



# **Subrecipient Procurement Guidelines**

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ATTACHMENTS

- A. Subrecipient Small Purchase Solicitation Request
- B. Subrecipient Small Purchase Vendor Award Request
- C. Subrecipient Sole Source Procurement Request

**I. PURPOSE.** Subrecipients are required to administer FTA-funded procurements in accordance with the requirements set forth in 2 CFR part 200 and the FTA Master Agreement, including Buy America, debarment and suspension, DBE, and lobbying requirements.

**Procurements conducted outside of the federal guidelines may impact the subrecipient's eligibility to be reimbursed for expenditures.**

The Federal Transit Administration (FTA) Circular 4220.1F (Third Party Contracting Requirements) sets forth the requirements that must be followed when soliciting, awarding, and administering federally funded contracts. Subrecipients should also reference the FTA's Best Practices Procurement Manual, the Federal Acquisition Regulation (FAR), State regulations, and FTA's Third Party Procurement FAQ page.

Subrecipients who contract with third parties for goods or services are required to have written procurement procedures that comply with all applicable federal, state, and local guidelines

VIA's Grant staff has oversight responsibility of the subrecipient's procurement processes. VIA's Grant staff, in cooperation with VIA's Procurement staff, will verify that the subrecipient's procurement processes and procedures are in compliance and will assist subrecipient's with procurement related questions and concerns.

**II. GENERAL.** The underlying principle of public (governmental) procurement is fair and open competition and achieving the most efficient and economical use of public funds. The subrecipient is responsible for encouraging meaningful offers from all entities and increasing competition at reasonable expense. Subrecipients should seek to expand the opportunity for Disadvantaged Business Enterprises (DBEs) to compete equally in procurements. The overall objectives are to obtain the best quality and service at minimum cost, to guard against favoritism and profiteering at public expense, and to provide equal opportunities to participate in public business.

Situations considered to be restrictive of competition include:

- Unreasonable qualification requirements for firms to do business;
- Unnecessary experience and excessive bonding requirements;
- Noncompetitive pricing practices between firms or between affiliated companies; and
- Noncompetitive awards to any person or firm on retainer contracts.

The subrecipient is responsible for dealing directly with suppliers and vendors on procurement related issues. Subrecipients must be careful when contacting vendors, especially for specific information regarding products or services such as pricing, availability, etc. Communication with vendors regarding potential purchases must be limited to collecting information to aid in the development of scopes of work/scopes of goods or services and independent cost estimates. This must be done in a manner that does not reveal the subrecipient's budget for a project or give a vendor an unfair advantage over others that may be interested in competing for the purchase.

**III. PROCUREMENT THRESHOLDS.** The methods used to procure goods and services are often determined by the dollar value of the purchase.

**A. Micro-Purchase Threshold** is \$10,000 or less for contracts awarded after June 20, 2018. FTA's only documentation requirement for micro-purchases is a determination in writing that the price being paid is fair and reasonable and a description of how the recipient made its determination. Micro-purchases should be distributed equitably among qualified suppliers in the local area and purchases should not be split to avoid the requirements for competition above the micro-purchase threshold.

*Note: Buy America Requirements do not apply to micro-purchases. Davis-Bacon prevailing wage requirements will apply to construction contracts exceeding \$2,000, even if the recipient uses micro-purchase procurement procedures.*

Subrecipients are not required to obtain prior approval from VIA on micro-purchases. Subrecipients are, however, required to maintain documentation of how the priced was determined fair and reasonable and provide the documentation upon request, such as during compliance reviews.

**B. Simplified Acquisition (Small Purchase) Threshold** is \$150,000 or less, if awarded prior to June 20, 2018; or \$250,000 or less for procurements awarded after June 20, 2018.

*Note: Buy America Requirements apply to all procurements of \$150,000 or more and is not tied to the Simplified Acquisition Threshold.*

Subrecipients are required to obtain approval from VIA at two stages in this procurement process: 1) before solicitations are sent out to prospective vendors and, 2) before making an award. See the Subrecipient Small Purchase Solicitation Request and Subrecipient Small Purchase Vendor Award attachments for additional information.

**C. Formal Procurement Threshold** encompasses everything above the applicable Simplified Acquisition Threshold. The most common types of formal procurements include:

- Sealed Bids / Invitation for Bids (IFB)
- Request for Proposals (RFP)

*Note: Formal Procurements are much more complex and will require close coordination with VIA staff to ensure all areas of compliance are met. Formal procurements will be addressed on a case-by-case basis.*

**IMPORTANT:** Subrecipient procurement policies may set micro-purchase and small purchase thresholds lower than the Federal threshold for their agency. In such cases, the subrecipient must follow the thresholds established by their policies. However, if the subrecipient's thresholds are higher than the Federal thresholds, the subrecipient is constrained by the Federal threshold for all FTA-funded contracts.

**IV. Sole Source Purchases.** A sole-source procurement (procurement by noncompetitive proposals or bids) is one where an equivalent product is unavailable and consideration is limited to one manufacturer, one product, or one service provider. Federal procurement regulations limit the use of sole source procurements and require that such procurements be thoroughly documented. Subrecipients must submit a sole source justification (attached) in writing for VIA approval before proceeding with the procurement award.

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# Subrecipient Small Purchase Solicitation Request

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## Purpose

This form is used to document the processes and approvals required for all Subrecipient procurements that meet FTA's Small Purchase threshold.

## Applicability

**Simplified Acquisition (Small Purchase) Threshold** is \$150,000 or less, if awarded prior to June 20, 2018; or \$250,000 or less for procurements awarded after June 20, 2018. If the subrecipient's procurement policies establish a lower threshold, the subrecipient is required to follow this process for any procurement meeting that threshold.

Subrecipients are not allowed to divide or split the procurement to avoid additional procurement requirements that apply to the larger purchases.

## Requirements

Subrecipients are required to obtain approval from VIA at two stages in the procurement process: 1) before solicitations are sent out to prospective vendors and, 2) before making an award.

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## SOLICITATION APPROVAL

Subrecipients must complete this section of the request form and attach the following supporting documentation to the VIA Grants department for review and approval before soliciting vendor proposals:

- 1) A copy of the Proposed Specifications / Scope of Work document which must include a Terms and Conditions section identifying it as a Federally Funded procurement and outline all applicable Federal Rules/Regulations
- 2) Independent Cost Estimate

Subrecipient Agency Name:

Goods/Services to be Procured:

Independent Cost Estimate Amt:

NOTE: If approved, the Specifications/Scope of Work document is required to be sent to all proposed vendors (minimum of 3). All vendor responses are required to be provided to the subrecipient in writing, acknowledging acceptance of the terms and conditions set forth in the Specifications / Scope of Work document.

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To Be Completed By VIA Personnel Only – A Signed Copy Will Be Returned To The Subrecipient Upon Completion

Is the Specifications / Scope of Work document, including Terms and Conditions, complete and compliant? YES  NO

Is the Independent Cost Estimate complete and reasonable? YES  NO

Is the Subrecipient approved to move forward with this solicitation? YES  NO

VIA Procurement Representative

Name / Signature / Date: \_\_\_\_\_

VIA Grants Representative

Name / Signature / Date: \_\_\_\_\_

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# Subrecipient Small Purchase Vendor Award Request

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## Purpose

This form is used to document the processes and approvals required for all Subrecipient procurement awards that meet FTA's Small Purchase threshold.

## Applicability

**Simplified Acquisition (Small Purchase) Threshold** is \$150,000 or less, if awarded prior to June 20, 2018; or \$250,000 or less for procurements awarded after June 20, 2018. If the subrecipient's procurement policies establish a lower threshold, the subrecipient is required to follow this process for any procurement meeting that threshold.

Subrecipients are not allowed to divide or split the procurement to avoid additional procurement requirements that apply to the larger purchases.

## Requirements

Subrecipients are required to obtain approval from VIA at two stages in the procurement process: 1) before solicitations are sent out to prospective vendors and, 2) before making an award.

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## VENDOR AWARD APPROVAL

Subrecipients must complete this section of the request form, attach the following supporting documentation, and submit to the VIA Grants department for review and approval before making an award to the selected vendor:

- 1) A list of all vendors solicited and/or documentation describing how the Specifications / Scope of Work was made available to the public /prospective vendors
- 2) A list of all vendor responses including vendor name and quoted price
- 3) A copy of each vendor proposal / response received
- 4) Verification that the selected vendor is not debarred / suspended
- 5) A copy of the proposed award document / agreement with all applicable FTA clauses included

Subrecipient Agency Name:

Goods/Services to be Procured:

Proposed Awardee:

Proposed Award Amt:

Representative Name / Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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To Be Completed By VIA Personnel Only – A Signed Copy Will Be Returned To The Subrecipient Upon Completion

Is the Specifications / Scope of Work document, including Terms and Conditions, complete and compliant? YES  NO

Is the Independent Cost Estimate complete and reasonable? YES  NO

Is the Subrecipient approved to move forward with this solicitation? YES  NO

VIA Procurement Representative  
Name / Signature / Date: \_\_\_\_\_

VIA Grants Representative  
Name / Signature / Date: \_\_\_\_\_

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# Subrecipient Request for Sole Source Procurement

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A Sole Source (Proprietary) Procurement is one where equivalent product competition is unavailable and consideration is limited to one manufacturer, one product, or one service provider. Federal procurement regulations limit the use of sole source procurements and require that such procurements be thoroughly documented and appropriately justified.

Written justification for Sole Source procurements must be provided to and approved by VIA before proceeding with an award based on sole source.

Approvals will only be made in accordance with provisions set forth in FTA Circular 4220.1F.

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**Item Requested:**

**Manufacturer/  
Vendor:**

**This proprietary procurement is necessary because (explain the need for the specification, i.e. which part or parts of the stated specification restricts the requisition to one manufacturer or provider).**

**This procurement is justified because (explain the reason competing products are not satisfactory).**

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**Subrecipient Agency Name:**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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To Be Completed By VIA Personnel Only – A Signed Copy Will Be Returned To The Subrecipient Upon Completion

Is this Sole Source Request Approved?      YES       NO

VIA Procurement Representative  
Name / Signature / Date: \_\_\_\_\_

VIA Grants Representative  
Name / Signature / Date: \_\_\_\_\_