



1700 W. Fifth St.
San Bernardino, CA 92411
909-379-7100
www.omnitrans.org

REVISED
ITEM # E4

DATE: September 9, 2013

TO: Committee Chair Patrick Morris and
Members of the Administrative and Finance Committee

THROUGH: P. Scott Graham, Interim CEO/General Manager

FROM: Jennifer M. Sims, Director of Procurement

**SUBJECT: ADOPT REVISIONS TO OMNITRANS PROCUREMENT POLICY 4000,
SEALED BIDS AND PROCUREMENT PROCEDURE 4000-1, FORMAL
PROCUREMENT PROCEDURES**

FORM MOTION

Review and recommend adoption to the Board of Directors revisions to Omnitrans' Procurement Policy 4000, Sealed Bids, and 4000-1, Formal Procurement Procedures, to become effective October 2, 2013.

BACKGROUND

The Common Grant Rule (49 C.F.R. § 18.36(b)(5), provides that “grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurements of common goods and services,” however, the Federal Transit Administration (FTA) no longer authorizes State and local intergovernmental agreements to be used by grantees. The FTA revised Circular 4220.1F on March 18, 2013, recognizing joint procurements and contract assignments as the only type of intergovernmental agreement suitable for use.

Accordingly, Omnitrans' Procurement Policy 4000, Sealed Bids and Procurement Procedure 4000-1, Formal Procurement Procedures, have been updated to support the revised FTA C 4220.1F. Minor edits have also been made for consistency with the online bidding system and to eliminate duplication with Procurement Policy 2010 (Emergency & Non-Competitive Procurements), and Procurement Procedures 2060-1 (Emergency Procurements), and 4050-1(Non-Competitive & Sole Source Procurement). Upon approval by the Board of Directors, Omnitrans will have fully complied with the FTA's recommendations as detailed in the Procurement System Review Final Report.

PSG:js



FORMAL PROCUREMENT POLICY

Sealed Bids

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: ~~October 7, 2009~~ October 2, 2013

1. POLICY OVERVIEW

- 1.1. Procurements over \$100,000.00, as defined as in FTA C4220.1 ~~EF Paragraph 9.e.i.~~, shall require a formal procurement process.
- 1.2. Requirements for goods or services with an aggregate value of \$100,000.00 per acquisition, or per contract period including option years shall be processed in the same fashion. These requirements include:
 - 1.2.1. Rental/lease payments;
 - 1.2.2. Maintenance service contracts including option years; and,
 - 1.2.3. Construction projects.
- 1.3. **NOTE:** Purchases in excess of \$25,000.00, but not greater than \$100,000.00 shall not require formal authorization for release from Omnitrans' Board of Directors. All purchases in excess of \$100,000.00, however, shall be processed formally including obtaining authorization for release of solicitation from Omnitrans' Board of Directors.
- 1.4. Tag-Ons. A tag-on is the adding on to the contracted quantities (base and option) as originally advertised, competed, and awarded. In accordance with federal regulations, the use of Tag-Ons is strictly prohibited.
- 1.5. Piggybacking (where the contract resulted from an open and competitive advertisement, evaluation, and award). Piggybacking is an assignment of existing contract rights to purchase supplies, equipment, or services. Omnitrans, where possible, will seek to take advantage of existing contracts awarded by other governmental entities for goods and services.
- 1.5-1.6. Joint Procurement means 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 and total 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. Omnitrans, where possible, will seek to partner with other government entities to take advantage of economies of scale.
- ~~1.6-1.7.~~ 1.7. Federal Cost Principles: Costs or prices based on estimated costs for contracts funded through Federal grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal Cost Principles. (Federal Acquisition Regulations, Part 31). Omnitrans may reference its own cost principles that comply with applicable Federal cost principles.



FORMAL PROCUREMENT POLICY

Sealed Bids

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: ~~October 7, 2009~~ October 2, 2013

2. EXCEPTIONS

There are situations in which procurements that would otherwise meet the requirements for the formal procurement process are exempt. See Policy 2010, Emergency Procurements and Non-Competitive/Sole Source Procurement, for more information on exceptions to the formal procurement process.

3. INVITATION FOR BIDS (IFB)

3.1. In support of certain formal procurement transactions, Omnitrans' staff will send out an Invitation for Bids (IFB) when seeking to procure supplies, equipment, materials, and construction projects. The existence of the following factors will determine whether Omnitrans should use the IFB method of awarding a contract:

- 3.1.1. A complete, adequate, and realistic specification or a clear scope of work (SOW) is available;
- 3.1.2. Two or more bidders are willing and able to compete effectively for the contract;
- 3.1.3. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price;
- 3.1.4. No discussion with bidders is needed after receipt of offers;
- 3.1.5. Award is made to the lowest, responsive, responsible bidder.

4. REQUEST FOR PROPOSALS (RFP)

4.1. Formal procurement transactions calling for a Request for Proposals (RFP) are normally conducted with more than one anticipated source submitting a proposal, and awards are generally made to the responsible firm whose proposal offers Omnitrans the most advantageous terms with price and other factors considered.

4.2. The competitive negotiations (RFP) process shall be used for:

- a. Professional Services
- b. Support Services
- c. Technical services
- d. Operational Services
- e. Maintenance Services
- f. Architectural and Engineering Services, or
- g. Specialized Transit Equipment as defined.

4.3. A request for proposals typically includes all of the elements of an invitation for bids and, in addition, usually contains clearly identified evaluation factors and their



FORMAL PROCUREMENT POLICY

Sealed Bids

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: ~~October 7, 2009~~ October 2, 2013

relative importance.

5. RFP AWARD PROCESS

5.1. Unless all ~~bids~~/proposals are rejected, contract award will be made to the responsive and responsible firm offering the most advantageous terms with price and other factors considered.

5.1.1. For projects less than \$25,000.00, award will be made with the authorization of the CEO/General Manager or his/her designee.

5.1.2. For projects of \$25,000.00 or more, award will be made with the authorization of the Board of Directors.

5.2. Public Award Announcement. Any award announcement issued by Omnitrans for goods and services (including construction services) having an aggregate value of \$500,000.00 or more shall specify the amount of the Federal funds as a percentage of the total costs of the award.

5.3. In all sealed ~~bid~~/proposal procurements, the award of contracts shall be to the responsive and responsible firm offering the most advantageous pricing terms.

5.4. If the award is to be made to other than the bidder offering the most advantageous pricing terms, a full justification memorandum should be prepared and put into the contract file.

5.5. In the unlikely event that identical bids are received, the successful bidder will be determined based upon the assessment and evaluation of the bids by Omnitrans' designated Evaluation Committee.

5.6. The Board of Directors is not bound by the recommendation of the Evaluation Committee or working staff when they believe their action will further Omnitrans' statutory functions.

5.6.1. However, the decision of the Board of Directors must be consistent with the solicitation's (~~IFB~~/RFP) written evaluation criteria and requirements, and must have a rational basis for the decision, which is fully documented for the procurement files.

—5.7—Sound and Complete Agreement

—5.7.1—All contracts shall include provisions to define a sound and complete agreement. In addition, contracts and subcontracts shall contain contractual provisions or conditions that allow for:

a. —Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, including sanctions and penalties as may be appropriate. (All contracts in excess of the small



FORMAL PROCUREMENT POLICY

Sealed Bids

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: ~~October 7, 2009~~ October 2, 2013

purchase threshold.)

b. —Termination for cause and for convenience by the grantee or sub-grantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000.)

5.7.2 —Contracts shall be reviewed to ensure that each is a sound and complete agreement, as well as- for compliance with FTA requirements under its Circular 4220.1F and Omnitrans' Policy and Procedures. The Contract and Procurement Review Worksheet (Attachment A) will be used to document the review.

6. -BONDING

~~36.13.1~~ —Bonds are required for all construction contracts valued at over ~~\$100,000.00~~ \$25,000

—————(see FTA Circular 4220.1F, Section IV.2.~~hi~~(1) for FTA requirements).

Bond or surety requirements will not be waived without the permission of the Board of Directors. The following minimum criteria apply:

- A bid guarantee equivalent to 5% of a proposers' bid price, consisting of a firm commitment such as a bid bond, certified check or other negotiable instrument submitted with a bid to ensure the bidder will honor its bid upon acceptance by Omnitrans.
- ~~Performance~~ayment bond equal to 100% of the contract price to ensure contractor completes its obligations under a contract.
- ~~Payment~~erformance bonds equal to the following to ensure a contractor will pay all who provide labor and materials for the completion of a contract:
 - a) For construction contracts priced at <\$1 million: a ~~payment~~erformance bond equal to 50% of the contract price;
 - ~~b)~~ —For construction contracts over \$1 million but less than \$5 million: a ~~payment~~erformance bond equal to 40% of the contract price;
 - ~~b)~~
 - c) For construction contracts over \$5 million: a ~~payment~~erformance bond of \$2.5 million.

7. AWARD OF THE CONTRACT



FORMAL PROCUREMENT POLICY

Sealed Bids

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: ~~October 7, 2009~~ October 2, 2013

~~7.1.~~ Upon award of the contract by the Omnitrans' Board of Directors, the Contracts staff will notify unsuccessful bidders in writing and, if applicable, return their bid bonds.

7.2. Bid bonds submitted by the successful bidder will be retained by Contracts staff.

~~7.3.~~ A preliminary notice of award shall be issued to the successful bidder notifying them that they have been selected for award and that an integrated bilateral contract document will be forthcoming. The ~~integrated~~ conformed contract shall include, but not be limited to, the final negotiated terms and conditions, including price, specifications, warranty provisions, etc.

8. PROGRESS PAYMENTS

~~8.1~~ 8.1 Progress Payments. Omnitrans may use progress payments provided the following requirements are met:-

1) ~~(1)~~ Progress payments are considered to be to the best interest of the Agency.

(2) Progress payments are only made to the contractor for costs incurred in the performance of the contract.

(3) Omnitrans must obtain adequate security for progress payments. Adequate security may include taking title, letter of credit or equivalent means to protect the Omnitrans' interest in the progress payment.

8.2 Formal Review of Progress Payments:

~~(1)~~ Requests for progress payments shall be formally reviewed with results documented and filed with each Contract.

9. REQUIRED FEDERAL CLAUSES

9.1 Contracts staff will review the contract to ensure that all the applicable Federal, State, and local clauses are included.

9.2 These clauses would include, but not be limited to, the following provisions: Civil Rights, DBE, Buy America, Lobbying, Debarment, and Davis-Bacon Act. The Contracts staff will also ensure that, where required, the proper certifications are



FORMAL PROCUREMENT POLICY

Sealed Bids

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: ~~October 7, 2009~~ October 2, 2013

included with each proposal and signed by the appropriate individual.

9.3 Procedure 4080-1 Table 1 summarizes the various federal clauses and/or certifications required for third party contracts utilizing federal funds.

10. DEFINITIONS

10.1 Competitive Purchases \$100,000.01 and Over

Competitive Purchases are defined as any purchase with a value of \$100,000.01 and above. Purchases of this amount require full and open competition. Formal procurement methods (sealed bid/competitive proposals) must be utilized, and most procurements of this nature are subject to Federal/State requirements. Board approval is required prior to the procurement process starting and then prior to contract award. Technical specifications/scope of work and/or any other specific requirements shall be prepared by the requesting department and submitted to the Procurement Department. The Procurement Department will prepare and publicly release an Invitation for Bids (IFB) or a Request for Proposals (RFP), as appropriate. (See Policy 4000.3 and 4000.4 for further discussion). IFBs/RFPs are publicly advertised in newspapers of general circulation, in addition to being emailed directly to the sources that are listed/registered in Omnitrans' online vendor database. Competitive procurements are also posted on Omnitrans' website.

The threshold requirements, as outlined above, apply to the aggregate purchase amount of the required goods or services. It is not Omnitrans' policy to separate related costs for the express purpose of avoiding the competitive bid process.

10.2 Non-Competitive (Sole Source) Procurement

Under some circumstances, noncompetitive negotiations or "sole source" procurements may prove necessary to obtain goods or services without requiring formal procurement procedures. (See Policy 2010).

~~10.3 Intergovernmental Procurement Agreements~~

~~To foster economy and efficiency, Omnitrans may enter into State and local intergovernmental or interagency agreements for procurement or use of common goods and services. Omnitrans may also plan procurements in advance with other governmental users and competitively award contracts in which several governmental entities may draw upon to meet their needs. This approach creates economies of scale, reduces procurement lead times, and reduces administrative effort and expense. The requirements and standards of this manual apply to these agreements.~~

~~10.4~~ 10.3 Options

Option items may be included in contracts entered into by Omnitrans. An option is a unilateral right in a contract by which, for a specified time, Omnitrans may elect to purchase additional equipment, supplies, or services called for in the contract or may



FORMAL PROCUREMENT POLICY

Sealed Bids

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: ~~October 7, 2009~~ October 2, 2013

elect to extend the term of the contract. If Omnitrans chooses to use options, the requirements below apply:

1. Evaluation of Options

- a. If required in the solicitation, 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 shall be considered a sole source procurement.

2. Exercise of Options

- a. Omnitrans must ensure that the exercise of an option is in accordance with the terms and conditions of the option provisions stated in the initial contract awarded.
- b. To the extent possible, the exercise of contract options shall be measured in terms of its ability to either enhance or positively influence staff's ability to fully support Omnitrans' strategic plan.
- c. An option may not be exercised unless Omnitrans has 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.
- d. As of May 2002, the FTA has rescinded its five-year contract term limitation for some FTA-funded contracts, including "revenue contracts." Good procurement practice requires that Omnitrans enter into contract terms no longer than is minimally necessary to accomplish the purpose of the contract. Therefore, it remains the general practice of Omnitrans to contract for terms not exceeding a five (5) year period, inclusive of options. Procurements of rolling stock and replacement parts remain limited by law to five (5) years.

~~10.5~~10.4 -Federal General Service Administration (GSA) Schedules

Under certain circumstances, Omnitrans may be permitted to make purchases through Federal GSA supply schedules in accordance with GSA published procedures, as outlined in the Best Practices Procurement Manual. The Procurement Department will determine if the proposed procurement can utilize existing Federal GSA schedules and follow Procurement Procedure 4000-1.

~~10.6~~10.5 -Procurement Department Files

The Procurement Department maintains a procurement history file which provides an audit trail from the initiation of a purchasing requirement through contract closeout. Where appropriate, the files will include documentation such as the requisitions, independent cost estimate, list of sources solicited, specifications/scope of work,



FORMAL PROCUREMENT POLICY

Sealed Bids

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: ~~October 7, 2009~~ October 2, 2013

original solicitation, amendments, proposals, bid evaluation results, determination that price is fair and reasonable, contract or purchase order, change orders, Board agendas, copies of public notices, insurance documents, evidence of performance/payment or other bond documents, notice of award, notice to proceed, and all other related correspondence.

~~10.7~~10.6 –Geographic Restrictions

Omnitrans will not use geographic preferences in the award of contracts except in the case of procurement of architectural and engineering (A&E) services, where knowledge of local conditions and building codes is a relevant factor in the quality of the A&E services.

~~10.8~~10.7 –Progress Payment

In some circumstances, Omnitrans may enter into contracts that require the use of progress payments. Progress payments shall only be made to the contractor for costs incurred in the performance of the contract. In addition, the Agency must obtain title to the property (materials, work in progress, finished goods) for which the progress payments are made. The Agency does not participate in funding payments (advance payments) to a contractor prior to the incurrence of costs by the contractor.

~~10.9~~10.8 –Solicitation ~~Mailing Bidders~~ List

In addition to the general requirement for full and open competition (publicly advertised solicitations), the Agency maintains a bidders list of eligible and qualified vendors who have expressed an interest in receiving solicitations. The bidders list contains the names, addresses, and point of contact for entities that will receive the solicitation. Firms responding to the publicly advertised notice for a specific solicitation are added to the mailing list.

~~10.10~~10.9 –Pre-Bid and Pre-Proposal Conferences

Pre-bid and pre-proposal conferences are generally used in complex acquisitions as a means of briefing prospective bidders and explaining complicated specifications and requirements. The conference is chaired by the responsible Procurement Department staff member and is an open forum where potential respondents may address ambiguities in the solicitation documents. Notice of the conference is included in the solicitation at the time of issuance.

~~10.11~~10.10 –Cost and Price Analysis

Some form of cost or price analysis shall be made and documented for every procurement action, including contract modifications, except as indicated in the procedure. The method and degree of analysis is dependent on the facts surrounding the particular procurement. At a minimum, Omnitrans shall develop independent cost estimates for each procurement before receiving bids or proposals. The intent of



Procurement Policy Manual

Policy 4000

Page 9 of 9

FORMAL PROCUREMENT POLICY

Sealed Bids

Approved by Omnitrans Board of Directors

Date Approved: January 9, 2002

Revised Board Approval: ~~October 7, 2009~~ October 2, 2013

performing a cost or price analysis is to ensure Omnitrans receives a fair and equitable price consistent with the required quality, delivery, and overall terms of the transaction. All cost/price analyses will be documented and such documents shall be retained in the procurement files.



FORMAL PROCUREMENT PROCEDURES Overview

Approved by Omnitrans Board of Directors
Date Approved: ~~October 2, 2013~~ January 9, 2002
~~Admin. & Finance Committee~~
Approval: May 8, 2006
Revised October 15, 2007
Revised: September 2009

Formatted: Strikethrough

Formatted: Strikethrough

1. OVERVIEW

- 1.1. Procurements requiring a formal procurement process are defined as the following:
1.1.1. Requirements for goods or services to be purchased exceeding \$100,000.00 per acquisition...
1.1.1.1. Rental/lease payments;
1.1.1.2. Maintenance service contracts including option years; and,
1.1.1.3. Construction projects.
1.1.2. NOTE: Purchases in excess of \$25,000.00, but not greater than \$100,000.00 per award...

2. EXCEPTIONS

- 2.1. There are situations in which procurements that would otherwise meet the requirements for the formal procurement process are exempt. See Policy 2010, Emergency & Non-Competitive/Sole Source Procurement...

3. DEFINITION OF COMMON TERMS

- 3.1. Competitive Procurements exceeding \$100,000.00
3.1.1. Competitive Procurements for purchases with an aggregate value exceeding \$100,000.00, including exercise of all option years, require a formal procurement process. All formal procurements require full and open competition. Formal procurement methods (sealed bid/competitive proposals) must be utilized and most procurements of this nature are subject to federal/state requirements. Board approval is required prior to the start of the procurement process and also to award a contract. Technical specifications/scope of work and/or any other specific requirements shall be prepared by the requesting department and submitted to the Procurement Department. The Procurement Department will prepare and publicly release an Invitation for Bid (IFB) or a Request for Proposal (RFP), as appropriate. (See Procedure 4060-1 and 4070-1 for further discussion). IFBs/RFPs are publicly advertised in newspapers of general circulation in addition to being emailed directly to the sources listed/registered in Omnitrans' vendor database. Competitive procurements are also posted on line via Omnitrans'



FORMAL PROCUREMENT PROCEDURES Overview

Approved by Omnitrans Board of Directors
Date Approved: ~~October 2, 2013~~ ~~January 9, 2002~~
~~Admin. & Finance Committee~~
Approval: May 8, 2006
Revised October 15, 2007
Revised: September 2009

Formatted: Strikethrough

Formatted: Strikethrough

~~website~~ online bidding system.

3.1.2. The threshold requirements, as outlined above, apply to the aggregate purchase amount of the required goods or services. It is not Omnitrans' policy to separate related costs for the express purpose of avoiding the competitive bid process.

3.2. Non-Competitive (Sole Source) Procurement

3.2.1. Under certain conditions, non-competitive or "sole source" procurements may be authorized for the acquisition of goods and/or services. In all cases, all sole source procurements will be supported by a properly prepared Sole Source Justification ~~and Approval Worksheet~~ (Attachment A See Policy 2010 and 2060-1 and 4050-1).

~~3.2.1 To allow Omnitrans to expediently and adequately respond to public emergencies. In such cases, the Board of Directors may approve the award of a contract or issuance of a purchase order to a single source. (See Policy 2010 and Procedures 2060-1 and 4050-1 for details on parameters and definitions.) Documents fully explaining the emergency will be filed.~~

~~3.2.1.1 The item is available only from a single source and no other supplies or services can satisfy the requirement~~

~~3.2.1.2 The FTA authorizes non-competitive negotiations.~~

~~3.2.1.3 Lack of adequate competition (see FTA Circular 4220.1F, Section VI.3.i.2.a, page VI-16)~~

3.3. Intergovernmental Procurement Agreements

~~3.3.1. To foster economy and efficiency, Omnitrans may enter into State and local intergovernmental or interagency agreements for procurement or use of common goods and services. FTA recognizes joint purchases to be the only type of intergovernmental agreement suitable for use by its grantees and subgrantees. Omnitrans may also plan procurements in advance with other governmental users, and competitively award contracts in which several governmental entities may draw upon to meet their needs. This approach creates economies of scale, reduces procurement lead times and reduces administrative effort and expense. The requirements and standards of this manual apply to these agreements.~~

3.3.2. All FTA and Federal Requirements apply. When obtaining property or services in this manner, Omnitrans must ensure all Federal requirements, required clauses, and certifications (including Buy America) are properly followed and included, whether in the master intergovernmental contract or in



FORMAL PROCUREMENT PROCEDURES Overview

Approved by Omnitrans Board of Directors
Date Approved: ~~October 2, 2013~~ ~~January 9, 2002~~
~~Admin. & Finance Committee~~
Approval: May 8, 2006
Revised October 15, 2007
Revised: September 2009

Formatted: Strikethrough

Formatted: Strikethrough

Omnitrans' purchase document.

~~3.3.1.3.3.3.~~ When buying from these schedules, Omnitrans should obtain Buy America certification before entering into the purchase order.

3.4. Options

3.4.1. Option items may be included in contracts entered into by Omnitrans. An option is a unilateral right in a contract by which, for a specified time, Omnitrans may elect to purchase additional equipment, supplies, or services called for in the contract, or may elect to extend the term of the contract. If Omnitrans chooses to use options, the requirements below apply:

3.4.1.1. Evaluation of options

3.4.1.1.1. To all extent possible, Project Managers or owning departments will test how the exercise of contract options contribute to the fulfillment of Omnitrans' strategic plan. Further instructions are found in Procedure 6021 (see Attachment B).

3.4.1.1.2. Option quantities or periods in a vendor's offer will be evaluated as part of the entire offer. When options are not reviewed as part of the original evaluation process, the exercise of such options will be considered a sole source procurement.

3.4.1.2. Exercise of Options

3.4.1.2.1. Options are to be included in the terms and conditions of the initial contract award document.

3.4.1.2.2. Omnitrans must ensure that the exercise of an option is in accordance with the terms and conditions of the option provisions stated in the initial contract awarded.

3.4.1.2.3. Options will not be exercised without the determination that the option price is better than current market offerings or without the determination that exercising the option is the most advantageous for the Agency at the time of its exercise.

3.4.1.2.4. As of May 2002, the FTA has rescinded its five-year contract term limitation for some FTA-funded contracts, including "revenue contracts". Good procurement practice requires that Omnitrans enter into contract terms no longer than is minimally necessary to accomplish the



FORMAL PROCUREMENT PROCEDURES Overview

Approved by Omnitrans Board of Directors
Date Approved: October 2, 2013, January 9, 2002
Admin. & Finance Committee
Approval: May 8, 2006
Revised October 15, 2007
Revised: September 2009

Formatted: Strikethrough

Formatted: Strikethrough

purpose of the contract. Therefore, it remains the general practice of Omnitrans to contract for terms not exceeding a five (5) year period, inclusive of options.

3.5. Federal General Service Administration (GSA) Schedules

3.5.1. Under certain circumstances, Omnitrans may be permitted to make purchases through Federal GSA supply schedules in accordance with GSA published procedures as outlined in the Best Practices Procurement Manual. The Procurement Department will determine if the proposed procurement can utilize existing GSA schedules.

3.5.1-3.5.2. Procurement will obtain the required offers from at least three sources, analyze the prices for reasonableness, and seek a lower than published price when necessary.

3.6. Procurement Department Files

3.6.1. The Procurement Department maintains a procurement History file which provides an audit trail from the initiation of a purchasing requirement through contract closeout. Where appropriate, the files will include documentation such as, the requisitions, independent cost estimate, list of sources solicited, specifications/scope of work, original solicitation, amendments, proposals, bid evaluation results, determination that price is fair and reasonable, contract or purchase order, change orders, Board agendas, copies of public notices, insurance documents, evidence of performance/payment or other bond documents, notice of award, notice to proceed and all other related correspondence.

3.7. Geographic Restrictions

3.7.1. Omnitrans will not use geographic preferences in the award of contracts except in the case of procurement of architectural and engineering (A&E) services, where knowledge of local conditions and building codes is a relevant factor in the quality of the A&E services.

3.8. Progress Payment

3.8.1. In some circumstances, Omnitrans may enter into contracts that require the use of progress payments. Progress payments shall only be made to the contractor for costs incurred in the performance of the contract. In addition, the Agency must obtain title to the property (materials, work in progress, finished goods) for which the progress payments are made. The Agency does not participate in funding payments (advance payments) to a contractor prior to the incurrence of costs by the contractor.



FORMAL PROCUREMENT PROCEDURES Overview

Approved by Omnitrans Board of Directors
Date Approved: ~~October 2, 2013~~ ~~January 9, 2002~~
~~Admin. & Finance Committee~~
~~Approval: May 8, 2006~~
~~Revised October 15, 2007~~
~~Revised: September 2009~~

Formatted: Strikethrough

Formatted: Strikethrough

3.9. Solicitation Mailing List

3.9.1. In addition to the general requirement for full and open competition (publicly advertised solicitations), the Agency maintains a bidders list of eligible and qualified vendors who have expressed an interest in receiving solicitations. The bidders list contains the names, addresses and point of contact for entities that will receive the solicitation. Firms responding to the publicly advertised notice for a specific solicitation are added to the mailing list.

3.10. Pre-Bid and Pre-Proposal Conferences

3.10.1. Pre-bid and pre-proposal conferences are generally used in complex acquisitions as a means of briefing prospective bidders and explaining complicated specifications and requirements. The conference is chaired by the responsible Procurement Department staff member and is an open forum where potential respondents may address ambiguities in the solicitation documents. Notice of the conference is included in the solicitation at the time of issuance.

3.11. Cost and Price Analysis

3.11.1. Some form of cost or price analysis shall be made and documented for every procurement action, including contract modifications, except as indicated in the procedure. The method and degree of analysis is dependent on the facts surrounding the particular procurement. At a minimum, Omnitrans shall develop independent cost estimates for each procurement before receiving bids or proposals. The intent of performing a cost or price analysis is to ensure Omnitrans receives a fair and equitable price consistent with the required quality, delivery, and overall terms of the transaction.

3.12. Pre-Award and Post Delivery Requirements for Rolling Stock

3.12.1. When purchasing revenue service rolling stock with FTA funds, a pre-award audit must be completed prior to entering into a formal contract for the purchase of the rolling stock in compliance with 49 CFR § 663.21. The pre-award audit shall include:

- A Buy America certification
- A purchaser's requirements certification; and
- Where appropriate, a manufacture's Federal Motor Vehicle Safety certification information.

3.12.2. A post delivery audit must be completed before title to the rolling stock is transferred and shall include:



FORMAL PROCUREMENT PROCEDURES Overview

Approved by Omnitrans Board of Directors
Date Approved: ~~October 2, 2013~~ ~~January 9, 2002~~
~~Admin. & Finance Committee~~
~~Approval: May 8, 2006~~
~~Revised October 15, 2007~~
~~Revised: September 2009~~

Formatted: Strikethrough

Formatted: Strikethrough

- A post delivery Buy America certification;
- A post-delivery purchasers certification;
- Where appropriate a manufacturer’s Federal Motor Vehicle Safety Standard self certification information.
- Review actual component to ensure that the vehicle meets 60 percent Buy America domestic content requirement;
- Check that the final assembly location is in the United States and the manufacturer’s final assembly activities meet the requirements outlined in regulations; and
- Have an on-site inspector for rail car procurements and bus procurements of greater than 10 vehicles.

3.13 Bonding and Sureties

3.13.1 Bonds are required for all construction contracts valued at over \$100,000.00 (see FTA Circular 4220.1F, Section IV.2.h for FTA requirements, and the California Contracts Code Section for State requirements). Bond or surety requirements will not be waived without the permission of the Board of Directors. The following minimum criteria apply:

- A bid guarantee equivalent to 5% of a proposers’ bid price, consisting of a firm commitment such as a bid bond, certified check or other negotiable instrument submitted with a bid to ensure the bidder will honor its bid upon acceptance by Omnitrans.
- Performance bond equal to 100% of the contract price to ensure contractor completes its obligations under a contract.
- Payment bonds equal to 100% of the contract price to ensure a contractor will pay all who provide labor and materials for the completion of a contract.