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Introduction

This procurement manual applies specifically to purchases of goods and services for Community Services Department of the City of Mitchell, SD that are funded by federal and state transit revenues.

Community Services (Community Services) receives funding from the federal government and the state, as well as other agencies. Local government contributors include city and county governments. Therefore, Community Services adopts procurement policies and procedures that are consistent with federal regulations and the laws of South Dakota. These procedures apply to all procurements irrespective of the source of the funds. Specific requirements for procurements funded by the Federal Transit Administration (FTA) may also be identified.

The purpose of these policies and procedures is to set forth the procurement methods and establish standards for obtaining goods and services, including construction, professional, and Architectural/Engineering (“A/E”) services necessary for the operation of Community Services. These procedures include guidelines for the solicitation, award, and administration of formally advertised contracts, as well as the consultant selection, negotiation, award, and administration of competitively negotiated and A/E contracts. For more detailed information refer to the reference section of this document for references.

The procurement procedures are designed to:

1.) Instill public confidence in the procurement process of Community Services.
2.) Ensure fair and equitable treatment for all vendors who seek to deal with Community Services. Ensure maximum open and free competition in the expenditure of public funds. Provide the safeguards to maintain a procurement system of quality and integrity.

The methods by which the foregoing is implemented are described in detail in the remainder of this document.

The procurement process is ongoing throughout the fiscal year. During budget, the needs are identified for all goods that will be procured during the upcoming fiscal year.

Delegations

1. Except as otherwise provided in these procedures, all rights, powers, duties, and authorities relating to the procurement of supplies, services, and construction are vested in the Director of Community Services or a designee.
2. The Mitchell City Council is specifically authorized to delegate approval authority to a designee.
3. The Mitchell City Council is specifically authorized to execute approval authorized at any level.
4. The Director of Community Services is specifically authorized to execute approvals delegated to a designee.

Policies and Procedures

Responsibilities
The Director of Community Services has authority to authorize contract actions. Whenever the term “Director of Community Services” shall appear in this document, the term shall also include authorized designee(s). (The authority of the designees varies significantly depending on the value and type of procurement action.)

The Director of Community Services is responsible for updating these procurement procedures on an as-needed basis.

The Director of Community Services shall be authorized to enter into, administer, and terminate contracts. However, the Director of Community Services may bind the City of Mitchell only to the extent of the Contracting authority delegated to the Director of Community Services.

The Director of Community Services shall ensure that a clear and accurate specification/scope of work is developed for all procurement.

The Director of Community Services shall not enter into a contract unless all applicable requirements of Federal law, Federal regulations and Circulars, South Dakota law, and all other applicable City of Mitchell procedures (including approvals) have been met.

The Director of Community Services shall ensure that contractors receive impartial, fair, and equitable treatment in accordance with the policies specified per state and federal mandate.

The Director of Community Services or his/her designee shall be the primary City of Mitchell employee to determine that contract prices are fair and reasonable prior to signing the Contract or any changes thereto.

The Director of Community Services shall not make any purchase or enter into any contract for an amount which exceeds his or her specifically delegated contracting authority.

The Director of Community Services and/or his/her designee is responsible for soliciting bids and proposals; for serving as the chairperson of pre-bid & pre-proposal conferences, qualification hearings and proposal evaluation meetings; for conducting contract negotiation sessions; for managing the non-technical aspects of post award contract administration including negotiation of modifications, claims, and supplemental agreements.

The Director of Community Services and/or his/her designee is also responsible for such tasks as writing, preparing, and assembling contract documents; obtaining necessary pre-solicitation approvals; advertising RFP's and IFB's, issuing amendments, obtaining post-bid opening approvals for award, conducting investigations of the proposed Contractor's past performance, conducting consultant selection meetings for negotiated contracts and conducting negotiations, monitor the Contractor's performance, and managing termination for default or convenience procedures whenever the need arises.
Normally, the Director of Community Services approves or disapproves the technical acceptability and timeliness of the work completed and the invoices submitted by the Contractor for payment.

The Director of Community Services shall ensure that sufficient unencumbered funds are available for each contract.

The Director of Community Services is also the person to whom reports of warranted equipment malfunctions, failures, or any problems with the Contractor's performance are submitted, pursuant to the specific authority granted by the user department manager. The Executive Director becomes involved when and if the lapse constitutes a serious, i.e., repetitive, or unresolved, breach of contractor's civil or contractual responsibility.

Should the Contractor fail to respond in a timely or adequate manner to rectify any problem, the Director of Community Services takes any steps necessary and available to enforce the City of Mitchell rights under the Contract. This may include withholding payment, imposing liquidated damages, negotiation and recommending a settlement, terminating the Contractor for default, or referring the matter for legal action.

**Standards of Conduct and Conflict of Interest Policies**

There will be uniform and equitable application of the Standards of Conduct of the Community Services Department involving all activities associated with the procurement of goods and services. This section defines responsibility to identify and prevent a real or apparent conflict of interest.

**Conflict of Interest**

The following groups shall not participate in or attempt to use their official position to influence any purchasing decisions in which they, or persons related to them, have a financial interest:

(1) The employee, officer, agent, or Board member;
(2) Any member of his/her immediate family;
(3) His or her partner; or
(4) An organization that employs, or is about to employ, any of the above.
(5) Organizational conflicts of interest. An organizational conflict of interest means that because of other activities, relationships, or contracts, a contractor is unable or potentially unable, to render impartial assistance or advice to the City of Mitchell; a contractor’s objectivity in performing the Contract work is or might be otherwise impaired; or a contractor has an unfair competitive advantage;

Members of the groups listed under conflict of interest section shall be subject to the conflict of interest laws of South Dakota. Anyone who violates the standards of the law shall be subject to the penalties, sanctions, or other disciplinary actions provided for therein.
Gratuities, Kickbacks, and Contingent Fees

No member of the groups listed under conflict of interest section shall solicit, demand or accept from any person, contractor, potential contractor, or potential subcontractors, anything of a monetary value, including gifts, gratuities, favors, etc.; except when the financial interest is not substantial, or the gift is an unsolicited item of nominal intrinsic value. Anyone failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the City of Mitchell, including possible dismissal.

Confidential Information

No member of the groups listed under conflict of interest section shall use confidential information for his or her actual or anticipated personal gain, or the actual or anticipated personal gain of any other person related to them by blood, marriage, or by common commercial or financial interest. Anyone failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the City of Mitchell, including possible dismissal.

Organizational Conflict of Interest

Each entity that enters into a contract with the City of Mitchell is required, prior to entering into such contract, to inform the City of Mitchell of any real or apparent organizational conflict of interest. Such organizational conflict of interest exists when the nature of the work to be performed under a contract may, without some restriction on future activities result in an unfair competitive advantage to the Contractor or may impact the Contractor’s objectivity in performing the contract work.

Purchasing Policies

Equal Employment Opportunity/Affirmative Action

All procurement documents issued by Community Services require all interested vendors to certify:

(1) That the vendor does not discriminate against any employee, or applicant for employment, because of race, religion, sex, age, creed, color, disability or national origin;

(2) That the vendor is in compliance with all Executive Orders and federal, state, and local laws regarding fair employment practices and non-discrimination in employment; and

(3) That the vendor agrees to demonstrate positively and aggressively the principle of equal opportunity in employment.

Disadvantaged Business Enterprise

The City of Mitchell, Community Services Department has determined that disadvantaged business enterprises, as defined in 49 C.F.R. Part 26, shall have the opportunity to compete fairly for contracts financed in whole or in part with Federal funds. Accordingly, all Community Services procurements funded with Federal funds may include, as appropriate, the use of goals for the procurement of all classes of goods and services, as set forth in the Community Services Disadvantaged Business Enterprise (DBE) program.
**Open Competition Required**

All procurement transactions will be conducted in a manner providing full and open competition. Some of the situations considered to be restrictive of competition include, but are not limited to:

1. Unreasonable requirements placed on firms in order for them to qualify to do business;
2. Unnecessary experience and excessive bonding requirements;
3. Noncompetitive pricing practices between firms or between affiliated companies;
4. Noncompetitive award to any person or firm on retainer contracts;
5. The specification of only a brand name product without listing its salient characteristics and not allowing an equal product to be offered;
6. Exclusionary or discriminatory specifications; and
7. Any arbitrary action in the procurement process.

**Limited Geographic Preference**

**Federal Clauses and certifications**

Keep in mind that all procurement methods could require some or all the Federal clauses and certifications. Check the most current federal clauses and certifications required each time you conduct procurement.

The federal clauses and certifications are updated every year in October and can be found on the “Existing Grantees” page of the FTA website. National RTAP has a web app ProcurementPRO that uses the project information to determine and list the required federal clauses and certifications that must be included in the procurement documentation.

**Buy America requirements**

FTA required that all rolling stock, facility, or equipment purchased more than $150,000 of Federal funds must contain 60% domestic components minimum by cost and final assembly is in the United States. FTA requires that all iron, steel and manufactured products used in FTA-funded projects must be made in the United States. It is possible under the law to apply for and receive waivers for this requirement; it is rare that they will be granted.

The City of Mitchell will ensure that all the materials the contractor or bidder uses are in compliance with this requirement by including the Buy America Federal Clause in the specifications to be signed by the bidders. Refer to SD DOT for guidance on procurement for Rolling Stock and Architectural and Engineering Services.

**Disposal of Expended Equipment**

Before they can be transferred or disposed of; Vehicles, equipment and facilities which have an initial purchase price that is greater than $4,999.99 must have approval from South Dakota Department of Transportation-Transit’s (SDDOT-Transit) office prior to the disposal. If the item is less than $4,999.99 it can be disposed of without approval from SDDOT – Transit.

All computers, tablets, and anything with sensitive information per HIPPAA guidance should be cleaned of all said data before being disposed of.

**Evaluate project**

1. Determine the project and review procurement request to determine if the product or service is essential, quantities needed and estimate total cost.
2. Determine the funding source and whether the funds are available or to be raised; and whether the procurement will be informal or formal.

3. Conduct an Independent Cost Estimate (ICE) for the good or service your agency will be buying. Once a realistic estimated budget has been determined, a procurement method can be selected. After the prices, quotes, bids or proposals are received, the ICE can be used for the basis for the cost or price analysis that is required for all procurements.

An ICE should be conducted to establish a reasonable price range for the goods or services procuring and it should be done regardless of the size of the procurement. It is important for the integrity of the ICE that it be prepared before you receive bids or proposals.

To develop an ICE, information such as: current market prices for commercial items; estimates based on previous, similar purchases or projects; informal cost estimates from manufacturers for the type and number of items you are procuring; or prices received by other transit agencies for good or services that are comparable to the project. More information about conducting an ICE can be found on the “Independent Cost Estimate” page on the FTA website. National RTAP’s ProcurementPRO web app includes an ICE spreadsheet that can be used to organize the data used to develop the ICE.

4. Decide if the procurement will qualify as a micro-purchase, small purchase or large purchase (defined within this document).

Select procurement method
The procurement method option depends on the dollar value of the project. For procurement type, Staff should refer to the policies described herein. Any questions regarding the procurement process should be immediately discussed with the Director of Community Services to ensure that the policies are being followed.

The Director of Community Services is responsible for the administration of the procurement, which includes obtaining the required approval, if necessary, before initiating the procurement process.

Upon completion of the procurement process, a document requesting the vendor to supply the good or service, such as a purchase order and/or contract agreement must be issued by Director of Community Services prior to the execution of any contract, notice-to-proceed, or initiation of work.

Goods and Services
Definition: Procurement of services, supplies, or other property, with the A/E services or labor and/or materials.

Price Comparison purchases less than $4,000
Three (3) oral or written prices are suggested to ensure you are purchasing at fair and reasonable price. Conduct a simple price or cost analysis to determine the best value according to internal purchasing thresholds and practices. Document criteria used to determine that your quotes were fair and reasonable. Use FTA Master Agreement or ProcurementPro to select necessary Federal Clauses or Certifications.
**Micro purchases between $4,000 and $24,999**

Three (3) written prices on vendor’s letterhead or estimate forms are required to ensure you are purchasing at fair and reasonable price. Conduct a simple price or cost analysis to determine the best value. Document criteria used to determine that your quotes were fair and reasonable. Use FTA Master Agreement or ProcurementPro to select necessary Federal Clauses or Certifications.

**Simplified Acquisition Purchases that exceed $25,000.00**

Preferred procurement methods are either Invitation for Bid (IFB) or Request for Proposal (RFP). Other procurement methods such as Joint and Piggyback procurements are not recommended and shall only be used in extreme cases after consulting with the SDDOT Office of Air, Rail, and Transit. Per South Dakota Codified Law. A request for proposal is required if exceeding $50,000 for Professional services.

**Invitation for Bids (IFB)/Sealed Bids**

1. Develop a complete and realistic set of technical specifications for the product(s) to be procured. Determine the quantity of units to be purchased plus options on additional units to be purchased later. Length of options should be between three and five years, with an inflation clause included. (SD DOT procures vehicles, but if there is a need to procure vehicles other than those procured by SD DOT contact SD DOT for guidance.)

2. If a brand name product is used in the specifications to describe your needs the clause “brand name or equal” must be included after each reference to a brand name.

3. Develop evaluation process and criteria for the selection of the bid award process. In IFB the best value and responsible bidder is the most commonly used criteria. Prepare your bid package, finalize the product specifications, included equals, exception, and clarification forms, official bid forms, addenda process, DBE requirements, proposal package delivery instructions, general conditions, special provisions and all Federal clauses and certifications. Use FTA Master Agreement or ProcurementPro to select necessary Federal Clauses or Certifications.

4. Advertise the IFB. No geographic preferences permitted. Place ads in at least two newspapers, trade magazines, post on agency website (optional), and send announcements letters or email to all potential bidders. The ad should include a description of the project, contact information, deadline date, location of bid opening, and funding source. Retain proof of advertising in procurement folder. Any bids arriving after the stated date and time will be returned to the sender unopened.

   Proposal Opening presentation. Complete a price or independent cost estimate, prepare bidding opening forms. Open bids, read aloud, and record all vital information. Verify all bidders are active on the System for Award Management [https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf](https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf) and South Dakota Secretary of State website to verify the bidders in good standing with the State of South Dakota. Tabulate bid documents and complete selection process. Review the bid against the specifications to avoid duplicative or unnecessary purchases. Complete Pre-award audit on successful bidder. Notify selected and rejected bidders in writing.

5. Complete award selection and justification and explain why bidder was awarded if the accepted bid was not the lowest. Confirm schedules for inspections, milestones, delivery etc., and issue and complete the contract for the procurement. Collect all documentation (completed contracts, bond, insurance etc.) and federal certifications. Issue Notice to Proceed letter.

6. Monitor vendor’s progress and setup delivery and inspection time and location. Upon completion of inspection and acceptance of products, obtain all warranty and service arrangements. Complete Post-award audits, if you are receiving multiple deliveries, you must complete multiple Post-award audits forms.

7. Finalize the payment/reimbursement vouchers.
9. Review the project file for completeness. The project file should contain all documents and written or electronic correspondence in addition to copies of payment vouchers etc. If your procurement has multiple delivery shipments (for example rolling stock), all the documents for each delivery must be included in the original project file.

**Request for Proposal (RFP)/Competitive Proposals**

1. Develop a complete and realistic set of specifications describing in detail the professional services the procurement is requesting. Include the specific method established and used to conduct the technical evaluation of each proposal. Technical expertise and past performance considerations play a dominant role in source selection and supersed low price criteria.

2. Prepare your bid package, finalize the proposal specifications and method and criteria to be used to evaluate the proposals, include approved vendor exception, and clarification forms, official bid forms, addenda process, DBE requirements, proposal package delivery instructions, general conditions, special provisions and all Federal clauses and certifications.

3. Prepare Independent Cost estimate (ICE).

4. Formulate the evaluation team, which will review and rank all proposals received in accordance with the proposal specifications. Any proposals arriving after the stated date and time will be returned to the sender unopened.

5. There is no “public reading “of the proposals under SDCL... A list of proposers shall be prepared for public inspection after the contract is awarded.

6. Advertise the RFP. No geographic preferences permitted. Place ads in at least two newspapers, trade magazines, post on agency website (optional), and send announcements letters or email to all potential bidders. The ad should include a description of the project, contact information, deadline date, and funding source. Retain proof of advertising in procurement folder. Any bids arriving after the stated date and time will be returned to the sender unopened. Evaluation team to evaluate and rank all proposals received using the established method and criteria. All proposals that have a reasonable chance of being selected shall be included in the Competitive range list. Review the bid against the specifications to avoid duplicative or unnecessary purchases. Verify all bidders are active on the System for Award Management [https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf](https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf) and South Dakota Secretary of State website to verify the bidders in good standing with the State of South Dakota.

7. Start the negotiation process with the top ranked proposer. If you hold negotiation session with one offeror, you must negotiate with all the offers in the competitive range. Once the negotiations are complete, all the details, including cost are finalized, and the proposal is selected, then the contract can be completed.

8. Monitor the contractor’s progresses to determine inspection time and location. Upon completion of inspection and acceptance of products, obtain all warranty and service arrangements. Complete Post-award audits, if you are receiving multiple deliveries, you must complete multiple Post-award audits forms.

9. Finalize the payment/reimbursement vouchers

10. Review the project file for completeness. The project file should contain all documents and written or electronic correspondence in addition, to copies of payment vouchers etc... If your procurement has multiple delivery shipments (for example rolling stock), all the documents for each delivery must be included in the original project file.
Sole Source Procurement /Non-Competitive

Definition: Procurement accomplished through solicitation or acceptance of a proposal from only one available source or solicitation of a number of sources in which competition is determined inadequate.

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<td>City Council Approval</td>
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<tr>
<td>Greater than $100,000</td>
<td>Sole Source</td>
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Sole source procurements are accomplished through solicitation or acceptance of a proposal from only one source or after solicitation of a number of sources, competition is determined inadequate. May be used only 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. The item is available only from a single source;
2. The public exigency or emergency (i.e., a threat to public health, welfare, safety, property, or other substantial loss to Community Services, or a situation requiring immediate action by Community Services, as determined by Community Services, as determined by the Mayor of Mitchell for the requirement will not permit a delay resulting from competitive solicitation.
3. After solicitation of a number of sources, competition is determined inadequate; or
4. The item is an associated capital maintenance item as defined in 49 U.S.C. § 5307(a)(1) that is procured directly from the original manufacturer or supplier of the item to be replaced. The grantee must first certify in writing to FTA: (1) that such manufacturer or supplier is the only source for such item; and (2) that the price of such item is not higher than the price for such item by like customers.
5. Sole source procurements must be documented in writing and on file for review upon request explaining in detail, why this contract was issued under the Sole Source procurement method.

Joint Procurement and Piggybacking

In some situations, more than one agency will simultaneously go through this process and produce a solicitation that addresses the needs of all the agencies involved. These are joint procurements and a great deal of advance planning is needed to do this type of procurement. There are also situations that an agency unintentionally acquires more than needed through a contract. In those cases, if the original contract includes an assignability cause, it is permissible for another agency to take on the contract rights for the additional goods or services after ensuring the price is fair and it can abide by the original contracts rights to the purchase supplies, equipment, or services. This method is not encouraged by FTA or SD DOT.

When circumstances warrant, the City of Mitchell may attempt to fill requirements through a cooperative purchasing agreement (without independent bids or quotations) with the South Dakota Department of Transportation, or with other appropriate public agencies.

Professional / Architectural and Engineering Services

Definition: The services of attorneys, physicians, architects, engineers, consultants, auditors, specialized printers, or other individuals or organizations possessing a high degree of professional, unique specialized technical skill or expertise, not adaptable to competitive bidding, or where the service involves a contract for special activities, negotiations for the acquisition of land, trash services, insurance bonds or any other service similar to the above, engaged for a particular project or series of projects.
**Architectural Engineering (A/E) Services and Other Services:** Procurement of professional consultants for engineering, architectural, land surveying or other support services, such as program management, construction management, feasibility studies, preliminary engineering and design which require performance by a registered or licensed architect or engineer.

Note: See definition page and/or ProcurementPro for further details

Transit related projects requiring these services shall be referred to SDDOT Office of Air, Rail, and Transit for guidance and directions.

**Protest Procedures**

According to Circular 4220.1F your agency must have written protest procedures for both the sealed bid and competitive proposals methods and a protester must go through these procedures before he\she can appeal your decision to FTA. Information that should be included in the agency’s protest procedures is as follows:

- Difference in procedures for pre-bid, pre-award and post award protests.
- Specific deadlines (in working days) for filing a protest, filing a request for reconsideration and for your agency’s response to a protest.
- Specific content of a protest (name of protester, solicitation\contract number or description, statement of ground for protest)
- Location where protests are to be filed.
- Statement that your agency will respond, in detail, to each substantive issue raised in the protest
- Identification of the responsible official who has the authority to make the final determination
- Statement that your agency’s determination will be final
- Statement that FTA will only entertain a protest that alleges your agency failed to follow your protest procedures and that such a protest must be filed in accordance with the FTA’s Third Party Contracting Guidance Circular (4220.1F)
- Allowance for request reconsideration (if data becomes available that was not previously known, or there has been an error of law or regulation)

**Contract Administration**

**Procurement contract files**

Should contain:

- Rationale for the method of procurement
- Prices or quotes
- Copy of procurement documents
- Selection of contract type
- Reasons for contractor selection or rejection
- Basis for the contract price.
- Pre-Award and Post Award Documentation (Required if Buy America applies)
- A signed copy of the complete contract
- Orders
- All signed amendments including rationale for the contract change and justification for the resulting cost\price or delivery date change
- All correspondence with the contractor
- Approvals or disapprovals of contract deliveries
- Request for waivers or deviations and the associated responses
- Documentation regarding settlement of claims and disputes
- Documentation regarding stop work or suspension of work orders
- Contract closeout documentation

The procurement files are to be kept three years after the project is closed.

**Documentation of procurement history**
Community Services department will maintain a list of bidders

**References**
- South Dakota Codified Laws: http://sdlegislature.gov/statutes/Codified_Laws/
- National RTAP Transit Manager’s Toolkit: http://nationalrtap.org/
- National RTAP ProcurementPRO web application: http://www.nationalrtap.org/Web-Apps/ProcurementPRO
- Federal Transit Administration Procurement Website: https://www.transit.dot.gov/funding/procurement/procurement
- SD Secretary of State: https://sdsos.gov
Appendixes

Procurement Definitions

A&E Services
Projects, which require Architectural or Engineering consultation, are required to use competitive proposal procedures based on the Brooks Act.

Acceptance
Agreement to the terms of an offer. In most jurisdictions “award” by a public agency can constitute acceptance and may create an enforceable contract.

Brooks Act
Federal law that all architecture/engineering services being paid for with federal funds to be obtained through Request for Proposal.

Buy America Act
Federal legislation that requires all rolling stock, facility, or equipment purchases in excess of $150,000.00 of Federal funds must contain 60% domestic components minimum by cost and final assembly is in the United States.

Construction
Is any building, remodeling, expansion or alternations to a facility, included is painting, roofing, or replacing facility equipment, such as water heaters, phone systems etc.

Davis-Bacon Act
Federal law, which needs to be followed if $2,000.00 in labor cost are incurred in all federally funded construction, remodeling, and/or repair work.

Disadvantaged Business Enterprises (DBE)
For-profit small business concerns where socially and economically disadvantaged individuals own at least 51% interests and control management and daily business operations.

Federal Certifications
Specific documents referencing Federal Laws, Acts or Provisions, which parties participating in the procurement must agree to and sign.

Federal Clauses
Federal Laws, Acts and Provisions which must be included in all procurement documents and required of all parties participating in the procurement of goods, services or products

FMVSS

Grant Funding Agreements
Legal document between grantor and grantee/subrecipients, which defines the type and amount of grant award and all requirements, which the grantee/subrecipients must comply with to qualify for the grant award.
Invitation for Bids (IFB)
  Competitive procurement procedure used to procure products or goods based on price and ability to meet the bid specifications. This method is also referred to as a Sealed Bid.

Independent Cost Estimate
  Determining cost of goods or services by means of obtaining cost of each part comprising the goods or services plus labor, overhead, production cost etc.

Joint Procurement
  Procurement method of contracting in which two or more grantees agree from the outset to use a single solicitation document.

Master Agreement
  Federal Transportation Administration (FTA) document, which states all the requirements, and regulations, which apply to FTA, grants awards

Offer
  A promise to provide goods or services according to specified terms and conditions in exchange for material compensation.

Piggybacking
  The assignment of another recipient’s contract rights as a substitute for a stand-alone procurement. Not encouraged by FTA or SDDOT.

Pre-award Audit
  Verification and completing Federal certificates before awarding vehicle awards to ensure vehicles meet FTA Rolling Stock requirements.

Price Comparison
  Price comparison is a method of procuring goods and services with a total value less than $4,000. Requires price or cost analysis to determine the best value.

Price Estimate
  Determining reasonable price of goods or services by collecting competing offers, catalog prices, internet prices, or local competitor’s prices.

Post-award Audit
  Verification and completing Federal certificates after awarding vehicle awards to ensure vehicles meet FTA Rolling Stock requirements.

ProcurementPro
  An on-line procurement tool that assists parties in developing procurement packages.

Procurement File
  Each procurement project is required to have a permanent file, which contains all the documents and correspondence pertaining to the procurement
**Purchasing Levels**

Several different methods of procurement are available based on the total dollar value of the procurement. Splitting large purchases into smaller purchases to avoid the competitive proposal process shall not be permitted per Transit agency policy.

**Micro Purchases**

A micro purchase is a method of procuring services, goods, or real property with a total value between $4,000 and $24,999*. Require three (3) written quotes on vendor’s letterhead or bid form. * per South Dakota Codified Law

**Real Property**

Real property consists of land and any existing buildings and/or structures on the parcel of land.

**Request for Proposals (RFP)**

A competitive procurement method used when the nature of the procurement does not lend itself to sealed bidding and the recipient expects more than one source is willing and able to submit an offer or proposal. This method is often used when the award is based on pre-determined technical criteria instead of price. This method is also referred to as a Competitive Proposal.

**Simplified Acquisition Purchases**

A simplified acquisition is a method of procuring services, goods, or real property with a value exceeding $25,000.00. Requires invitation of bids, request for proposal or sole source.

**Sole Justification**

If only one bidder is received per IFB or available due to limited local businesses. A letter of explanation must be written explaining the reasons for awarding the bid and placed in the procurement file.

**Solicitation**

A purchasing entity’s request for offers, including a telephone request for price quotations, an invitation for bids, or a request for proposals.

**System for Award Management (SAM)**

Federal website to check for debarment and suspension from federal projects

**Useful Life**

Standards established for the expected amount of time that a properly maintained piece of equipment or facility could be used before needing to be replaced.
Price Comparison or Micro Purchase Flow Chart

1. Capital Grant Request Approved
2. Develop Procurement Documents
3. Price Comparison less than $4,000
   - Obtain Three Written or Oral Price Quotes
4. Micro Purchase $4,000 to $25,000
   - Perform Price Analysis
   - Obtain Three Written Quotes on Vendor’s Form
   - Issue Purchase Order Form
   - Purchase Items
   - Take Delivery & Pay Invoice
   - Create Procurement Project File
   - Submit for reimbursement of Federal Funds
5. Take Delivery & Pay Invoice
6. Create Procurement Project File
Simplified Acquisition - Invitation for Bid Flow Chart
Purchases $25,000 and up

1. Capital Grant Request Approved
2. Develop Procurement Documents
3. Finalize Bid Package
4. Advertise Bid Announcement
5. Analyze Proposals
6. Perform Price or Cost Analysis
7. Only One Bid Received
8. Create Sole Source Procurement
9. Create Sole Source Justification Letter
10. More Than One Qualified Vendor
11. Unable to Select a Qualified Vendor
12. Evaluate Proposal for best Qualified Vendor
13. Select Qualified Vendor
14. Create Procurement Project File
15. Finalize and Issue Contract with Vendor
16. Create Procurement Project File
17. No Qualified Vendors
18. Create Sole Source Justification Letter
19. Qualified Sole Source Procurement
Master Checklist for Procurements

Procurement Title: ___________________________________________  
Date: ___________________  
Procurement for: ____________________________________________

Project Identification:  
☐ Determine type of goods and qualities or services needed.  
☐ Select the procurement method:  
☐ Micro-Purchase  
☐ Simplified Acquisition: ______ Invitation for Bid _____ Request for Proposal  
☐ Develop Due dates and time deadlines

Procurement Package Preparation:  
☐ Develop Project Specifications and/or Scope of Work  
☐ Develop Evaluation Process and criteria  
☐ Complete Price or Independent Cost estimate  
☐ Define Bid/Proposal Submission requirements (how, date, time labeling etc.)  
☐ Finalize draft copy of Bid/Proposal package with Federal clauses and certificates. 

Bid/Proposal Documents:  
☐ Finalize Bid/Proposal package to include:  
  ▪ Instructions on how to obtain Bid/Proposal documents  
  ▪ Pre-Bid/Proposal Meeting Information (Optional)  
  ▪ Approved Equals/requests for clarifications/Exceptions process  
  ▪ Quantities  
  ▪ Schedule for procurement  
  ▪ Addenda process  
  ▪ Protest procedures  
  ▪ DBE Requirements  
  ▪ Buy America Certifications (If Applicable)  
  ▪ Instructions on Preparation of bids/Proposals  
  ▪ Definition of Bid/Proposal; Evaluation and Selection Criteria  
☐ Finalize General Conditions (Definitions, Inspections, Changes, etc.)  
☐ Finalize Special Provisions (Delivery, Assignability of Options, Service and parts, FMVSS, etc.)  
☐ Finalize Federal requirements (Recommend ProcurementPro program)  
☐ Finalize Project Specifications

Solicitation:  
☐ Prepare and release Advertisement announcing the Bid/Proposal to official news media  
☐ Develop list of Potential Bidders/Proposers  
☐ Post Advertisement to Transit Program Website and other electronic media (If applicable)  
☐ Send written or electronic announcements to all potential bidders/proposers

Bid/Proposal Opening and Pre-Award:  
☐ Conduct Bid/Proposal opening and recording on stated date, time, and location  
☐ Review all Bids/Proposals in accordance with selection criteria  
☐ Evaluate all Bids/Proposals for responsiveness  
☐ Tabulate Bid/Proposal documents including selection criteria  
☐ Complete Price or Cost Analysis  
☐ Verify all bidders are active on the System for Award Management
Verify vendors on SD Secretary of State website [https://sdsos.gov](https://sdsos.gov)

- Start negotiations if RFP procurement was used
- Complete review of Brooks Act (If Applicable)
- Complete award Selection and Justification
- Complete Davis Bacon and DBE Requirements (If Applicable)
- Notify Selected and Rejected Bidders/Proposers
- Complete Pre-Award audit

### Award and Contract Administration

- Finalize proposed contract or purchase order with appropriate Federal clauses and certifications
- Prepare justification letter if selection is other than the lowest bidder
- Prepare Sole Source letter (If Applicable)
- Issue Service Contract or Purchase order to winning Bidder/Proposer
- Establish schedules for delivery, inspections, milestones etc.
- Create project file folder (electronic or paper)
- Collect all documents, certifications and correspondence and file in project folder until project is closed
- Issue Order to Proceed

### Post-Award Activities

- Document progress and challenges of the project
- Monitor vendor or manufacturer activities, as applicable
- Schedule inspection/delivery activities
- Conduct post-delivery inspection (If Applicable)
- Confirm acceptance, warranty and service arrangements with vendor
- Complete vehicle title/registration (If Applicable)
- Complete Post-Award audit
- Finalize payment/reimbursement voucher for federal share of purchase cost

### Project Closeout

- Review Project File folder to ensure that copies of all documents, contracts, purchase orders, and correspondence for the procurement are filed
- Are all the procurement options exercised or the contract is expired
- Mark the Project File folder with the corresponding 4-year retention date