of Variance:

Is the variance within reason and if not, is there a reasonable explanation of the difference?

Click or tap here to enter text.

Other Cost Analysis Documentation

If the above worksheet is not used for cost analysis attached alternative method documentation.

Cost Analysis – Profit

FTA expects the recipient to negotiate profit as a separate element of the cost for each contract in which there has been no price competition, and in all acquisitions in which the recipient performs or acquires a cost analysis. To establish a fair and reasonable profit, the recipient needs to consider the complexity of the work to be performed, the risk undertaken by the contractor, the contractor’s investment, the amount of subcontracting, the quality of the contractor’s record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(4220.1F Chapter VI Section 6.a(2))

	True	False
Cost Analysis – Profit A cost analysis was completed, and profit was considered in negotiations?	D	D
Cost Analysis – Fair and Reasonable The cost is determined to be fair and reasonable based on the cost analysis?	D	D

Appendix F

Credit Card Standard Operating Procedure



Chattanooga Area Regional Transportation Authority

Standard Operating Procedure	SOP 18-003	Page 1 of 2
	Date of Issue:	Revision: 0.0
Credit Card SOP		

PREPARED BY: Sonja Sparks _____ **Date:** _____
 Author Name

REVIEWED: _____ **Date:** _____
 Reviewer Name

APPROVED: _____ **Date:** _____
 Approving Officer

1. **Purpose:** *The purpose of this Standard Operating Procedure is to Document the purchase credit card process to establish guidelines for the issuance, use, and monitoring of credit cards issued by the agency for official business purposes. This SOP will cover the credit card policy.*

2. **Scope:** *This procedure applies to all employees and officials of the agency who are issued or use agency credit cards.*

3. **Requirements:**
- *Issuance: Credit cards will be issued to authorized personnel based on job requirements and approval from senior management.*
 - *Usage: Cards are to be used strictly for legitimate business expenses related to the operations of the public transportation agency. Personal use is strictly prohibited.*
 - *Transaction Limits: Limits are based on CARTA’s purchasing policy and are limited to Micro-Purchases.*
 - *Merchant Restrictions: Certain categories of merchants, such as those selling alcohol or entertainment services, are restricted.*
 - *All purchases with the company credit card must adhere to CARTA’s purchasing policy (see attached).*

4. **Procedures:**
- *Approval Process: All credit card transactions must be pre-approved by a supervisor unless in cases of emergencies where immediate reporting is required.*
 - *Credit Card purchases must follow CARTA’s Purchasing Policy which requires purchase orders on all purchases unless an emergency situation or in stances where dues, fees, etc. automatically renew. The Purchasing Manager can authorize a purchase order under \$500, any over \$500 must be approved by the CEO, CFO, COO or the Director or Manager of the Department the purchase relates to.*
 - *Documentation: All transactions must be supported by original receipts, invoices, or other documentation detailing the nature and purpose of the expense.*
 - *Reconciliation: Monthly statements will be reviewed and reconciled by both the cardholder and a designated finance officer within the agency.*
 - *Reporting Misuse: Any suspected misuse or unauthorized transactions must be reported immediately to the finance department and investigated promptly.*



Chattanooga Area Regional Transportation Authority

Standard Operating Procedure	SOP 18-003	Page 2 of 2
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Credit Card SOP		

5. *Training: Cardholders will receive mandatory training on appropriate use, documentation, and reporting requirements.*
6. *Penalties: Misuse of the agency's credit card may result in disciplinary action, including reimbursement of funds, termination of employment, and possible legal action.*
7. *Card Security: Cardholders are responsible for the security of their issued credit card. Loss or theft must be reported immediately.*
8. *Account Information: Credit card numbers, expiration dates, and security codes must not be stored in unsecured locations or shared without proper authorization.*
9. *Cancellation: Upon termination or reassignment of the cardholder, the card must be surrendered and the account canceled immediately.*
10. *Expense Reports: Monthly expense reports are required from all cardholders, detailing each transaction, the purpose of the expense, and attaching all relevant receipts.*
11. *Review Process: Expense reports must be reviewed and approved by the cardholder's supervisor and then submitted to the finance department for final review and reconciliation.*
12. *Special Circumstances: Any exceptions to this policy must be documented and approved by the head of the agency or a designated authority.*
13. *Review Cycle: This policy will be reviewed annually or as needed to ensure it remains relevant and effective.*

5. **Reference documents:** CARTA Purchasing Policy

CARTA Purchasing Summary

- I. *Micro-Purchases-purchases/contracts that do not exceed \$10,000.*

I. *Purchases that do not exceed \$10,000 - Options for purchasing:*

- A. *May be obtained without obtaining competitive quotes if the price is determined to be fair and reasonable. All micro purchases with only one (1) quote must include the "Fair and Reasonable Price Determination" section of the purchase order to be signed, dated, and reason checked off. The purchase order must be forwarded to accounting. CARTA will distribute micro purchases procured in this manner equitably among qualified suppliers.*
- B. *At least two telephone quotes may be obtained, and must be documented using the Telephone Quote form, which should include the date, vendor's name, address, phone number, and contact person. In this case, the "Fair and Reasonable Price Determination" form at the bottom of the purchase order is not needed. The completed telephone quote form must be forwarded to accounting.*
- C. *Two written quotes may be obtained by fax, mail, or electronic means. If submitted electronically, the quote must be printed. No "Fair and Reasonable Price Determination" form at the bottom of the purchase order is needed if you have at least two written quotes. Copies of all quotes must be forwarded to accounting.*

Davis-Bacon prevailing wage requirements apply to any micro purchases exceeding \$2,000. Procurements may not be divided or reduced to come within the micro purchase limit.