



NOTICE OF COMMISSION MEETING AND AGENDA
DES MOINES AREA REGIONAL TRANSIT AUTHORITY
DART MULTIMODAL ROOM, 620 CHERRY STREET
FEBRUARY 6, 2018 – 12:00 PM



	Page #
1. CALL TO ORDER	
2. ROLL CALL AND ESTABLISHMENT OF QUORUM	
3. NOTICE OF MEETING	
4. APPROVAL OF FEBRUARY 6, 2018 AGENDA	
5. PUBLIC COMMENT (Limit 3 minutes)	
6. TRANSIT RIDERS ADVISORY COMMITTEE	
7. CONSENT ITEMS	
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A. Update from Legal Counsel	
13. NEXT MEETING: Regular DART Meeting - Tuesday, March 6, 2018 – 12:00 P.M.	
14. ADJOURN	

Language, visual, hearing and transportation services are available at meetings upon request. For requests, please call DART at 515.283.8100 at least 48 hours in advance of the meeting.



**DES MOINES AREA REGIONAL TRANSIT AUTHORITY
COMMISSION MEETING MINUTES
620 CHERRY STREET – DES MOINES, IOWA 50309
JANUARY 9, 2018**



ROLL CALL

Commissioners Present: Vern Willey, Gary Lorenz, Doug Elrod, Michael McCoy (arrived 12.08pm), Frank Cownie, Mike Backous, Paula Dierenfeld, Sara Kurovski, Angela Connolly and Zac-Bales Henry

Commissioners Absent: John Hathaway, Michael Just, Jeremy Hamp, Jon Woods, Jason Morse, Gerald Lane and Tom Gayman

Alternates Present: Kyle Michel, Bob Andeweg (arrived 12.03pm) and Tom Haden

CALL TO ORDER

The meeting was called to order by Vice-Chair, Paula Dierenfeld at 12.00 p.m. Roll call was taken and a quorum was present.

Notice of the meeting was duly published.

APPROVAL OF AGENDA

Vice Chair, Paula Dierenfeld requested a motion to approve the agenda as presented.

It was moved by Mr. Willey and seconded by Mr. Cownie to approve the January 9, 2018 agenda. The motion carried unanimously

PUBLIC COMMENT

No Comments

2018 STATE LEGISLATIVE PRIORITIES

DART lobbyists, Mr. John Cacciatore and Mr. Christopher Rants provided updated the DART Commission on state legislative items of concern to DART. Concluding presentation by DART's lobbyists, Amanda Wanke, DART External Affairs Officer presented DART's 2018 State Legislative Priorities for approval. The DART Executive Committee reviewed the priorities outlined below at their meeting on December 15, 2017 and endorsed moving forward to the full DART Commission for approval.

It was moved by Mr. Cownie and seconded by Ms. Kurovski to approve the recommended 2018 State Legislative Priorities as presented.

CONSENT ITEMS

7A – Commission Meeting Minutes – December 5, 2017

7B – DART Drug and Alcohol Policy Required Update

7C – Des Moines MPO Representation



It was moved by Ms. Kurovski and seconded by Mr. Willey to approve the consent items as presented. The motion carried unanimously.

ACTION ITEMS

8A – Taxi Services Contract

Jamie Schug, Chief Financial Officer introduced Mike Tiedens, DART's Procurement Manager to present the proposed taxi services contract and the needs for these services. DART conducted a Request for Proposals (RFP) for the project and one proposal was received from Translowa LC (dba Yellow Cab Company). They comply with the requirements outlined in the procurement.

It was approved by Ms. Connolly and seconded by Mr. Hadden to approve a three (3) year contract with two (2), one (1) year options with Translowa LC, for On-Call Taxi and Paratransit Services for the amount Not to Exceed \$1,400,00. The motion was carried unanimously.

8B – Letter to DART Member Communities Seeking Withdrawal from DART

Discussion occurred about the letter as it was presented. There were questions around lacking policies which made sure DART and the withdrawal communities will know the ramifications if they leave DART. Recommendations were made to change the verbiage of the letter before sending to the withdrawal cities.

The motion was amended to approve the letter be re-written, reviewed by legal counsel and the DART Executive Committee for approval. After this approval the letter will be mailed to the appropriate withdrawal cities. The motion was approved by Mr. Willey and seconded by Ms. Kurovski. The motion carried unanimously.

8C – Deer Ridge Apartment Complex Transportation

Staff have received numerous requests for transit service to and from the Deer Ridge Apartment Complex. Many refugees and low-income families with limited transportation options live at the complex. Staff have worked with community partners to survey residents about their transit needs and have partnered local organizations to determine ways to help. Staff is proposing implementing an interim community shuttle, at a cost of up to \$20,000 to DART over the next twelve months, to transport citizens from the Deer Ridge Apartment Complex to a shopping area, such as Wal-Mart, two to three times a week.

It was moved by Ms. Connolly and seconded by Mr. Bales-Henry to approve the proposed transportation plan for the Deer Ridge Apartment Complex implementing the service by early February, while also bringing long-term service options to the Commission for consideration as part of the August 2018 or February 2019 Fixed Route service changes. The motion carried unanimously.

**DES MOINES AREA REGIONAL TRANSIT AUTHORITY
COMMISSION MEETING MINUTES – DECEMBER 5, 2017**



8D - November 2017 Financials

Amber Dakan, Finance Manager, provided a presentation on the November 2017 Financials. Fixed Route Operating revenue is on target with 0.74% over budget projections. Operations expenses are 6.68% below budget projections year to date.

Paratransit Operating revenue is 13.86% lower than budget expectations. Operating expenses are currently showing budget savings of 7.64%.

Rideshare revenues were 8.28% below budget. Operating expenses are below budgetary expectations by 6.75%.

It was moved by Ms. Kurovski and seconded by Mr. Andeweg to approve the November 2017 Financials. The motion carried unanimously.

DISCUSSION ITEMS

9A – FY 2019 DART Budget Development

Jamie Schug, Chief Financial Officer presented the FY 2019 Budget to the Commission. Ms. Schug provided updates to the budget assumptions including recent updates on taxable valuations being which will result in a proposed budget for FY 2019 with no property tax levy increase. The DART Commission Budget Workshop will be January 19 at DART Central Station. The Proposed FY 2019 DART Budget will be presented at this time.

9B – DART Procurement Update

Mike Tiedens, Procurement Manager presented a brief outline of the DART Procurement Policy and Processes and shared upcoming approvals that the Commission should expect.

9C - Performance Report – November 2017

Elizabeth Presutti, Chief Executive Officer, reviewed the Performance Report for November, 2017. Fixed route is up 0.5% and overall ridership up 1.5%. Year to date ridership is lagging by 0.5% but we are optimistic to see increases continue to what we had in November. Route 5 continues to perform strong after consolidating it with Route 91. We had over 7,000 riders in November from mobile ticketing users (we introduced the mobile ticketing in October). Staff have been working on modifying the performance report so it is easier for the Commission to understand. We will be going into more detail during the budget process so the Commission has an opportunity to ask questions. Mr. Elrod asked about the performance of Route 11. Elizabeth Presutti shared history on this route, outlining that this is a route with minimal service so we will be looking at the overall productivity of this route and make appropriate recommendations to the Commission in the future.

DES MOINES AREA REGIONAL TRANSIT AUTHORITY
COMMISSION MEETING MINUTES – DECEMBER 5, 2017



MONTHLY REPORTS

10A – Operations

No Update

10B – Engagement

No Update

10C – Procurement

No Update

10D - Chief Executive Officer

Elizabeth Presutti, made note that DART will be undergoing a Triennial Review which is a study by the Federal Transit Administration. This is done every three years. This is a substantial review of our entire operation, looking at all functions and making sure we are adhering to Federal requirements. Staff has been working to get ready for their onsite meeting which will be in April 2018 (dates TBD).

FUTURE AGENDA ITEMS

None

COMMISSIONER ITEMS

DART FY19 Commission Budget Workshop – January 19th at 7.30 a.m.

FUTURE 2018 MEETING DATES:

February 6, March 6, April 2, May 1, June 5, July 10, August 7, September 4, October 2, November 6 and December 4.

Ms. Dierenfeld adjourned the meeting at 1:30 p.m.

Chair

Clerk

Date

*****OFFICIAL NOTICE OF THE NEXT DART COMMISSION MEETING DATE IS HEREBY PUBLISHED:**

The next regular DART monthly Commission Meeting has been scheduled for February 6, 2018 at 12:00 pm in the DART Multimodal Room at 620 Cherry Street, Des Moines, Iowa.



ACTION ITEM



8A: FY2019 Proposed Budget Public Hearing

Action: Approve a Public Hearing on the FY2019 Budget

Staff Resource: *Jamie Schug, Chief Financial Officer*

Background:

- Staff began preparing the FY2019 DART Budget this past fall and apprised the DART Commission monthly on any changes to the assumptions used to develop the proposed budget.
- A workshop was held with Commission members on January 19th where staff outlined the proposed FY2019 Budget in detail.
- The staff also met with the member government city managers on January 31st following the same format as the commission workshop.
- Updated summary revenue and expense charts for the proposed FY 2019 budget based on the feedback from the DART Commission budget workshop are attached.

Budget:

DART has made significant progress in serving the community, but we continue to hear from residents, businesses and community leaders about many unmet needs. The DART team seeks to address some of those needs in a creative, responsible and innovative manner, while the DART Commission works this year to determine the long-term plan for transit in our region and further identify the funding to meet those needs. The FY2019 budget aims to support this progress over the next year, with strategic initiatives including:

- Commission planning to determine the long-term vision for transit in our region as well as potential funding tools;
- Launch of a new fare collection system to improve the customer experience and garner efficiencies;
- Launch of an electric bus pilot;
- Initiatives to increase ridership including a new marketing campaign, implementation of route schedule adjustments to better meet rider needs, and new and expanded routes due to partnerships;
- Implementation of DART's first true crosstown on the Euclid/Douglas corridor — allowing residents to travel between eastern and western Des Moines without having to go downtown to transfer — made possible by an ICAAP grant through the State of Iowa;
- Continued technology expansion with the addition of a trip planner to the MyDART app; and
- The implementation of a consolidated call center in order to better serve customers and increase coordination and efficiencies between different parts of the organization.
- Based upon direction provided at the Commission budget workshop, the proposed budget includes three new items for FY2019;
 - Data Analyst Contract Position - \$75,000



ACTION ITEM

8A: FY2019 Proposed Budget Public Hearing

- Bus Stop/Shelter Cleaning Services - \$45,000
- Business Partnerships Expansion – Cost Neutral
- The FY2019 budget maintains all current service levels without increasing DART's property tax levy rates.

Revenue assumptions include:

- Discontinuation of the City of Des Moines levy buy down of \$680,000, further increasing property tax revenue and eliminating municipal operating assistance revenue.
- Withdrawal of Carlisle, Elkhart, Mitchellville, Polk City and Runnells; reducing revenue by \$266,826.
- \$164,616 held as debt service reserve for future debt obligations for the cities of Carlisle, Elkhart, Mitchellville, Polk City and Runnells.
- \$305,000 ICAAP grant for the establishment of the Euclid/Douglas Crosstown route.

Expenditure assumptions include:

- Average of 3% pay increase for staff based upon labor contracts
- 10% premium increase in health insurance expense for employees currently enrolled
- IPERS Rate Increase
 - Employee rate 6.29% up from 5.95%
 - Employer Rate 9.44% up from 8.93%
- Corresponding expense of \$305,000 included to match ICAAP grant funds awarded for new Euclid/Douglas Crosstown route

Timeline:

Per the 28M Agreement, the Regional Transit Authority must hold a public hearing on the proposed budget and allow any member community or the public to provide information to the Commission prior to its adoption of the budget. A public hearing on the proposed budget is scheduled for:

Tuesday, March 6, 2018
12:00 P.M.
DART Offices – 620 Cherry Street
Des Moines, Iowa 50309

The hearing will be held immediately prior to the regular DART Commission meeting where the Commission will consider adoption of the FY2019 budget in advance of the 28M Agreement's deadline of March 15, 2018.

Recommendation:

- Approve a Public Hearing on the FY2019 Budget



FY 2019 Consolidated Budget Overview

FY 2019 Budget	
Operating Revenue	\$8,101,400
Non-Operating Revenue	\$25,034,088
Total Revenue	\$33,135,488
Total Expenses	\$32,976,320
Surplus (Deficit)	\$159,168



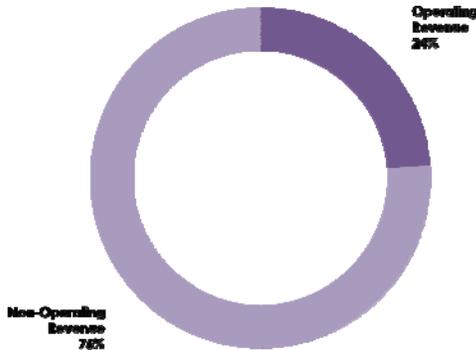
FY 2019 Budget Overview

	Actual FY 2016	Actual FY 2017	Adopted FY 2018	Budget FY 2019	% Change FY2018/FY2019
Operating Revenue	\$7,014,193	\$7,136,757	\$8,201,000	\$8,101,400	(1.21%)
Non-Operating Revenue	\$22,335,019	\$23,611,280	\$23,538,509	\$25,034,088	6.38%
Total Revenue	\$29,349,212	\$30,748,037	\$31,739,509	\$33,135,488	4.42%
Salaries, Wages and Fringes	\$17,522,471	\$18,646,918	\$20,098,185	\$20,957,012	4.27%
Services	\$2,951,166	\$3,086,852	\$2,584,280	\$3,276,551	26.79%
Building and Grounds Materials	\$124,262	\$226,773	\$90,000	\$61,000	(32.22%)
Office Supplies	\$72,709	\$128,306	\$55,700	\$56,700	1.80%
Fuels and Lubricants	\$2,176,481	\$1,758,128	\$3,125,433	\$2,949,000	(5.65%)
Tires	\$140,615	\$190,173	\$164,000	\$166,000	1.22%
Equipment Repair Parts	\$1,716,133	\$1,721,301	\$1,563,666	\$1,582,256	1.19%
Supplies and Materials	\$267,307	\$255,291	\$244,480	\$250,480	2.45%
Utilities	\$329,684	\$352,062	\$369,010	\$492,000	33.33%
Insurance	\$973,497	\$801,783	\$1,312,131	\$1,128,760	(13.98%)
Purchased Transportation	\$250,885	\$251,724	\$183,500	\$188,500	2.72%
Miscellaneous Dept. Expenses	\$1,163,044	\$696,217	\$467,450	\$534,520	14.35%
Local Match	\$1,152,463	\$1,170,971	\$1,481,674	\$1,333,541	(10.00%)
Total Expenses	\$28,840,717	\$29,286,499	\$31,739,509	\$32,976,320	3.90%
SURPLUS (DEFICIT)	\$508,495	\$1,461,538	\$0	\$159,168	

Budget Summary – Operating Revenue

	Actual FY 2016	Actual FY 2017	Adopted FY 2018	Budget FY 2019	% Change FY2018/FY2019
OPERATING REVENUE					
Cash Fares	\$4,175,954	\$3,999,804	\$4,599,400	\$4,655,500	1.22%
Other Contracted Services	\$2,078,493	\$2,375,957	\$2,684,800	\$2,570,900	(4.24%)
Polk County Funding	\$550,105	\$551,525	\$641,800	\$600,000	(6.51%)
Advertising Income	\$209,641	\$209,471	\$275,000	\$275,000	0.00%
TOTAL Operating Revenue	\$7,014,193	\$7,136,757	\$8,201,000	\$8,101,400	(1.21%)
NON-OPERATING REVENUE					
Interest Income (Expense)	\$2,012	(\$191,332)	\$5,340	(\$174,000)	(3,358.43%)
Sale Of Scrap	\$2,462	\$6,283	\$7,500	\$7,500	0.00%
DCS Rental Income	\$24,935	\$24,868	\$26,000	\$28,000	7.69%
Miscellaneous Income	\$61,999	\$60,257	\$41,000	\$41,000	0.00%
Property Tax Revenue	\$15,227,840	\$16,620,284	\$17,286,723	\$19,404,588	12.28%
Municipal Operating Assistance	\$680,000	\$680,000	\$680,000	\$0	(100.00%)
State Operating Assistance	\$1,424,098	\$1,517,504	\$1,640,770	\$1,650,000	0.56%
State Fellowships	\$53,349	\$53,881	\$0	\$0	0.00%
State Property Tax Backfill	\$699,006	\$691,142	\$610,000	\$610,000	0.00%
State Special Projects	\$0	\$3,258	\$0	\$0	0.00%
State Grant Funds	\$0	\$9,773	\$0	\$0	0.00%
CMAQ Funds	\$285,000	\$182,859	\$85,000	\$305,000	258.82%
FTA ADA - 5307	\$375,000	\$375,000	\$375,000	\$375,000	0.00%
5310 Cabs	\$140,187	\$186,794	\$175,000	\$180,000	2.86%
FTA Operating Income	\$3,030,000	\$2,595,000	\$2,595,000	\$2,595,000	0.00%
FTA Planning Income	\$192,524	\$67,800	\$0	\$0	0.00%
FTA 5311 Rural	\$18,199	\$17,461	\$11,176	\$12,000	7.37%
FTA Lease Funds	\$118,408	\$710,448	\$0	\$0	0.00%
TOTAL Non-Operating Revenue	\$22,335,019	\$23,611,280	\$23,538,509	\$25,034,088	6.38%
TOTAL REVENUE	\$29,349,212	\$30,748,037	\$31,739,509	\$33,135,488	4.42%

FY 2019 Operating Revenue as a % of Total Revenue

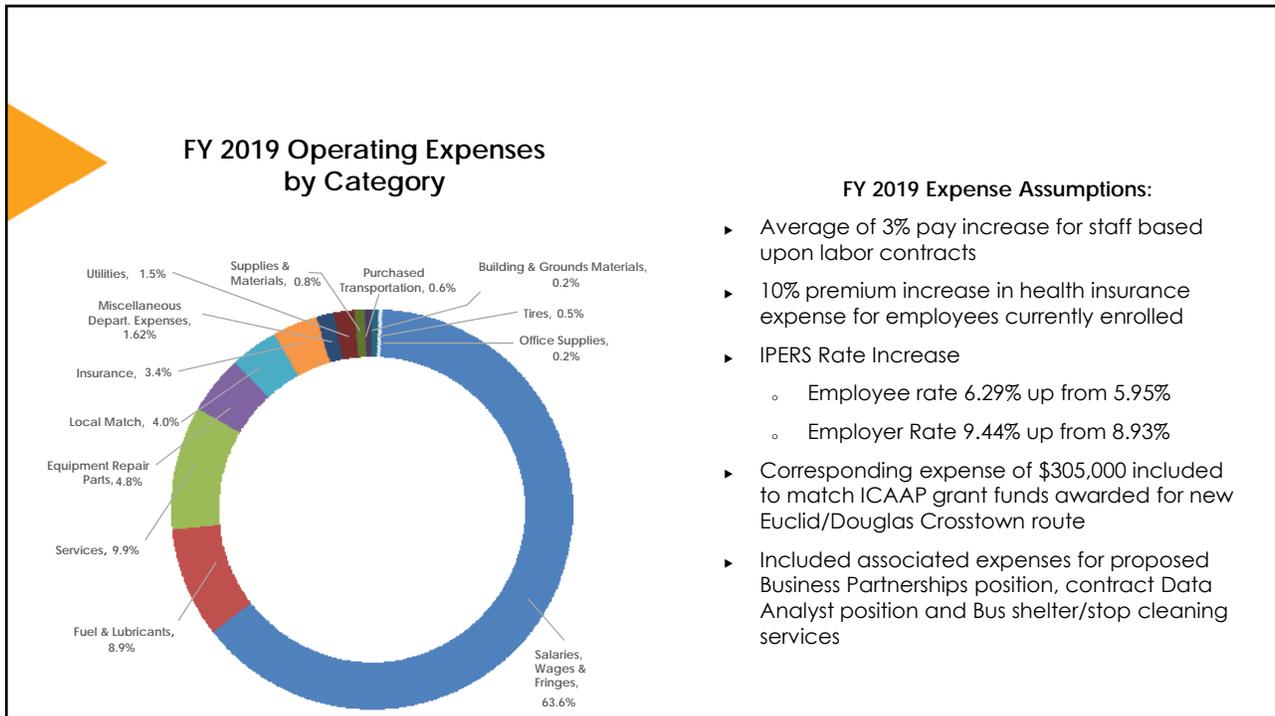


FY 2019 Revenue Assumptions:

- ▶ Residential rollback at
- ▶ 55.6209%, down from
- ▶ 56.9391% in FY2018
- ▶ Commercial rollback at 90%
- ▶ Multi-Residential rate at 78.75% and will continue to drop by 3.75% per year until 2021. Impact of \$201,500 in FY19 and approx. \$1M cumulatively
- ▶ Discontinuation of the City of Des Moines levy buydown of \$680,000, further increasing property tax revenue and eliminating MOA revenue
- ▶ Withdrawal of Carlisle, Elkhart, Mitchellville, Polk City and Runnells; reducing revenue by \$266,826
- ▶ \$164,616 held as debt service reserve for future debt obligations for the cities of Carlisle, Elkhart, Mitchellville, Polk City and Runnells
- ▶ No property tax levy increase
- ▶ \$305,000 ICAAP grant for the establishment of the Euclid/Douglas Crosstown route

Budget Summary – Operating Expenses

	Actual FY 2016	Actual FY 2017	Adopted FY 2018	Budget FY 2019	% Change FY2018/ FY2019
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Building and Grounds Materials	\$124,262	\$226,773	\$90,000	\$61,000	(32.22%)
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Miscellaneous Depart. Expenses	\$1,163,044	\$696,217	\$467,450	\$534,520	14.35%
Local Match	\$1,152,463	\$1,170,971	\$1,481,674	\$1,333,541	(10.00%)
TOTAL EXPENSES	\$28,840,717	\$29,286,499	\$31,739,509	\$32,976,320	3.90%





ACTION ITEM



8B:	Procurement Policy and Procedures Manual Update
Action:	Approve updates to the DART Procurement Policy and Procedures Manual

Staff Resource: *Mike Tiedens, Procurement Manager*

Background:

- DART's Procurement Policy and Procedures Manual last updated and approved by the Commission in October 2014.
- Changes in Federal legislation as well as within the organization need to be updated in the policy.
 - FAST Act – passed in December, 2015
- The clean red-line update to the DART Procurement Policy and Procedures Manual is attached.

Summary of Changes:

- Methods of Procurement: Changes to the dollar thresholds for the methods of procurement.
- Buy America: The dollar threshold has changed and the domestic content quantity increases over the next few fiscal years.
- Organizational Change: Title change from General Manager to Chief Executive Officer.
- Vendor Identification: Project Manager in coordination with the Procurement Department will identify potential vendors
- Procurement Department Reference: Procurement Manager may delegate responsibilities to the Procurement Lead for low value and/or low risk projects
- Records for the Procurement File: Additional language to include supporting documents for the procurement file.
- Competition / DBE Participation: Change the requirement for one quote to be from a DBE firm to "as applicable".
- Identification of Contract Types: Expand the type of available contracts that DART could potentially enter into, depending on the product or service being purchased.
- Evaluation Panel: Project Manager and Procurement Manager shall select the Evaluation Panel for particular projects. (new)
- Payment Provisions: Add Milestone Payments as a potential payment provision. (new)
- Department Input for Projects: Add the Safety and IT Departments as potentially providing input as needed for particular projects.



ACTION ITEM

8B: Procurement Policy and Procedures Manual Update

- Small Purchases: Language clarifies the approval levels for different dollar amounts on contracts; no change from the current approval levels.
- Sealed Bids / DBE Opportunities: Clarify that the Procurement Department and other involved departments will identify DBE and/or small business opportunities, rather than a social equity plan for each project.
- Personal Conflict of Interest Forms: Spelling error correction.
- Update references to statutes, regulations and resources
- New form added: DBE and/or Subcontractor Compliance Checklist

Recommendation:

- Approve the updated DART Procurement Policy and Procedures Manual as presented.



Public Procurement Policy and Procedures Manual

Des Moines Area Regional Transit Authority

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 **PURPOSE**

The purpose of this Procurement Policy is to provide guidance and direction for the conduct of contractual actions in accordance with all applicable laws, regulations, DART policies, and sound business practices. This Procurement Policy applies to all contractual actions by DART management.



DEFINITIONS

Acceptance – A written Notice of Acceptance issued by DART constitutes acceptance of a designated portion of the Work.

Addendum – A written addition to a Contract.

Advance Payments – A payment made before performance of work under the contract.

Affidavit – A written declaration that is a formally and legally binding pledge made before an authorized individual.

Amendment – Written document issued by DART that makes changes to a solicitation.

Architectural and Engineering (A&E) Services – FTA requires the use of the qualifications based procurement procedures contained in the Brooks Act to acquire A&E services, but also for program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping, and related services. The nature of the work to be performed and its relationship to construction, not the nature of the prospective contractor, determine whether qualifications-based procurement procedures may be used.

Best Value – The overall combination of quality, price, and material requirements for solicited services that in total are optimal to DART.

Best and Final Offer (BAFO) – A term used in solicitations for a proposal containing final pricing and deliverables, based on the outcome of the negotiations conducted during the initial evaluation stage of the procurement, and a determination by the Procurement Manager that negotiations are complete.

Bid – A formal offer by an individual or entity to provide goods or services specified, in a formal Invitation for Bids, at a specified price and specified delivery/performance time.

Bidder – An individual or entity submitting a bid.

Bilateral Change or **Bilateral Modification** – A bilateral change or bilateral modification, also known as a “supplemental agreement”, is a Contract modification that is signed by both the Contractor and DART indicating acceptance of the modifications stated therein. Bilateral modifications are used to: (a) provide equitable adjustments resulting from the issuance of a change order and (b) reflect other agreements of the contracting parties modifying the terms of the Contract.

Blanket Purchase Agreement – A purchase agreement used to fill repetitive requirements for goods and services under a single award.

Bond – A written guarantee of performance, secured by a surety listed in the Comptroller General's List of Approved Sureties (Dept. of Treasury, Circular 570) that is authorized to do business Iowa. The three relevant bonds are Bid Bond, Payment (or labor and material payment) Bond, and Performance Bond. A **Bid Bond** equivalent to twenty (20) % of the bid price is submitted with a bid. The bid bond ensures that on DART's acceptance of the bid, the offeror will proceed with the work. If the bidder does not proceed, DART is due from the guarantor the difference between the bid price and the next highest bid price. A **Payment Bond** or **labor and material payment bond** secures payment of all contractual obligations by the contractor. A **Performance Bond** secures the obligation to complete the Work.

Brand Name– A description of the standard of quality, performance, and other characteristics needed to meet DART requirements and which provides for the submission of equivalent products.

Budget Check – Documented verification of funding for a procurement.

Cardinal Change – A significant change in the work that causes a major deviation from the original scope of the contract, or the intended method of achievement, or causes 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.

Certificate of Insurance – A document issued by or on behalf of a surety verifying that the insured party named on the certificate has purchased the specified insurance coverage(s). It is typically provided to a third party, such as DART, as evidence that the specified coverage(s) are in effect. The certificate typically identifies the specific coverage(s) involved, the providing insurance company, the effective date, the policy number and expiration date of the policy, and the dollar limits for each type of coverage. DART requires that its contractors identify DART as an additional insured; this information, and the number and title of the contract involved, should be noted on the certificate. DART also requires 30 days advance notice if the policy is cancelled; this may be, but usually is not, noted on the certificate. A certificate is only evidence of coverage as of the date issued; it is not in itself an insurance policy, nor does it give the certificate holder any rights under the policies referenced.

Change Order or Modification (CO) – A written document signed by the contractor and executed by DART, which alters the scope of the Work to be performed by the Contractor, changes the schedule for performance of the Work or makes any other change to the Contract, with or without a change in price.

Commission – The DART Commission.

Competitive Negotiation – A method of procurement that includes the issuance of a written Request for Proposal (RFP), public notice of the RFP, evaluation based on criteria established in the RFP, negotiation with the top ranked Offeror, and award to the Offeror offering the best value to DART.

Competitive Sealed Bidding or Sealed Bids – A method of procurement that includes the issuance of a written Invitation for Bid (IFB), public notice of the IFB, a public bid opening, announcement of all bids received, evaluation of bids based on criteria established in the IFB to determine acceptability, and award to the lowest responsive and responsible Bidder.

Conflict of Interest – When an offeror or contractor has any contractual or other financial relationship with DART, its members, officers, employees, or agents other than the contractual relationship established under the contract.

Contractor, Consultant, Vendor, or Supplier – The person or entity entering into a contract for the performance of services or delivery of goods or equipment to DART.

Contract or Agreement – A mutually binding legal relationship obligating a Vendor to furnish supplies, services, insurance, or construction and DART to pay for them. It includes all types of commitments that obligate DART to an expenditure of funds and that, except as otherwise authorized, are in writing.

Contract Administration – The post-award administration of contracts to ensure contract deliverables are fulfilled by the contractor in accordance with the contract terms and

conditions. These responsibilities may be delegated to a Project Manager (PM) serving as the point of contact with the Contractor; however, depending on the contract type, complexity, and resource availability, functions may be retained by the Procurement Manager.

Contract Modification – A written change order issued to contractors.

Contracting Officer – The person granted authority to execute a contract on behalf of DART and to be the final administrative decision-maker on contract disputes.

Cost Analysis – The review and evaluation of the contractor's direct cost elements (labor, materials, equipment, etc.), proposed indirect costs (overhead), and profit of a contractor's cost or pricing data, and the factual and judgmental factors applied in determining the reasonableness of costs.

DART – The Des Moines Area Regional Transit Authority

Days – Defined as calendar days, including weekends and holidays (except as otherwise provided in a contractual document).

DBE – Disadvantaged Business Enterprise.

DBE Goal – The participation goal established, subject to the requirements of Title 49, Code of Federal Regulations, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs,

<http://www.ecfr.gov/cgi-bin/text-idx?SID=c3dd6f4f7ab0ee9a6d488359eb3b662a&node=49:1.0.1.1.20.3&rgn=div6>).

When only non-federal sources fund of the procurement, Iowa's Small, Women and Minority Owned Business Certifications (SWaM/ MBE/ WBE) is an acceptable substitution for FTA's required DBE certification.

Debarment – A person or entity (which by defined events or behavior that potentially threaten the integrity of Federally administered non-procurement programs) are excluded from participation in FTA assistance programs and shall be removed from consideration for contract award for a specified period.

Equitable Adjustment – The difference between the reasonable cost of the contract performance without the change(s) and the reasonable cost of contract performance with the change(s). The purpose of an equitable adjustment is to fairly compensate the contractor for the changed work. It is not a vehicle for increasing the contractor's profit or reducing its loss for reasons unrelated to a change.

Final Acceptance – Written notice by DART acknowledging that a Contractor has fulfilled all of its obligations under the Contract, and that DART has accepted the Work as of the date stated in the written notice. Final Acceptance is a condition precedent to Final Payment and defines commencement of the warranty period.

FTA – Federal Transit Administration.

Independent Cost Estimate (ICE) – DART's internal estimate of the cost of the Scope of Work for a project or contract modification, which is derived prior to and independent of the contractor's pricing.

Invitation for Bids (IFB) – A formal solicitation seeking offers to provide goods and services at a

fixed price. In an IFB procurement, award is made on the basis of the lowest price offered in a responsive bid from a responsible bidder.

Liquidated Damages – the pre-established amount the contractor will pay to DART for each day, or other appropriate period designated by DART, any portion of the work remains incomplete after the contract completion term, or for each day that any designated milestone is not met, reflecting the additional estimated cost that DART will incur because of the delay.

Micro-Purchases – A method of procurement without obtaining competitive quotations for goods and services valued at: (1) \$3,500 or less for federally funded projects; or, (2) \$5,000 or less for non-federally funded projects.

Modification – Any written alteration of a contract signed by the parties bound by the contract.

Notice of Award (NOA) – Written notice by DART to the apparent successful Offeror or Bidder stating that, upon compliance with the conditions enumerated in the Notice of Award, that DART will sign and issue a contract subject to the terms and conditions stated in the solicitation.

Notice to Proceed (NTP) – Written notice by DART to a Contractor directing the start of Work. Any Work performed prior to NTP shall be at the Contractor's risk.

Offeror – An individual or entity submitting a formal response to a Request for Quotes, Invitation for Bids, or Request for Proposals.

Option – A unilateral right in the Contract for DART to extend the contract term, or purchase at a predetermined price, additional equipment, supplies, or services called for by the contract.

Price Analysis – The review and evaluation of the offeror's proposed price, to determine its reasonableness, without consideration of the separate elements of labor, material, equipment, overhead, and profit. Price analysis consists of comparing the proposed with other offers, with historical prices and/or an independent or in house estimate.

Procurement Lead Time (PLT) – The time required to award a purchase order or contract. It usually begins with the submittal of a purchase requisition and ends with award. Depending on the value and complexity, PLT activities may include submittal or development of the following: a purchase requisition, statement of work, independent cost estimate, price analysis, insurance requirements, DBE goal determination, contracting method, sole source justification, selection of solicitation and contract clauses, advertisement, issuance of solicitation, pre-bid conference, questions and responses to questions, bid opening / receipt of proposals, responsiveness and responsibility review, technical evaluation, negotiations, best and final offers, Commission and/or DART presentation and approval, issuance of Notice to Proceed.

Procurement Manager – The person granted authority to oversee the day-to-day activities of the contract.

Procurement Policy – This DART Public Procurement Policy and Procedures Manual adopted by DART to govern procurement practices.

Professional Services – Shall mean work performed by an independent Contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering.

Progress Payment – A partial payment request for acceptable work performed or materials received.

Project – The overall objective of the Contract.

Project Closeout or Contract Closeout – The process by which the Contractor documents fulfillment of all obligations under the Contract. This process follows Substantial Completion and precedes Final Acceptance.

Project Manager (PM) – DART's designated technical point of contact for managing the project and coordinating on a day-to-day basis with others at DART bearing procurement-related responsibilities. Coordination includes entry of the purchase requisition, verification of funding, obtaining budget checks, verification of receipt of goods and services, verification of receipt and accuracy of invoices, payment, etc. There may be occasions when the Project Manager and the Procurement Manager are one and the same, but this will not always be the case.

Proposal – A formal plan for the provision of goods or services, tendered to DART by an individual, firm, partnership, corporation, joint venture, or combination thereof. Proposals are evaluated on qualitative technical factors in addition to price. For Architecture and Engineering project proposals, price is not a competitive factor.

Protest – A written request, by an interested party, for specified relief from a procurement action or decision.

Purchase Order (PO) – A written order for specified goods and services, at a specified price and delivery schedule.

Request for Information (RFI) – A written request by a vendor, supplier, consultant, or contractor requesting clarification or additional information concerning a solicitation and / or contract documents.

Request for Proposals (RFP) – A solicitation for equipment, goods, or services. An RFP is used where there is not a clear definition of the desired goods or services, or where different approaches to the work are possible, or where personal knowledge, experience and skills are a determining factor; professional services are always procured by RFP. Award is made by evaluation of price and other factors.

Request for Qualifications (RFQ) – A solicitation for A & E services and other services described in 49 U.S.C. Section 5325(b) which include program management, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping, or related services. Procurement is qualifications-based and price must be excluded as an evaluation factor.

Responsible Bidder – A person or entity that has the capability, in all respects, to perform fully the contract requirements and the business integrity and reliability that will assure good faith performance.

Responsive Bidder – A person or entity who has submitted a bid that conforms in all material respects to the Invitation to Bid.

Small Purchases - Relatively simple and informal solicitations for services, supplies, or other property that cost more than \$5,000, if no federal funds are being used, but do not exceed the limits described in Iowa Administrative Code, Chapter 117, *Procurement of Goods and Services of General Use*, as amended (currently not exceeding \$50,000 for goods and services). If federal funds are being used, a small purchase is an acquisition that costs more than \$3,500 but not more than the federal simplified acquisition threshold as defined in 41 U.S.C. § 403(11) (currently \$1,500,000).

Sole Source – A noncompetitive procurement action whereby there is only one known source who can comply with the explicit requirements of a solicitation. Sole source is typically when the goods or services are proprietary to one company and not easily obtained elsewhere. A sole source justification is required. All change orders outside the scope of the original contract are considered a sole source procurement action.

Sole Source Justification – The written justification for a procurement action when full and open competition does not exist. The justification must document fully and adequately, the appropriateness of the decision to solicit an offer from only one source. Before award, complete justification must be provided to include a cost analysis and other reasons to determine a fair and reasonable price.

Solicitation – The document issued by DART requesting Quotes, Bids (IFB), or Proposals (RFP) for goods or services.

Specifications – Contractual terms containing written direction and requirements for completing the Work. Standards cited in the Specifications by reference have the same effect as if physically included in the Contract.

Special Provisions – Contractual terms which supplement or modify the General Conditions. Special Provisions take precedence over any General Condition modified by it.

Subcontract – An agreement including purchase orders (other than one involving an employer/employee relationship) entered into between DART's Contractor and a lower tier Subcontractor calling for services, labor, equipment, and/or materials required for Contract performance.

Subcontractor – An individual or entity at any tier, other than employees of the Contractor, who contract with the Contractor or a Subcontractor to furnish services, labor, equipment and/or materials, or labor and materials, under the Contract. The term Subcontractor is considered to include the term Supplier.

Substantial Completion – Completion of the Work, or a designated portion of the Work, to a point where DART certifies that the Work or the designated portions can be used for the purpose intended, whether or not minor portions of the work, or corrections to any portions of the Work, remain to be completed. Substantial Completion does not relieve the Contractor of its obligation to finally complete the Work in timely fashion. Items remaining to be completed after Substantial Completion are documented in a Punch List.

Supplies, material, and equipment – All items incorporated in the Work or otherwise delivered to DART.

Supplier – A person or entity that provides supplies, materials, or equipment, but usually does not provide labor on DART property other than delivery.

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.

Work – The furnishing of all of the supervision, labor, materials, equipment, services, and incidentals necessary to complete the Contract, and the carrying out of any duties and obligations imposed on the Contractor by the Contract.

A. PUBLIC PROCUREMENT POLICY

A.1. APPLICABILITY AND GOVERNANCE

This Procurement Policy applies to all DART contracts and purchases, except as specifically excluded herein.

- A.1.1. DART's procurement actions are governed by the Iowa Procurement Statutes, FTA Circular 4220.1F for federally-participating purchases, and this Procurement Policy. In all procurements utilizing any amount of federal funds, federal requirements will generally supersede state law when conflicts are present. Where no federal funds are involved, procurement actions are governed by applicable state law. A listing of significant laws and regulations that collectively govern and provide guidance for procurement actions, are contained in Appendix A attached hereto. References to statutes or regulations herein shall be deemed to refer to any subsequent revisions or amendments which may be enacted from time to time.
- A.1.2. If no applicable state law or federal law or regulation exists regarding a particular aspect of procurement, then federal contract law principles defined in the Federal Acquisition Regulations may be applied.
- A.1.3. Where state law does not conform to a mandatory provision of federal law, regulation or other requirements, including but not limited to FTA Circular 4220.1F, DART shall comply with such federal requirements, notwithstanding the provisions of the state law, based on a written determination of the DART Chief Executive Officer (CEO)~~General Manager~~ or legal counsel that acceptance of the grant or contract funds under the applicable conditions are in the public interest.

A.2. STANDARDS OF CONDUCT IN PUBLIC CONTRACTING

The performance of DART employees who are engaged in or otherwise involved in the award or administration of a contract is governed by Chapter 68B of the Code of Iowa (Government Ethics and Lobbying), as amended, this Procurement Policy, and the DART Personnel Policy. Employees who participate in the procurement process are expected to be completely familiar with the applicable provisions of this Procurement Policy and the DART Personnel Policy and are required to certify that they have read, understand, and will comply with same. Certifications once made remain in force for the duration of each employee's employment, and amended certifications will be required when said provisions are themselves amended.

- A.2.1. **Personal Conflicts of Interest.** No DART employee, officer, agent, Commissioner member, or his or her immediate family member, partner, or organization that employs or is about to employ any of the foregoing individuals may participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of those individuals previously listed has a financial or other interest in the firm selected for award.
- A.2.2. **Disclosure of Subsequent Employment.** No DART employee or former DART employee having an official responsibility in the procurement process shall accept employment with any Bidder, Offeror, or Contractor with whom the employee or former employee dealt with in an official capacity concerning a procurement for a period of one (1) year from the cessation of employment by DART unless the employee or former employee

provides written notification to the DART ~~CEO/General Manager~~ prior to commencement of employment by that Bidder, Offeror, or Contractor.

- A.2.3. **Penalty for Violation of Chapter 68B of the Code of Iowa.** Any person who knowingly and intentionally violates any provision of Chapter 68B of the Code of Iowa (Government Ethics and Lobbying), shall be guilty of a serious misdemeanor. Upon conviction, any DART employee, in addition to any other fine or penalty provided by law, shall forfeit his or her employment.
- A.2.4. **Penalty for Violation of Sections A.2.1 and/or A.2.2.** Any person who knowing and intentionally violates Sections A.2.1 and A.2.2 of this Policy is subject to disciplinary action, up to termination of employment.

A.3. CONTRACTING AUTHORITY

- A.3.1. The DART ~~CEO/General Manager~~ is authorized to serve as the Contracting Officer on all procurements.
- A.3.2. The DART ~~CEO/General Manager~~, in his or her sole discretion, may delegate contracting authority in whole or in part to subordinate personnel having sufficient experience and training in the contracting profession. This contracting authority may not be re-delegated by such subordinate personnel, in whole or in part, to other staff.

A.4. GENERAL PROCUREMENT STANDARDS

- A.4.1. **Competition.** It is the policy of DART that all procurement transactions be conducted in a manner intended to maximize full and open competition. DART will only make awards to responsive offers from responsible offerors. A responsive offer is one that complies with all material requirements of the solicitation. A responsible offeror is one possessing the technical, physical, financial and ethical capacity to successfully perform a specific contract.
- A.4.2. **Standards of Conduct.** The DART Personnel Policy and this Procurement Policy constitute the written code of conduct governing the performance of employees, officers, agents and Commission related to the solicitation, award and administration of contracts, conforming to applicable laws and regulations, including but not limited to FTA C 4220.1F, as may be amended from time to time. The DART Personnel Policy is located on DART's network shared drive and is also provided to each employee. This Procurement Policy is located on DART's network shared drive.
- A.4.3. **Economic Purchasing.** Proposed procurements will be reviewed to avoid duplicative or repetitive purchases to the greatest extent feasible and consistent with good procurement practices. Consideration should be given to consolidating or breaking out procurements to obtain more economic pricing. Where appropriate, analysis will be made of lease versus purchase alternatives or any other appropriate methodology to determine the most economical approach.
- A.4.4. **Contract Administration.** DART will maintain a contract administration system designed to ensure conformance by all parties with the terms, conditions, and specifications of their contracts and applicable federal, state and local requirements.
- A.4.5. **Specifications.** All DART solicitations shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such descriptions shall not, in competitive procurements, contain features that unduly restrict

competition. The description may include a statement of the qualitative nature of the material, product, or service to be acquired. Whenever practical, requirements will be described 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 are to be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used as a means to define the performance; however, when this method is used, the specification must set forth the salient characteristics that the product must meet, and vendors will be allowed to offer "equal" products meeting the salient characteristics. If only a "brand name" is specified, without the "or equal" provision, the procurement must be processed as a sole source, with the appropriate justifications completed and maintained as part of the official contract record. Specifications for bid solicitations, whether by small purchase or formal procurement, shall be sufficiently detailed to ensure that bidders may submit pricing on an "apples to apples" basis. Specifications or scopes of services for negotiated procurements may be more general and accommodate the possibility of alternative solutions or products.

A.4.6. Value Engineering. Value engineering is defined as a 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. DART will use value engineering for all construction projects over \$10 million.

A.4.7. Records. DART shall maintain records detailing the history of a procurement in a manner consistent with the size, complexity and cost of the contract. See Appendix B, Forms and Checklists, for a complete listing of records to be maintained. At a minimum, these records shall include:

- a. Procurement Method. The rationale for the method of the procurement;
- b. Contract Type. Selection of the contract type;
- c. Contractor Selection. Reasons for contractor selection or rejection; and
- d. Cost or Price. The basis for the contract price.
- e. Reasonable Documentation. The extent of documentation should be reasonable and commensurate with the size and complexity of the procurement itself.

e. Other records to be maintained could include memos, documents, reports, contracts and other supporting materials required by FTA or other federal, state or local entities.

A.4.8. National, State and Local Government Purchasing Schedules or Contracts. To foster greater economy and efficiency, intergovernmental agreements, contracts, and schedules of the General Services Administration ("GSA") and the State of Iowa may be used as permitted and appropriate. However, this does not preclude consideration of other competitive sources of supply or services or to determine price reasonableness.

The GSA and the State of Iowa maintain contract schedules for various commodities and services. Some of these are established on a competitive basis, and some are simple listings of products available from vendors in the field. DART may use state contracts of either type in accordance with the governing law and regulations of the agency

establishing them. At present, DART is prohibited from using most GSA schedules, except to acquire information technology ("IT") and to purchase products and services to facilitate recovery from a major disaster. Any purchase from a GSA schedule requires that all federal requirements, required clauses and certifications are properly followed and included, whether in the master contract or DART's purchase documents. This can be accomplished by all parties agreeing to append the required federal clauses in DART's purchase document.

Use of a federal or state supply schedule which is not the result of a competitive process does not meet the FTA requirement for competition. In such cases, DART must seek proposals from a reasonable number of firms on the schedule, and determine the firm offering the best value. Compliance with Buy America must be determined prior to issuing an order, and a waiver sought from FTA if the product is non-compliant.

When feasible and appropriate, DART will make use of existing contracts or purchasing consortiums for items that have been competitively procured. Requisitioners and the Procurement Manager should review available contracts that DART can utilize prior to initiating a procurement action of its own.

A.4.9. Protests and Disputes. DART has written procedures that are consistent with the FTA C 4220.1.F for considering and resolving protests relating to solicitations, which appears in Part B, Section B.11 of this Procurement Policy. Appendix B attached hereto contains a Protest Checklist.

A.4.10. Contract Period. The period of contract performance for rolling stock and replacement parts shall not exceed five years. The length of all other contracts shall be reasonable and based upon sound business judgment, including consideration of issues such as the nature of the item being purchased, the need to afford the contractor a reasonable opportunity to recapture any start-up costs, the need to afford competing vendors the opportunity to do business with DART, and the relative benefit to DART of a longer or shorter contract term.

A.4.11. Cost Principles. The Federal Acquisition Regulation Part 31 cost principles will be incorporated by reference in all contracts where allowable costs must be determined for payment (e.g., all cost reimbursement contracts), and for negotiating all fixed price contracts and modifications where costs are estimated by the contractor and then negotiated for purposes of establishing a contract price.

A.4.12. Contract Clauses/Provisions. To the greatest extent possible, DART will employ appropriate standard contract clauses and provisions for each type of procurement. Contract clauses are usually contained in a set of General Conditions, which are standard for all procurements of that type, and in a set of Special Provisions, which are customized to, either add to, delete or modify portions of the General Conditions. Each contract associated with a federally participating purchase shall include all federally-mandated clauses, in accordance with the matrix contained in FTA Circular 4220.1F, Appendix D.

A.5. FULL AND OPEN COMPETITION

A.5.1. Restrictions on Competition. All federally participating procurement transactions over \$3,500 and non-federally participating procurement transactions over \$5,000 will be conducted in a manner providing full and open competition, without providing an unfair competitive advantage to any potential vendor. Some of the situations considered to be restrictive of competition include, but are not limited to:

- a. Unreasonable business requirements for bidders or offerors.
- b. Unnecessary or excessive experience requirements, excessive bonding requirements, insurance, warranty or similar requirements that affect an otherwise qualified firm's ability to compete. Such requirements must also, however, be established in a manner consistent with protection of DART's interests.
- c. Noncompetitive pricing practices between firms or between affiliated companies
- d. Using prequalification procedures that conflict with FTA Circular 4220.1F, Chapter VI(1)(c).
- e. Noncompetitive awards to any person or firm on retainer contract if that award is not for the property or services specified for delivery under the retainer contract.
- f. Organizational conflicts of interest - An organizational conflict of interest exists where any of the following circumstances arise: (i) when the contractor is unable, or potentially unable, to provide impartial and objective assistance or advise to the recipient due to other activities, relationships, contracts or circumstances, (ii) the contractor has an unfair competitive advantage through obtaining access to nonpublic information during the performance of an earlier contract, or (iii) during the conduct of an earlier procurement, the contractor has established the ground rules for a future procurement by developing specifications, evaluation factor, or similar documents.
 - 1) There are a variety of ways in which conflicts of interest can be prevented, or mitigated, one of the most important being disclosure. Contracts shall require that Offerors disclose when they believe there may be a conflict. This gives DART the opportunity to make the determination and take the necessary action to avoid the conflict of interest. Also, conflicts of interest can be avoided by thoroughly researching potential vendors, employees and contractors. Any connections should be investigated so as to prevent a conflict of interest.
 - 2) Once a conflict of interest has already occurred, it is still possible to avoid the consequences related to such conflict of interest. Removal of the DART employee from the position causing the conflict of interest is a mitigating action. Also, a recusal may be obtained, which would allow the employee facing the conflict of interest to abstain from participating in the procurement action causing the conflict of interest.
 - 3) If a recusal is not conducive to the circumstances, a third party may become involved to regulate between the DART employee and the company affected. This may be necessary when an Offeror submits an offer that is in some way influenced by those making the award decision. In this situation a third party may be brought in to make the necessary decision impartially. By implementing these methods, the consequences associated with conflicts of interest may be mitigated.
- g. Specifying only a "brand name" product, without specifying that equivalent products will be accepted and providing salient characteristics or other descriptive information sufficient to allow bidders to identify and propose such equivalent products.
- h. Any arbitrary action in the procurement process.

A.5.2. **Geographic Preferences.** Procurement transactions will be conducted in a manner that prohibits the use of in-state or local geographical preferences in the solicitation and

evaluation of bids or proposals, even if those preferences are imposed by state or local laws or regulations. However, geographic location may be a selection criterion in procurements for the following: (i) architectural and engineering (A&E) services, provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract; (ii) state licensing requirements, provided that the state licensing requirements do not conflict with federal law; and (iii) major disaster or emergency relief, in order to support contracts and agreements for debris clearance, distribution of supplies, reconstruction and other major disaster or emergency assistance activities, to the extent feasible and practicable, for organizations, firms and individuals residing or doing business primarily in the area affected by a major disaster or emergency.

A.5.3. **Selection Procedures.** DART's selection procedures ensure fair, unbiased evaluation of competing offers for all types of competitive procurement transactions.

A.5.4. **Overview: General Standards.** Every competitive solicitation shall adhere to the following standards.

- a. The requestor and the Procurement Manager should review the scope of work, deliverables or equipment/product specifications to ensure that there is a clear understanding of the requirements. In specific projects, the Procurement Manager may delegate the responsibilities to a Procurement Lead.
- b. The Procurement Manager should review the procurement request to determine if it can be fulfilled by using either an existing contract or "piggybacking" onto another public agency contract before soliciting quotes. If none exists, the requestor can either solicit the quotes or have the Procurement Manager complete this action.
- c. The ~~Project Procurement~~ Manager should identify at least three qualified suppliers/vendors to provide competition. The Procurement Manager will assist in this activity. Where available, At least one of the firms selected to quote shall be a Disadvantaged Business Enterprise (DBE) or small business. In the event a DBE or small business is unavailable to quote, the Procurement Manager or requestor shall document efforts made to locate DBEs and small businesses.
- d. It shall be publicized in a manner intended, at a minimum, to notify potential sources in the DART service area of the nature and type of the solicitation and the date for responses. It may also be advertised regionally or nationally as appropriate.
- e. Every reasonable effort should be made to encourage the maximum number of responses. Pre-qualification or other methods of restricting responses shall not be used unless required for security or public safety reasons or by law.
- f. The solicitation document shall contain, at a minimum, instructions on how the response is to be prepared and submitted; the deadline for submittals and other key dates in the process (such as the date and time of a pre-bid or pre-proposal conference); the basis upon which an award will be made; a statement reserving to DART the right to reject any and all offers and the right to award to other than the offer containing the lowest price; a clear and comprehensible statement of DART's needs and the technical requirements to be met by the successful offeror; a set of terms and conditions intended to be used for any resulting contract; and representations and certifications as required by law or deemed necessary
- g. The solicitation period shall remain open for sufficient time to enable the preparation of quality submittals responsive to DART's needs.

- h. Responses to any questions from prospective sources, or any amendments to the solicitation, shall be distributed to all parties known to have received the solicitation and posted on the DART website. Should the amendment substantially change the terms of the solicitation, the period for receipt of offers shall be extended to allow offerors to change their proposals accordingly.
- i. A determination shall be made by the Procurement Manager that the apparently successful offeror is responsive (i.e. complies with all material elements of the solicitation), and that the offeror is responsible (i.e. possesses the technical and financial resources to successfully perform the contract, and has a satisfactory record of past performance, compliance with public policy, and integrity). The Procurement Manager shall also determine that the prices are fair and reasonable.
- j. An opportunity for comments concerning specifications or other provisions in Invitations to Bid or Requests for Proposal shall be provided, so DART can consider any such comments prior to the time set for receipt of bids or proposals or award of the contract.

A.6. METHODS OF PROCUREMENT

The magnitude of the planned expenditure plays a part in the method of procurement. Three different expenditure thresholds apply: (1) micro-purchases; (2) small purchases; and (3) purchases that entail a larger planned expenditure than the upper limit of a small purchase.

A.6.1. **Micro Purchases.** "Micro-purchases" are expenditures **not** exceeding \$3,500, if federal funds are being used for the purchase, or expenditures **not** exceeding \$5,000 if no federal funds are being used. (Purchases below these thresholds are allowable without obtaining competitive quotations, but shall provide for competition whenever practicable.) Award may be made if it is determined that the price is fair and reasonable, and that there are no significant differences in quality or price among available vendors. Typically this would involve items sold "off-the-shelf" to the general public or a specific market. Documentation for a non-competitive micro-purchase need only include a notation that the price is fair and reasonable and the reason for the determination. The determination may be recorded on preprinted forms or a checklist on the receipt. Buy America requirements do not apply to micro-purchases in which federal funds are being used. There should be equitable distribution among qualified suppliers and requirements may not be split to avoid a competitive solicitation process. The Davis Bacon Act (40 U.S.C. § 3141 et seq.) applies to construction micro-purchases involving federal funds when the purchase is in excess of \$2,000.

A.6.2. **Small Purchases.** "Small Purchase" procurements are relatively simple and informal solicitations for services, supplies, or other property that cost more than \$5,000, if no federal funds are being used, but do not exceed the limits described in Iowa Administrative Code, Chapter 117, Procurement of Goods and Services of General Use, as amended (currently not exceeding \$50,000 for goods and services). If federal funds are being used, a small purchase is an acquisition that costs more than \$3,500 but not more than the federal simplified acquisition threshold as defined in 41 U.S.C. § 403(11)(currently \$100,000). If small purchase procedures are used, price or rate quotations shall be solicited from an adequate number of qualified sources.

As shown below, the number of bids / proposals / quotes that need to be sought depends upon the magnitude of the anticipated expenditure, consistent with Iowa law, the FTA C 4220.1F, and this Procurement Policy.

A.6.3. **Sealed Bids.**

- a. Bids in excess of \$1590,000 are publicly solicited through a formal Invitation for Bids (IFB) with a fixed-price contract (lump sum or unit price) being awarded to the lowest-priced responsive bid from a responsible bidder.
- b. Competitive sealed bidding is the preferred method of solicitation for acquiring property, construction and other services, and justification for any other method of procurement must be documented as part of the procurement record.
- c. This procurement method does not permit consideration of qualitative factors in a competitive environment or negotiations with bidders.
- d. All bids will be publicly opened at the time and place prescribed in the IFB. If so requested, bidders shall be afforded a suitable opportunity to examine all bids received after they are opened.
- e. A fixed-price contract award will be made in writing to the responsible bidder submitting the lowest responsive bid at the price stated in the bid. A fixed-price contract type does not preclude consideration of the use of price-varying provisions such as escalation or incentives/disincentives if suitable for the circumstances. The price reasonableness analysis shall consider whether bids are materially unbalanced.
- f. Factors such as discounts, transportation costs, and life cycle costs may be considered in determining the low bid if specified in the solicitation. Payment discounts shall be requested or considered only when prior experience indicates that DART is able to avail itself of such discounts.
- g. If the IFB includes pricing for any options or alternatives, the solicitation must define whether or not they will be considered in determining the low bid, and, in the event of multiple options, the basis for and order in which they will be accepted.
- h. Construction may be procured only by competitive sealed bidding, except that competitive negotiation may be used if a determination is made in advance by DART that competitive sealed bidding is not in the best interests of DART.
- i. In the event that a single responsive bid is received from a responsible bidder, DART may negotiate with the bidder to ensure that a fair and reasonable price is obtained. If the responsive bid from the lowest responsible bidder exceeds available funds, DART may negotiate with the apparent low bidder to obtain a contract price within available funds, provided that DART has established in writing conditions and procedures for such negotiations prior to issuance of the IFB and summarize them therein. DART may not, as part of a negotiation process, modify or alter the scope and specification defined in the IFB in a manner which might have attracted additional bidders if incorporated in the solicitation.

A.6.4. Two-step Sealed Bidding. Two-step sealed bidding (the "Two-Step Sealed Bidding") is a procurement method involving the submittal of unpriced technical proposals in the first step, and a sealed bid submittal in the second step.

- a. The Two-Step Sealed Bidding process is appropriate when all of the following conditions exist:
 - Available specifications or purchase descriptions are not definite or complete or may be too restrictive without technical evaluation and any necessary discussion of the technical aspects of the requirement to ensure mutual understanding between each source and DART.
 - Definite criteria exist for evaluating technical proposals.

- More than one technically qualified source is expected to be available, and more than one technical solution is considered possible.
 - Sufficient time will be available for use of the two-step method.
 - A firm-fixed-price contract or a fixed-price contract with economic price adjustment will be used.
- b. The first step requires offerors to submit technical proposals for evaluation, generally under the procedures for competitively negotiated procurements. Proposals are evaluated for technical merit including, if appropriate, discussions with offerors and requests for revised proposals. The objective of the process is to negotiate one or more technical solutions acceptable to DART. At the end of this step, each offeror offering an acceptable technical solution is invited to submit a sealed bid to provide the goods or services defined in its technical proposal as negotiated. Award is based upon the lowest responsive price from a responsible offeror.
- c. None of the following precludes the use of Two-Step Sealed Bidding:
- Multi-year contracting.
 - DART-owned facilities or special tooling to be made available to the successful bidder.
 - A first or subsequent production quantity is being acquired under a performance specification.
- d. The Procurement Manager will prescribe procedures for solicitation, evaluation, and award of contracts under this method of procurement.

A.6.5. Competitive Negotiation

- a. The competitive negotiation procurement process is conducted through a formal Request for Proposals (RFP). This method of procurement is generally used when conditions are not appropriate for the use of sealed bids. The process must be used for professional services costing more than \$50,000. Special rules apply to the procurement of Architectural and Engineering Services being funded in whole or in part by federal funds or professional services, both as defined in Section A.6.6 below. The competitive negotiation procurement method cannot be used for the acquisition of construction services except under very limited instances and with a written determination made in advance by DART's Procurement Manager.
- b. The competitive negotiation method of procurement is appropriate when the Procurement Manager determines that following conditions exist:
- A complete, adequate, and realistic specification or purchase description is not available.
 - Two or more responsible offerors are willing and able to compete effectively for the award.
 - The selection of the successful offeror requires consideration of factors other than price.
 - Discussions with offerors are anticipated to be needed.
- c. The ~~Either a fixed price or cost reimbursable~~-type contract ~~that~~ may be awarded depends on the goods or services being delivered. Typically competitive negotiation is not used for construction projects.

- d. Each RFP will include a description of the factors in addition to price by which proposals will be evaluated. Evaluation factors and sub-factors will be listed in order of their relative importance. For RFPs other than small purchases, technical and pricing proposals shall be submitted in separate volumes.
- e. Prior to the receipt of proposals, the Procurement Manager, in consultation with the project manager (if they are different), will establish the method by which technical and price evaluations of the proposals received will be conducted and one or more awardees selected. The Project Manager, in consultation with the Procurement Manager shall select the evaluation panel, which shall consist of suitable members of the organization with the potential to include a subject matter expert or consultant from outside the organization. The evaluation process shall be confidential, and each participant shall sign a confidentiality agreement prior to distribution of the proposals. If necessary, technical evaluations shall be conducted prior to distribution of the pricing proposals to ensure that non-technical considerations do not affect the technical evaluations. The process and outcome of the evaluations shall be fully documented.
- f. Unless the technical and price evaluators agree that only one proposer is capable of receiving an award, discussions and negotiations shall commence with the highest ranked proposer found to be so capable. Each RFP shall include a statement that DART may award one or more contracts on the basis of initial proposals received, without discussions other than requests for clarifications, which are information exchanges that are conducted to eliminate minor uncertainties or irregularities in a proposal and do not give an offeror the opportunity to revise or modify its proposal.
- g. Award will be made to the responsible firm whose proposal is most advantageous to DART, price and all other factors considered. Award may be made either to the proposer whose technically acceptable proposal offers the lowest price, or to the proposer whose proposal offers the "best value" to DART, defined as the greatest business value based upon an analysis of a tradeoff of qualitative technical factors and price/cost to identify the best combination of technical merit and price. Regardless of the method used, however, the solicitation must contain language which establishes and defines the basis on which the award will be made.

A.6.6. Federally Participating Architectural and Engineering (A&E) and Non-Federal Professional Services

- a. **Architectural and Engineering (A&E) Services.** Qualifications-based procurement contained in the Brooks Act, 40 U.S.C. Sections 1101 through 1104 (the "Brooks Act"), shall be used for federally participating Architectural and Engineering (A&E) Services as well as program management, construction management, feasibility studies, preliminary engineering, design, architecture, engineering, surveying, mapping and related services.
 - i. **Qualifications-Based Procurement Procedures Required.** DART must use qualifications-based procurement procedures not only when contracting for A&E Services, but also for other services listed in services listed in 49 U.S.C. Section 5325(b)(1) that are directly in support of, directly connected to, directly related to or lead to construction, alteration, or repair of real property.
 - ii. **Qualifications-Based Procurement Procedures Prohibited.** DART may not use qualifications-based procurement procedures to acquire other types of services if those services are not directly in support of, directly connected to, directly related to, or do not lead to construction, alteration or repair of real

property. This method of procurement cannot be used to obtain any other types of services even though a firm that provides A&E Services is also a potential source to perform other types of services.

iii. **The Brooks Act requires that:**

- o An Offeror's technical qualifications be evaluated;
- o Price be excluded as an evaluation factor;
- o A pricing proposal be requested from, and negotiations be conducted only with the most qualified offeror; and
- o Failing agreement on price, the proposal must be rejected and negotiations conducted with the next most qualified Offeror, until a contract award can be made to the most qualified Offeror whose price is fair and reasonable; if the pool of qualified Offerors is exhausted without an agreement, the solicitation must be canceled.

- b. **Professional Services.** In accordance with I.A.C. 11-118.3(8A), "Services" means work performed by a service provider, including but not limited to, professional or technical expertise provided by a consultant, advisor or other technical or service provider to accomplish a specific study, review, project, task or other task. By way of example and not by limitation, these Services may include the following: accounting, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering. Procurements for Services that are not federally funded shall follow the procedures set forth in Section A.6.5 above (Competitive Negotiation).

A.6.7. **Design-Build.** The design-build procurement method consists of contracting for design and construction simultaneously 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.

- a. **Procurement Method Determined by Value.** First, the recipient must separate the various contract activities to be undertaken and classify them as design or construction and then calculate the estimated total value of each. Because both design and construction are included in a single procurement, the recipient shall use the procurement method appropriate for the services having the greatest cost, even though other necessary services would not typically be procured by that method. If the construction costs of a design-build project are predominant, DART shall use Competitive Negotiations or Sealed Bids for the entire procurement rather than qualifications-based Brooks Act procurement procedures. In the less usual circumstance in which the cost of most work to be performed will consist of costs for architecture and engineering, program management, construction management, feasibility studies, preliminary engineering, design, architectural engineering, surveying, mapping or related A&E Services, DART shall use qualifications-based procurement methods based on the Brooks Act.

A.6.8. **Exercising Options in Other Agency Contracts (Piggybacking).** The term "piggybacking" is often used to describe one transit agency's use of another transit agency's existing contract when the awarding agency's contract did not originally envision its use by the piggybacking agency. A number of FTA requirements must be met before such a contract may be used. FTA requires that the existing contract contain an "assignability" clause and all required FTA contract clauses and certifications; these clauses cannot be added by DART as part of its use of the existing contract. All quantities acquired by assigned contract rights must be within the original contract quantities (including options)

and acquired within the term of the existing contract. DART must determine that the agency with the contract complied with all FTA requirements relating to competition and performance of a cost or price analysis. DART must also perform its own cost or price analysis to determine that the prices it will pay are fair and reasonable. All appropriate documentation from the original awarding agency must be obtained and retained in the procurement file for that acquisition. Piggybacking should not be confused with a joint acquisition, where DART is a named party in the original solicitation.

A.6.9. Non-Competitive Proposals

- a. Non-competitive (Sole Source) procurements ("Non-Competitive Proposals") are accomplished through solicitation and acceptance of a proposal from only one source. A contract amendment or change order that is not within the scope of the original contract is considered a sole source procurement that must comply with this subparagraph
- b. Procurement by non-competitive proposals may be used when only one source is practicably available and 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:
 - i. The item is available only from one responsible source because:
 - o It involves 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.
 - o Patent or data rights restrictions preclude competition.
 - o 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 or,
 - o In the case of a follow-on contract for the continued development or production of a highly specialized equipment and major component thereof, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the recipient's needs.
 - ii. A bona fide emergency is present that compels a purchase more quickly than a competitive solicitation will allow (see Section C.9/C.10.);
 - iii. FTA authorizes non-competitive negotiations;
 - iv. Other circumstances described in Part 6.3 of the Federal Acquisition Regulations exist;
 - v. After solicitation of a number of sources, competition is determined inadequate and an evaluation of the specifications determines they are not unduly restrictive of competition; or
 - vi. Receipt of a single responsive and responsible bid or proposal is not, by itself, conclusive evidence that competition was inadequate; the Contracting Officer must determine if there was a perception of competition which would affect the bid or proposal. Under these circumstances, an award is not

considered a sole source. The Contracting Officer, however, must investigate the reason why no other bids or proposals were received; verify that the specification was not unduly restrictive and that the solicitation cannot be modified in a manner that would result in greater competition; and document the file accordingly.

- c. DART may establish and maintain a listing of sole source items not requiring justification for each purchase, providing (a) that written verification is obtained from the supplier or other authoritative source not less frequently than annually; and (b) such list is published in a manner readily available to industry suppliers not less frequently than annually, with an invitation for prospective suppliers of competing items to notify DART of their availability.
- d. A cost analysis is required for each sole source acquisition.

A.6.10. Time and Material Contracts. Time and material contracts (“Time and Material Contracts”) are to be used only after a documented determination that no other type of contract is suitable. Such contracts will specify a ceiling price that the contractor shall not exceed except at its own risk.

DEGREE OF COMPETITION REQUIRED	
Up to \$3,500 (if federal funds) Up to \$5,000 (if no federal funds)	One documented quote
\$3,0501 to \$1,500,000 (excluding Professional Services over \$50,000)	At least two quotes*/ bids/ proposals sought and documented *Bids required from “an adequate number of qualified sources”
Over \$50,000 for Professional Services	Competitive Negotiation (RFP) with advertisement
Over \$1,500,000	Competitive sealed bidding or Competitive Negotiation (RFP) with advertisement, as appropriate

A.7. CONTRACT COST AND PRICE ANALYSIS

A.7.1. Requirement. A cost or price analysis must be performed for every procurement action, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation.

A.7.2. Independent Estimate. For construction projects an independent engineer's estimate should be developed before a solicitation is issued, but in no event after the receipt of bids or proposals. For all contract actions including modifications, the independent estimate must be prepared without knowledge of the contractor's proposed pricing.

A.7.3. Cost Analysis. A cost analysis entails the review and evaluation of the separate cost elements and the proposed profit of an offeror's costs or pricing data and the judgmental factors applied in estimating the cost. A cost analysis is generally conducted to form an opinion on the degree to which the proposed cost, including profit, represents what the performance of the contract should cost, assuming reasonable economy and efficiency.

- a. DART must obtain a cost analysis when a price analysis will not provide sufficient information to determine the reasonableness of the contract cost.
- b. A cost analysis must be performed when the offeror is required to submit the elements (i.e., labor hours, overhead, materials, etc.) of the estimated cost.
- c. A cost analysis is necessary when adequate 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, 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 forth by law or regulation.
- d. Profit is to be negotiated 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.

A.7.4. Price Analysis. A price analysis involves examining and evaluating a proposed price without evaluating its separate cost and profit elements. Price analysis is based essentially on data that is verifiable independently from the offeror's data.

- a. A price analysis looks at the price as a whole without examination of its various components, and is usually performed by comparing prices to other bids/offers, those from other comparable procurements or historical prices for the same or similar supplies or services.
- b. A price analysis may be used in all instances where a cost analysis is not required to determine the reasonableness of the proposed contract price.
- c. Several techniques may be used in performing a price analysis:
 - i. Adequate price competition – requires the following: (1) at least two responsible offers respond to a solicitation; (2) each Offeror must be able to satisfy the requirements of the solicitation; (3) the Offeror must independently contend for the contract that is to be awarded to the responsive and responsible Offeror submitting the lowest evaluated price; and (4) each Offeror must submitted priced offers responsive to the expressed requirements of the solicitation. If the preceding four conditions are met, price competition is adequate unless: (a) the solicitation was made under conditions that unreasonably deny one or more known and qualified Offerors an opportunity to compete; (b) the low competitor has such an advantage over the competitors that it is practically immune to the stimulus of competition; and (c) the lowest final price is not reasonable, and this finding can be supported by facts.
 - ii. Prices set by law or regulation – DART should acquire a copy of the rate schedules set by the applicable law or regulation.
 - iii. Established catalog prices and market prices – requires the following: (1) established catalog prices exist; (2) the items are commercial in nature; (3) the items are sold in substantial quantities; and (4) the items are sold to the general public.

- iv. Comparison to previous purchases – changes in quantity, quality, delivery schedules, the economy, and inclusion of non-recurring costs such as design, capital equipment, etc. can cause price variations, and each differing situation must be analyzed.
- v. Comparison to a valid grantee independent estimate – verify the facts, assumptions, and judgment used by the estimator and have the estimator give the method and data used in developing the estimate.
- vi. Value analysis – look at the item and the function it performs to determine its worth.

A.8. BONDING REQUIREMENTS

A.8.1. Construction. DART shall specify a bonding policy for both federally participating and non-federally participating construction or facility improvement contracts. The bonding policy shall be compliance with FTA requirements and adequately protect DART's and FTA's interests. The following summarizes DART's bonding requirements for federally participating and non-federally participating construction and facility improvement contracts:

Bonding Type	Project is Federally-Participating	Project is not Federally-Participating
Bid	Mandatory for projects in excess of the federal small purchase threshold as defined by the Common Grant Rules (currently \$1,500,000), equaling 5%.	Mandatory for non-transportation related construction projects costing \$500,000 or more and any transportation related projects of \$250,000, limited to not more than 5%. Discretionary for smaller projects.
Performance	Mandatory for projects in excess of the federal small purchase threshold as defined by the Common Grant Rules (currently \$1,500,000), equaling 100%.	Mandatory for any construction projects costing \$500,000 or more and any transportation-related projects exceeding \$250,000, amounting to 100% of the contract price
Payment	Mandatory for projects in excess of the federal small purchase threshold as defined by the Common Grant Rules (currently \$1,500,000), sufficient to pay all people supplying labor and material for the third party contract. FTA considers the following minimums to suffice for this purpose: <ul style="list-style-type: none"> • Less Than \$1 Million -- 50% of the contract price • More Than \$1 Million but Less Than \$5 Million -- 40% of the contract price or • More Than \$5 Million -- \$2.5 Million 	Mandatory for any construction projects costing \$500,000 or more and any transportation-related projects exceeding \$250,000, amounting to 100% of the contract price

A.8.2. Non-Construction. For non-construction contracts, bonding requirements are discouraged except where applicable law or regulations provides for such bonding or DART, in its sole discretion, determines that such a requirement is necessary as part of the risk management plan for a project.

A.9. PAYMENT PROVISIONS

A.9.1. **Advance Payments.** Advance payments are payments made to a contractor before the contractor incurs contract costs. The use of FTA funds for payments in advance of the incurrence of costs by the contractor is generally prohibited, without prior written approval from FTA. FTA does permit advance payments from FTA funds for those purchases where advance payment is customary in the commercial marketplace such as utility services and subscriptions. FTA approval of such advance payments is required when the amount exceeds \$100,000. DART should not make advance payments using other funds (including local match funds) except where (a) it is customary in the industry, or (b) there are sound business reasons (e.g. to enable a more cost-effective pricing structure) for doing so; in the latter case, the file shall be documented to fully justify the advance payment.

A.9.2. **Progress Payments.** Progress payments are payments for contract work that has not been completed. When progress payments are used, DART must obtain adequate security for the amount of the progress payment. Adequate security for progress payments may include taking title or obtaining a letter of credit or taking equivalent measures to protect DART's financial interest in the progress payment. Progress payments for construction contracts may be made on a percentage of completion basis.

A.9.2-A.9.3. **Milestone Payments.** Milestone payments are payments for contract work that has been partially completed (usually when a significant step in the project or a schedule has been completed and verified). When milestone payments are used, DART must obtain adequate assurance and/or security for the amount of the payment; however, the percentage of completion method may not be used for construction contracts.

A.10. LIQUIDATED DAMAGES

A.10.1. **Risk Management.** DART shall determine whether to use a liquidated damages provision for a specific procurement. If federal funds are being used to fund the prospective purchase, liquidated damages that are levied during the course of the project must be credited to the project, unless FTA permits other uses of the liquidated damages.

A.10.2. **Calculation.** The amount of liquidated damages must be reasonably calculated to reflect anticipated damages DART might suffer as the result of an inadequacy or delay in contract performance.

A.10.3. **Measurement.** 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, however, may be established if that measurement is appropriate, such as weight requirements in a rolling stock purchase.

A.10.4. **Solicitation and Contract Requirements.** If it is determined that a liquidated damages provision will be included, the solicitation and contract shall identify with specificity the circumstances in which the liquidated damages will be imposed and the rate to be charged. The file shall document the derivation of the rate of assessment and ensure it is reasonable, proper and not arbitrary or punitive.

A.11. CONTRACT APPROVAL REQUIREMENTS

A.11.1. **DART Approval.** No contract for goods and services (including professional services) may be awarded without the advance written approval of the DART Commission if the aggregate or the sum of all phases is expected to exceed \$100,000. The DART ~~CEO~~General Manager is the only authorized signatory on any contract and/or lease exceeding \$5,000 in total value over the life of the contract.

A.11.2. **Modifications.** The Contracting Officer has the authority to modify contracts subject to the availability of funds and subject to the procedures set forth in this Procurement Policy.

A.12. CONTRACT AWARD ANNOUNCEMENT

Announcement of contract awards utilizing federal funds will be made in accordance with FTA requirements.

A.13. CONTRACT PROVISIONS

A.13.1. **Sound and Complete Agreement.** All contracts shall include provisions to define a sound and complete agreement, appropriate to the type and complexity of the project. At a minimum these include a well-defined statement of work or specification, a defined contract term, a clear statement of the price and payment terms, and all applicable clauses required by federal, state or local laws and regulations.

A.13.2. **Remedies for Breach.** All contracts in excess of the small purchase limit as defined herein shall include contractual provisions that allow for administrative or legal remedies in instances where contractors violate or breach contract terms.

A.13.3. **Termination.** Termination for cause and for convenience provisions shall be included in all contracts in excess of \$10,000, including the manner by which termination will be effected and the basis on which a settlement will be accomplished.

A.14. CONTRACTS OUTSIDE THE SCOPE OF THIS PROCUREMENT POLICY

A.14.1. **Other Acquisitions.** This Procurement Policy will not apply to transactions involving the purchase, sale, lease, or other transactions for real property; for joint development projects; for purchases from government-regulated entities such as public utilities which are granted market exclusivity by the regulating agency; for purchases of professional subscriptions, memberships, seminars, and expenses in connection with industry meetings and conferences; for travel and living expenses on DART business; and other similar expenditures incidental to the routine conduct of the DART's business. Purchases on behalf of a member jurisdiction of the DART, utilizing funds of that jurisdiction, are excluded from this Procurement Policy. However contracts in support of such transactions (e.g., real estate consultants) are subject to this Procurement Policy.

A.14.2. **Revenue Contracts.** Contracts whose principal purpose is to generate revenue for DART are not subject to this Procurement Policy. However, where feasible, a competitive process suitable to the type and scope of the activity involved and the availability of competition should be conducted. In some circumstances involving a revenue-producing activity (e.g., the employment of a contractor to produce revenue) this Procurement Policy may apply.

A.15. DISADVANTAGED BUSINESS ENTERPRISES (DBE)

It is the policy of DART that Disadvantaged Business Enterprises (DBEs), as defined in 49 C.F.R. Part 26, shall have an opportunity to participate in awards of DART's contracts and subcontracts. DART shall take positive actions to ensure utilization of DBEs.

B. COMPLIANCE AND MANAGEMENT CONTROL

B.1. APPLICABILITY

B.1.1. **Procurement Policy.** These procedures implement the policies established in Part A of this Procurement Policy. They apply to all contracts and purchases of the DART except as specifically excluded in this Procurement Policy.

B.1.2. **Governing Law.** See PART A, Section A.1.

B.1.3. **Federal Contract Law.** FTA procurement requirements are set forth in C.F.R. Part 18--Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, and are included in the FTA Master Agreement published as of October 1 of each year. These requirements are further expanded in the current edition of FTA Circular 4220.1 (currently 4220.1F). If the above federal documents do not address a specific situation, guidance may be drawn from The Federal Acquisition Regulations, decisions of the Controller General of the United States, and other federal and state precedents.

B.1.4. **Contracts Outside the Scope of This Policy.** See PART A, Section A.14.

B.2. MANAGEMENT CONTROL

DART staff is required to conduct procurements in accordance with applicable local, state, and federal requirements, and DART procurement policies and procedures, utilizing best business and purchasing and contracting practices and the highest standard of ethics.

A system of procurement checklists has been instituted to provide built-in quality control to substantiate and validate the quality of all procurement and contracting actions at DART. This management control procedure is designed to dictate how each procurement or contracting process is conducted, and to ensure that each file contains appropriate documentation to support the process. The primary management control system is Procurement Activity Lists (PAL).

The PAL establishes procurement and contracting process standards, ensures consistency of decisions and actions, and provides general direction to DART staff to negotiate steps and complete activities of the procurement and contracting process consistent with DART requirements as well as any applicable local, state, and federal procurement laws and regulations. Not all items of the PAL are required in each procurement action, but the rules and procedures contained therein shall be observed. Any deviation that significantly alters the PAL requirements shall be approved in advance by the DART [CEO General Manager](#).

The DART Procurement Manager shall supervise PAL activities in all procurement actions and approve the completed PAL. The Procurement Manager's signature indicates that all the contents of the procurement document and supporting file documentation are accurate, compliant, and complete.

The PAL includes a checklist titled Compliance of Document to FTA that mirrors the contents of FTA Circular 4220.1F Appendix C, *Third Party Contracting Checklist*. This checklist shall be completed by the Procurement Manager for all FTA-funded procurements. The Procurement Manager shall ensure that the PAL's comply with all applicable federal requirements including the latest edition of FTA's Master Agreement.

This Procurement Policy is written to:

- Satisfy the DART procurement department's internal departments in terms of cost, quality, and timeliness of the delivered products and services;
- Minimize administrative operating costs;
- Conduct business with consistency, integrity, fairness, and openness;
- Lay the framework of necessary flexibility for DART to manage risks and opportunities in a business transaction;
- Facilitate management of integrated procurement team; and
- Fulfill public policy objectives of DART.

B.3. AUTHORIZATION AND REPORTING LEVELS

The approved authorization and reporting levels needed for various procurement types is outlined in the table below.

Award Approval Levels		
Contract Threshold	Required Approval Level	Notes
Up to \$ 53 ,000	Department Manager Directors	With signed signature authorization form.
Up to \$100,000	Chief Executive OfficerGeneral Manager	
Greater than 100,000	DART Commission	

The following table shows the procurement process required at various dollar levels. These requirements must be followed before a contract can be awarded or a Notice to Proceed issued.

Procurement Levels		
Price Threshold	Method of Procurement	Notes
Up to \$ 3,500 (if federal funds) Up to \$5,000 (if no federal funds)	Micro Purchase	May be purchased with DART Purchasing Card or Purchase Order
\$3,001 to \$ 1500 ,000	Small Purchase	Competitive quotes required
Greater than \$ 1500 ,000	Large Purchase	Must be formally advertised

B.4. PROCUREMENT PLANNING

B.4.1. Applicability. Procurement planning is required for every procurement action above the micro-purchase level. At a minimum, an independent cost estimate, budgeting, determination of who has authority to approve the purchase, determination of the appropriate procurement method, identification of potential vendors, and a date the product(s) or services are needed or required. Procurement planning is a multi-departmental process involving, at a minimum, the initiating department, the organizational unit charged with the responsibility for oversight of procurements, and the unit responsible for the budget.

B.4.2. Initiation. The planning process usually starts with the user department identifying a need, and proposing that the anticipated acquisition be incorporated in the budget. Acquisitions that are incorporated in the budget will have a tentatively designated funding source, which is one of the determinants of the appropriate procurement

method. When a need arises outside the normal budget cycle, management will assess whether a special funding arrangement is plausible, informing the user department whether it is appropriate to proceed with further procurement planning. Such “outside cycle” acquisitions are the exception rather than the rule and, when they occur, they typically require a budget adjustment to incorporate the acquisition. The magnitude of the anticipated expenditure is another “procurement method” determinant, and it also establishes where the authority for making the purchase resides. For those procurements that require DART Commission authorization, the Procurement Manager is responsible for the preparation of the necessary staff report and resolution seeking the authorization.

- B.4.3. Scheduling.** Once funding is secured, and the Commission has approved authorization to commence the procurement, if necessary, the user department needs to identify a schedule, based on the initial date the product or service is required, and appoint a Project Manager. The Project Manager must complete a Purchase Requisition Form (Appendix B) with the required supporting documentation and submit the same to Procurement Manager.
- B.4.4. Procurement Plan.** The Procurement Manager is to analyze each planned acquisition in order to identify and evaluate potential organizational conflicts of interest as early in the acquisition process as possible, and avoid, neutralize, or mitigate potential conflicts of interest before any contract award. The Procurement Manager, with assistance from the Project Manager, will develop a procurement plan to guide the solicitation process. The elements of a procurement plan should include:
- a. Procurement type (IFB, RFP, etc.)
 - b. Contract pricing (Firm Fixed Price, Fixed Unit Price, Cost Plus Fixed Fee)
 - c. Any requirement for bonding or liquidated damages
 - d. Procurement schedule, taking into account the need date, any startup period involved, DART schedules, and resource availability.
 - e. Involvement by other DART staff with specialized expertise in other areas that may be required.
 - f. For an RFP, identification of evaluation criteria and sub-criteria, relative weights, and potential evaluation panel members.
 - g. Any preliminary steps that must be taken before a solicitation is used, such as preparation of design drawings. If these involve resources outside DART, a separate procurement action may be required for them.
 - h. Identification of potential markets and vendors, utilizing all available resources, including the Internet.
 - i. Identification of the need for advertising in national or specialized trade media, including their advertising lead times and deadlines, to ensure timely publication.
 - j. Identification of any special requirements for a successful procurement, such as an industry review.
 - k. Preliminary cost estimate.
- B.4.5. Scope or Specification.** The Project Manager will be responsible for preparing an appropriate scope or specification and submitting the Purchase Requisition Form (Appendix B) to the Procurement Manager. The scope/specification should be transmitted to the Procurement Manager for review with the Contract Requisition Form.

- B.4.6. Independent Cost Estimates.** Each procurement other than micro purchases requires an estimate to be prepared. For supplies or services where competition is anticipated, a control estimate shall be prepared by the requester, approved by the appropriate manager and forwarded to the Procurement Manager.

For construction contracts and modifications, each procurement action requires a detailed independent estimate. Ideally, this estimate will be prepared by the engineer who is responsible for the design and is commonly called the "Engineer's Estimate". This estimate should be prepared for direct costs only (e.g. materials, labor and subcontracting cost).

Each type of estimate discussed above will be an Independent Cost Estimate (ICE) and must be independent of and received by the Procurement Manager prior to any bids or proposals in response to the solicitation. The ICE must include detailed information as to its development and/or source, detailing how it was derived and the basis of the estimate, and must include supporting documentation of the detailed costs. The ICE must be maintained in the official procurement file.

- B.4.7. Base Solicitation Document.** The Procurement Manager should develop a base solicitation document, based upon the procurement plan, and post the solicitation to the DART Procurement web page as an upcoming procurement.

- B.4.8. DBE and Risk Management Input.** Upon receipt of the draft specification or scope of work, the Procurement Manager will incorporate it into the base solicitation document and confer with companion staff responsible for determining insurance requirements and the DBE goal, if any. The draft should then be sent to the Project Manager for review. It may also be sent to other DART staff as appropriate (including the IT and Safety Departments). The Procurement Manager will confer with the Project Manager before finalizing the specified insurance requirements and the DBE goal (if any) for appropriateness and any potential impact on competition.

- B.4.9. Final Review.** When consensus is reached upon all elements of the solicitation, the procurement schedule should be given a final review and revised if necessary. The Project Manager and Procurement Manager will conduct the final review. The availability of an appropriate conference space for pre-bid or pre-proposal meetings, and for public bid openings should be confirmed and the rooms reserved. The procurement plan may be updated to reflect any revisions that occurred during the planning process.

- B.4.10. Solicitation Issuance and Distribution.** The Procurement Manager shall ensure that the solicitation is put in final form, in PDF format, posted to the DART web site, advertised in timely fashion, and emailed (either the actual solicitation or a notice of its availability) to identified potential vendors. The Procurement Manager shall transmit the solicitation package internally to other staff as necessary for evaluation and recordkeeping purposes.

Advertisement for transit specific items or services should be advertised in the classifieds of an industry publication (such as – Passenger Transport, Transit Talent). A resource for developing an industry specific vendor list is <http://apta.officialbuyersguide.net/>.

- B.4.11. Evaluation Team.** For an RFP, the Procurement Manager should notify evaluation panel members of their appointment and provide them with information regarding their responsibilities, the projected evaluation schedule, and copies of the solicitation. Any amendments to the solicitation should be distributed internally to the same people.

- B.4.12. Mailing List.** The Procurement Manager is responsible for maintaining a current mailing list of potential vendors, including those pre-identified, those requesting the solicitation package, and those accessing the solicitation on the DART Procurement web page (if that can be determined).
- B.4.13. Planning File Content.** The procurement file shall include reasonable and adequate documentation of the procurement planning process. File documentation should be proportional to the size and complexity of the procurement. The procurement planning file should, at a minimum, include the following:
- a. Agreed-upon Procurement Plan
 - b. Approved purchase requisition
 - c. Technical specification (Scope of work)
 - d. Prospective vendors list
 - e. Independent cost estimate
 - f. Insurance requirements
 - g. DBE participation goal (if applicable)
 - h. Other pre-solicitation correspondence
 - i. Determination of solicitation type
 - j. Industry survey / vendor contacts (if applicable)
 - k. Determination of pricing structure
 - l. Solicitation / award schedule

B.5. CONFLICT OF INTEREST

- B.5.1. Purpose.** DART business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct. DART is responsible to guard against an actual, potential, or appearance of a conflict of interest in its procurement and contracting practices. In order to protect the integrity of the procurement process, the Procurement Manager will ensure that members of the project team, technical review committee, or selection panel, as well as any proposer or bidder do not have a conflict of interest, or even the appearance of a conflict of interest, which may compromise the integrity of a solicitation or contract or related work. While laws and regulations may place restrictions on the actions of personnel, their official conduct must, in addition, be such that they would have no reluctance to make full public disclosure of their actions.

The Federal Common Grant Rules require DART to be aware of conflict of interest issues a prospective contractor might have, including lack of impartiality, impaired objectivity, or unfair competitive advantage, as discussed more fully in FTA Circular 4220.1.F Chapter VI, paragraph 2.a(4)(h).

B.5.2. Definitions

- a. Personal Conflicts of Interest. A personal conflict of interest ("Personal Conflict of Interest") arises when a DART employee (including contractor employees), officers,

Commission members, or agents (including outside consultants) involved in the selection, award or administration of a contract or sub-agreement, or a member of his or her immediate family, partner, or outside employer or prospective employer, has a financial interest in the entity selected, or competing, for the contract. A personal conflict of interest also arises where any employee, officer, board member, or agent solicits or accepts gifts, gratuities, favors, or anything of monetary value from a contractor, potential contractor, or party to a sub-agreement. In addition, a personal conflict of interest arises where any such person uses his position, or non-public information gained during his work for DART, for personal gain, including gain inuring to an immediate family member, partner, or current or potential employer. These scenarios can result in potential organizational conflicts for employers, or personal conflicts of interest for the individual.

An employee, officer, or Commission member shall not be deemed to have an interest in conflict with his or her official duties for purposes of this Procurement Policy if the interest is remote. A remote interest means (1) that of a non-salaried officer of a nonprofit corporation; (2) that of a landlord or tenant of a contracting party; and (3) a creditor, debtor or ownership interest of less than \$1,500 in a business entity which is a contracting party or as a holder of less than 1 percent of the shares of a corporation or cooperative which is a contracting party, whichever is less.

- b. Organizational Conflicts of Interest. An organizational conflict of interest ("Organizational Conflict of Interest") exists where any of the following circumstances arise: (i) when the contractor is unable, or potentially unable, to provide impartial and objective assistance or advise to the recipient due to other activities, relationships, contracts or circumstances, (ii) the contractor has an unfair competitive advantage through obtaining access to nonpublic information during the performance of an earlier contract, or (iii) during the conduct of an earlier procurement, the contractor has established the ground rules for a future procurement by developing specifications, evaluation factor, or similar documents.

B.5.3. Procedure

- a. Personal Conflict of Interest
 - i. The Procurement Manager will instruct and secure agreement from the Project Manager to disclose any real, potential, or appearance of a Personal Conflict of Interest, which may exist at the beginning of the procurement process. The Project Manager will also agree to immediately notify the Procurement Manager of any real, potential or appearance of a Personal Conflict of Interest, which may arise during the procurement process.
 - ii. Selection Panel members and the Project Manager will sign a "Declaration of Confidentiality and No Conflict of Interest Form" (the "Declaration") prior to receiving proposals to evaluate.
 - iii. The Declarations will be placed in the procurement file.
 - iv. If a real, potential or appearance of a Personal Conflict of Interest arises, the Procurement Manager will notify the DART Chief Financial Officer. The Procurement Manager will record and place in the file all correspondence regarding the Personal Conflict of Interest.

- v. The Procurement Manager and the DART Chief Financial Officer will determine whether the Project Manager or Selection Panel member will be excused from further participation in the procurement process.
- b. Organizational Conflict of Interest
- i. The Procurement Manager will secure agreement from the Project Manager to report any concerns that a real, potential or the appearance of an Organizational Conflict of Interest exists at the beginning of the procurement process. The Project Manager will immediately notify the Procurement Manager of any real, potential or appearance of an Organizational Conflict of Interest that may be identified during the procurement process.
 - ii. If a real, potential or appearance of an Organizational Conflict of Interest is identified, the Procurement Manager will notify the DART Chief Financial Officer. The Procurement Manager will record and place in the file all correspondence regarding the real, potential or the appearance of the Organizational Conflict of Interest.
 - iii. The Procurement Manager and Chief Financial Officer will issue a determination as to the impact of the real, potential or the appearance of an Organizational Conflict of Interest on the procurement, and provide guidance to the Project Manager on the steps to take to mitigate the real, potential, or appearance of an Organizational Conflict of Interest.
 - iv. Contractors/Consultants may protest Organizational Conflict of Interest determinations or mitigation measures by following the protest procedures set forth in the underlying procurement document.

B.6. INDEPENDENT COST ESTIMATE

B.6.1. Purpose. Before DART receives a bid, or a proposal that includes price, or a cost proposal either as a submittal or for negotiating a contract, contract amendment, or sole source contract, the initiating department shall prepare an Independent Cost Estimate (ICE). The ICE is an estimate of the cost of performing the work. This ICE will be used as a basis of comparison for evaluating the proposed price received. An ICE is required for every procurement action that requires a price or cost analysis. A micro purchase is exempt from the ICE requirement.

B.6.2. Implementation. The establishment of an ICE in advance of receiving a bid or proposal is necessary for the following reasons:

- ensures a clear basis for determining the benefits of the procurement;
- provides essential procurement and financial planning information; and
- provides a basis for cost/price analysis.

Although it may seem self-evident that DART has at least implicitly prepared a cost estimate in deciding to proceed with procurement, many projects can change in scope without clear communication among the individuals responsible. An ICE prepared when DART first undertakes the project can alert all individuals involved that the project had grown beyond the scope originally intended. A deliberate decision to reduce the scope or revise the cost estimate can be made at each step of the project's development.

An ICE is essential information for procurement planning. It gives the project owners and the Procurement Manager some indication of the complexity of the project and the degree of investment that offerors will want to make in the procurement process, thus

allowing planning of procurement time and personnel. It is also a key factor in determining which procurement method will apply to the procurement. For example, if the cost estimate exceeds \$1~~500~~,000 for a construction project sealed bids are required in addition to a more complex bid package. Similarly, certification and bonding requirements are triggered based on the value of the contract in accordance with FTA Circular 4220.1F and the FTA Master Agreement.

However, the application of these and most other requirements depends not on the ICE, but on the contract amount. Therefore, if, for example, the estimate for a construction contract is \$1~~3080~~,000, unless everyone involved agrees otherwise, the Procurement Manager should employ procurement practices that will result in a valid contract in case all bids exceed \$1~~500~~,000. Otherwise, DART may have to cancel the procurement and begin the procurement process again with sealed bids, due to the fact that the bids may exceed the ICE.

Another purpose of the ICE is for cost/price analysis. Either a cost or a price analysis is required for every contract and every change order so that a fair and reasonable price is assured. The adequacy of the price or cost analysis is a critical responsibility of the Procurement Manager. In many contract awards, multiple bids alone may not be adequate to assure a fair and reasonable price. In these circumstances, the independence of the estimate from any of the bids is essential. Any price analysis or data collection performed after receipt of the offers, in addition to consuming valuable time during the limited validity of the offers, will not be as probative as data collected before the receipt of the offers. An ICE prepared before the receipt of the offers cannot raise the question of whether the particular data and analysis was consciously or otherwise intended to justify the bid received.

- B.6.3. Procedure.** The ICE does not have to be complicated, but it should be reasonably accurate. The ICE should be broken down for each bidding schedule item. Sources of information for putting together the ICE are: prior bids or contracts for similar scopes of services; published price lists; hourly rates from similar service providers; prior bids or rates received from other agencies; and industry standards such as design as a percentage of construction. Whatever sources DART used to put its budget in place to begin with may also be used when appropriate.

A requesting department shall develop an ICE for all purchases before the procurement process begins and submit the ICE with the requisition. The Procurement Manager should request source information used for developing the ICE to validate its currency, accuracy, completeness, and relevancy when the ICE appears "inadequate". Disciplined cost estimating ensures that the ICE is credible, dependable, and complete, as it is used as input to the budget planning process, future procurement, and cost saving measurement. Merely comparing the ICE with the bid or proposal price will not be considered an acceptable cost/price analysis, if the difference is large. If the ICE is not immediately available (e.g., in certain construction projects), the Procurement Manager shall ensure that the requestor provides the ICE before bids are opened.

B.7. DISSEMINATING INFORMATION

- B.7.1. Purpose.** The Procurement Manager shall ensure information is provided to all potential competitors at the same time. Knowing in advance when procurement is being issued or that an addendum will be issued, can give a firm a competitive advantage.

- B.7.2. Procedure.** To maintain the integrity and fairness of the procurement process, it is imperative that DART not give out information about a procurement to a potential

Bidder before the solicitation document is advertised or during the solicitation period unless DART makes the same information available to all interested parties.

As used in this Section B.7.2, "same information" means DART shares with all potential Bidders the same information at the same time. At the "same time" means within a reasonable number of hours and not days. This sounds very simple, but it is very easy to make mistakes that can jeopardize the procurement and could lead to protests or the need to re-issue the solicitation.

It may be in DART's best interest to prohibit some information from being issued prior to final selection of a contractor or contract award. This includes the number of proposals received, the names of Bidders, any proprietary information contained in a bid or proposal, copies of other Bidder's proposals, and usually any monetary information. By releasing this information prior to final selection of a firm, DART's negotiating position may be jeopardized. All non-proprietary information contained in the bid submittals is public information after the bid opening.

B.8. SOLICITATION STANDARDS

B.8.1. General Standards. Every competitive solicitation above the small purchase limit shall adhere to the following standards:

- a. The intent of advertising a solicitation is to make every reasonable effort to inform potential vendors of the business opportunity. Each such solicitation shall be published in local news media designed to reach the target vendor pool, and shall be posted on the procurement page of the DART website. If the size or nature of the solicitation suggests that there is an appropriate vendor pool outside the DART service area, the solicitation shall be advertised in appropriate regional, national, and trade media.
- b. Where feasible, potential vendors should be identified before the solicitation is issued, drawing on prior solicitations for similar goods or services, experience of DART personnel, and public sources such as trade journals, contractor directories, and the Internet. Such potential vendors should receive direct notification of the solicitation.
- c. Every reasonable effort should be made to encourage the maximum number of responses. Pre-qualification or other methods of restricting responses shall not ordinarily be used unless required for security or public safety reasons or by law. If vendors are to be pre-qualified for a specific procurement, the following requirements apply:
 - Any prequalification list used is current.
 - The prequalification process must include enough qualified sources to provide full and open competition.
 - Potential bidders or offerors must be permitted to qualify during the solicitation period (from the issuance of the solicitation to its closing date). However, a particular solicitation need not be held open to accommodate a potential supplier that applies for approval before or during that solicitation, nor must prequalification evaluations of bidders, offerors, or property presented for review during the solicitation period be expedited or shortened to conform to the solicitation period.
 - Any prequalification testing, or testing of potential approved equal products, must take into account (1) the frequency of solicitations for an item (if an item is solicited on a regular basis, the testing may allow the provider to participate in

future solicitations, but if the solicitation is unique or rare, more consideration should be given to allowing completion of the testing process for that procurement); (2) the length of time required to reasonably test the item to verify acceptability; and (3) the cost to DART of conducting a testing process.

- d. The solicitation document shall contain, at a minimum, instructions on how the response is to be prepared and submitted; the deadline for submittals and other key dates in the process (such as the date and time of a pre-bid or pre-proposal conference); the basis upon which an award will be made; a statement reserving to DART the right to reject any and all offers and the right to award to other than the offer containing the lowest price; a clear and comprehensive statement of DART's needs and the technical requirements to be met by the successful offeror; a set of terms and conditions intended to be used for any resulting contract; and representations and certifications as required by law or regulation, or deemed necessary by DART.
- e. The solicitation period shall remain open for sufficient time to enable the preparation of quality submittals responsive to DART's needs. The minimum bid period for competitive procurements is fourteen (14) calendar days, but will normally be thirty (30) calendar days, except in cases of urgency a shorter time may be specified. In cases of a re-solicitation, a shorter period may also be appropriate if the changes to the solicitation are not substantial. Whenever a period shorter than thirty (30) days is considered necessary, every effort will be made to contact prospective bidders to ensure they can submit bids or proposals in the desired response time.
- f. Responses to any questions from prospective sources, or any amendments to the solicitation, shall be distributed to all parties known to have received the solicitation, and posted on the DART website. Should the amendment substantially change the terms of the solicitation, the period for receipt of offers shall be extended to allow offerors to revise their submittals accordingly.
- g. If a question concerning a potential Organizational Conflict of Interest arises, the Procurement Manager shall consider the impact of the conflict of interest upon free and open competition, and consider methods of mitigating the conflict of interest. For example, if a conflict of interest exists as the result of knowledge obtained by the contractor under previous contracts, it may be possible to publish that knowledge to all potential vendors. The solicitation document should make it the affirmative duty of the conflicted firm to identify the conflict of interest and propose mitigation measures, as early in the solicitation process as possible. Potential sanctions for a firm not notifying the Procurement Manager of a potential conflict of interest should include the rejection of an offer or termination of a contract if the conflict is discovered after award. A conflict of interest involving a contractor which has assisted in the preparation of a specification or scope of services cannot be mitigated, and the contractor must be prohibited from participating in the procurement. Any solicitation and resultant contract whose scope includes the preparation of a design or specification for a follow-on procurement must include a notification to this effect.
- h. After the receipt of responses to a solicitation, the Procurement Manager shall make a determination that (1) the apparently successful offer is responsive (i.e., the offer complies with all material elements of the solicitation), (2) the Offeror is responsible (i.e., the Offeror possesses the technical and financial resources to successfully perform the contract, and has a satisfactory record of past performance, compliance with public policy, and integrity), and (3) the Offeror is

not identified as having an Exclusion on the System for Award Management (SAM, <https://www.sam.gov/portal/SAM/##11#1>).~~<https://www.sam.gov>~~. The Procurement Manager, with input from the Project Manager, shall also determine that the price(s) offered is fair and reasonable.

B.9. RECEIPT AND EVALUATION OF BIDS AND PROPOSALS

- B.9.1. Sealed Bids (IFBs).** Sealed bids must be publically advertised. This includes publishing legal notices, posting the solicitations to DART's website, and sending the solicitation directly to all known prospective offerors. Sealed bids must be received prior to the exact time specified in the IFB. Late bids are not acceptable, and should be returned to the bidder unopened. Prior to the time set for receipt of bids, the Procurement Manager should check the FedEx and UPS delivery places to ensure that no bids have been delivered there, and should be at the place designated for receipt of bids, (usually the building lobby or front desk) not less than five minutes prior to the deadline. The envelope of each bid received should be stamped with the date and time of receipt, to verify timeliness. Bids shall be publicly opened, and the bid prices read. Each bid should be recorded in writing, including the name of the bidder and the bid price. Bid opening results shall be maintained in the official solicitation / contract file. Bids are public documents and bidders have the right to examine the bids of other parties after the bid opening. This should be done in a controlled environment and not in the place of bid opening.
- B.9.2. Competitive Proposals (RFPs).** Competitive proposals must be publically advertised. This includes publishing legal notices, posting the solicitations to DART's website, and sending the solicitation directly to all known prospective offerors. Proposals must be received prior to the exact time specified in the RFP, and the Procurement Manager should follow the same procedure as for sealed bids prior to the deadline for receipt. However, proposals are not publicly opened. A list of proposals shall be made, including the name of the proposer and the number of copies received. Proposals shall be maintained in the official solicitation file.
- B.9.3. Responsiveness Review.** Both bids and proposals are subject to requirements of responsiveness. This review is conducted by the Procurement Manager. Usually the requirement of responsiveness for a sealed bid is more complex than for a proposal. This is because a sealed bid is "locked in" at the time of receipt, and proposals are subject to discussions and negotiations. As a result, many items required with a sealed bid need not be submitted with a proposal. Responsiveness looks at the submittal as of the time it was received, and an offeror cannot later correct a deficiency. Any defect in an area of responsiveness requires the rejection of the sealed bid or proposal. As a result, the Procurement Manager should ensure that only items essential to the award be specified as matters of responsiveness. The submittal of product samples, for example, is usually better treated as a matter to responsibility. The most usual matters of responsiveness include timeliness of receipt, proper signatures for a commitment by the offeror to provide the items solicited, required DBE submittals, and, where required, bid bonds. Proper completion of the pricing form is a matter of responsiveness for sealed bids. Any exception to the terms and conditions of an IFB renders a bid non-responsive.
- B.9.4. Responsibility Review.** A Contractor's responsibility involves an evaluation of its ability to perform the specified work in all respects (a "Responsibility Review"). This evaluation considers the following:

- a. **Technical Capacity:** Have the necessary organization, experience, accounting, and operational controls, and technical skills, or the ability to obtain them in order to perform the project successfully within the allocated time. This evaluation looks at the Contractor's staffing, management systems, equipment, and ability to accurately track costs and submit proper invoices. Possession of any required licenses should also be verified.
- b. **Financial Resources:** Have the necessary capital to finance the contract performance. This evaluation looks at the Contractor's financial statements, banking relationships and financial and credit history. Prior financial difficulties or even bankruptcies do not necessarily render a Contractor non-responsible, but a deeper look at its current financial situation should be made.
- c. **Past Performance:** A record of satisfactory performance on prior contracts of a similar size and nature. References should be checked, and owners on contracts not listed as references contacted if available. Any prior default or other failure to complete a contract should be investigated.
- d. **Integrity and Ethics:** Compliance with applicable laws and regulations, including affirmative action and DBE requirements, and other public policies. Any debarment or suspension at the federal or state level should be investigated; DART will not award a contract to a firm currently debarred or suspended by the federal government or the State of Iowa. The file for every procurement above the micropurchase limit shall include documentation that the awardee is not listed on the System for Award Management (<https://www.sam.gov/portal/SAM/##11#1>) ~~<https://www.sam.gov/portal/public/SAM/#1>~~—as of a date not more than two weeks prior to the award recommendation decision.
- e. **Public Policy:** Compliance with public policy.

The Responsibility Review for an RFP is usually part of the RFP evaluation process. The review of a Sealed Bid usually requires involvement by other DART functions, often including the Project Manager, finance and/or those involved with risk assessment and DBE. Responsibility must be determined affirmatively; if there is a reasonable doubt, the contractor should be found non-responsible. Because responsibility involves subjective judgment and the evaluation of past events, the contractor should be afforded an opportunity to refute any potential non-responsibility issues or to explain corrective actions it has taken. The final determination of responsibility is made by the Procurement Manager. The signature on the contract by the ~~CEO~~ **General Manager** is a positive determination of responsibility.

B.10. DEBRIEFING PROCEDURES

B.10.1. **Purpose.** Debriefing of successful and unsuccessful offerors provides reassurance to solicitation participants that the solicitation and evaluation were conducted in a fair and equitable manner consistent with applicable laws, procedures, and best practices. It also provides education to offerors that should result in better competition in the future. Debriefing of unsuccessful offerors can be valuable to both the offerors and DART. A debriefing can be helpful for a number of reasons:

- It communicates a sense of fairness and appreciation to offerors who have made sizeable investments of time and resources in preparing bids or proposals.
- It may avoid a protest by convincing a disappointed offeror that DART's decision was carefully made, factually well supported, and best for DART.

- It assists offerors in improving their future bids or proposals, which supports competition.

B.10.2. Procedure. Offerors not selected for award may request a debriefing or the Procurement Manager may offer to provide a debriefing. A candid explanation of the process can serve the purposes of defusing any potential dispute by the disappointed offerors and encouraging future bids or proposals. If a dispute is already probable, there is no requirement to notify or debrief unsuccessful offerors, but the litigation and other risks must be carefully weighed.

Debriefings of both successful and unsuccessful proposers may be conducted orally, in writing, or by any other method mutually acceptable to the proposer and the Procurement Manager. Debriefings conducted in person should be chaired by the Procurement Manager. The Project Manager or individuals who participated in the evaluations will provide support if requested by the Procurement Manager.

Debriefings shall typically occur after award of contract. In the event that there is likelihood of substantial delay between rejection of a proposal and award of contract, as may occur with "best and final offer", limited debriefing may be provided to firms not included in the competitive range. The Procurement Manager shall prepare minutes of the debriefing session and maintain records of the event in the procurement file.

Debriefings should include:

- The overall ranking of the debriefed Offeror.
- A description of the strengths and weaknesses of the debriefed Offeror's proposal.
- Reasonable responses to relevant questions about the selection process.
- Competitive range determination and reasons why the offeror was not included in the range.

Debriefings should not include:

- A point-by-point comparison of the debriefed offeror's Proposal and other proposals.
- Scores given to any or all of the Offerors.
- Copies of other offerors' proposals.
- Trade secrets, other proprietary or confidential information if identified on the proposal.

Copies of score sheets and other Offeror's proposals can only be provided if requested through the public disclosure request process, and only provided after contract execution.

In conclusion, the information provided to the Offeror must be of value to the Offeror. The information must enable the offeror to understand the reason or reasons its proposal was not selected. This type of discussion may require some general comparison of the offeror's proposal with the winning proposal in order to communicate the basis on which the selection decision was made and to meaningfully communicate the weaknesses in the offeror's proposal.

B.11. PROTESTS

B.11.1. PURPOSE. The purpose of a protest procedure is to allow an actual or prospective proposer, bidder, offeror, or contractor ("Interested Party") who is aggrieved in connection with a solicitation, evaluation, or award of a contract, an opportunity to

state its dispute, pursuant to a certain protest procedure ("Protest Procedure"). At DART, the Procurement Manager ensures that all solicitations contain appropriate instruction for interested parties to access the Protest Procedure.

Because DART's response to a protest establishes a precedent, it is important that DART's responses to protests be consistent and takes into consideration the best interests of DART on a long-term basis.

B.11.2. PROCEDURE. A protest must be submitted by an Interested Party no later than seven (7) business days prior to the date and time designated for submittal of bids or proposals or within five (5) business days after the allegedly aggrieved person or party is notified of contract award. All protest must be in writing and shall contain the following:

- the procurement title and/or number under which the protest is made;
- the name and address of the allegedly aggrieved party;
- a detailed description of the specific grounds for the protest and all supporting documentation;
- the specific ruling or relief requested; and
- the written protest shall be addressed to DART Procurement Manager, Des Moines Area Regional Transit Authority, 620 Cherry Street, Des Moines, IA 50309.

a. Evaluation of Protests:

A protest decision should ordinarily be written and published within ten (10) business days of receipt of the protest. The Procurement Manager may extend the response period if additional time is required to gather and evaluate information necessary for the decision or for other good cause.

Upon receipt of a protest, the Procurement Manager shall notify parties involved in the procurement as identified above, and such DART personnel or others as may be appropriate or necessary to determine the validity of the protest. A notice of the receipt of a protest pertaining to a federally participating purchase shall be sent to the FTA regional office in accordance with FTA Circular 4220.1F, Chapter VII, Sec. 1.a(2). Copies of the protest submittal, or portions thereof, may be provided to the notified parties as appropriate.

The Procurement Manager may request additional written information from the protestor or other parties, as necessary to determine the validity of the protest. A formal or informal hearing may be held. If a formal hearing is held, testimony shall be given under oath and a transcript or electronic recording of the proceeding shall be made; the transcript or recording shall be provided to the protestor and made part of the protest record.

The Procurement Manager shall redact from any submission under the protest process information which has been identified as proprietary, and which, in his/her judgment, is protected from disclosure under Iowa Code Chapter 22, *Examination of Public Records (Open Records)*, prior to furnishing such submission to any other party, unless the person furnishing the information consents, in writing, to distribution of the information to other interested parties.

The Procurement Manager will consult DART Legal Counsel prior to issuing a decision regarding the protest.

b. Response to Protest:

- i. Upon receipt of a timely written protest, the Procurement Manager will consider the protest in accordance with established procedures and promptly issue a written decision stating the reasons for the action taken and informing the allegedly aggrieved person of his/her right to appeal the decision to the DART ~~CEO~~General Manager.

The decision document will contain four parts:

- o SUMMARY – Describes briefly the protesting party, the solicitation involved, the issue(s) raised, and the decision.
 - o BACKGROUND – Describes in more detail the history of the solicitation and the procurement events leading to the protest, the date the protest was received, and the process by which it was evaluated.
 - o DISCUSSION – Identifies the issue or issues raised by the protestor, and the factors considered in reaching a decision, and the rationale for the decision.
 - o DETERMINATION – States the decision and any remedy or subsequent action, (e.g., cancellation of the procurement) resulting from the protest.
- ii. The decision made by the Procurement Manager shall be final and conclusive unless appealed in writing to the DART ~~CEO~~General Manager within five (5) business days of receipt by the Protestor. The DART ~~CEO~~General Manager will consider the appeal and promptly issue a written decision, which shall be final and conclusive.
 - iii. A Protestor may not commence litigation prior to exhausting all administrative remedies. Failure to exhaust all administrative remedies shall constitute an absolute waiver of the protestor's right, if any, to commence litigation.
 - iv. Failure to comply with these protests and appeal requirements will render a protest or an appeal untimely or inadequate and may result in its rejection by DART.
 - v. After the exhaustion of all administrative remedies, the protestor shall have ten (10) calendar days to commence litigation. Failure to commence litigation within this limitation shall constitute an absolute waiver of the protestor's right.

- c. Record of Protest:

Upon receipt of a protest involving FTA funded contracts, FTA shall be notified, and shall be kept informed of the status of the protest until resolved.

Protest information to be reported to FTA includes:

- i. Subject. A list of protests involving FTA funded contracts or potential contracts that:
 - o Have a value exceeding \$100,000, or
 - o Involve a controversial matter, irrespective of amount, or
 - o Involve a highly publicized matter, irrespective of amount.
- ii. Details. The following information about each protest:
 - o A brief description of the protest,
 - o The basis of disagreement, and

- o If open, how far the protest has proceeded, or
 - o If resolved, the agreement decision reached, and
 - o Whether an appeal has been taken or is likely to be taken.
- iii. When and Where. The following information about each protest:
- o In its next quarterly FTA quarterly Milestone Progress Report, and
 - o At its next Project Management Oversight review, if any.
- iv. FTA Officials to be notified. When DART denies a bid protest, and especially if an appeal to FTA is likely to occur, DART's FTA Regional Administrator is to be notified, or the FTA Associate Administrator for the program office administering a headquarters project directly.

The Procurement Manager shall establish a separate file in which a complete record of the protest shall be maintained. The file shall constitute a separate portion of the overall procurement file.

The procurement protest file shall include reasonable and adequate documentation of the protest and outcome of the protest. Protest file documentation should be proportional to the size and complexity of the protest.

The protest file should, at a minimum, include the following:

- the protest, including supporting documentation
 - record of determination of protest timeliness
 - record of internal distribution of protest
 - record of notice to FTA, if federal funds are involved
 - record of internal responses to protest
 - record of legal review
 - determination and findings, including supporting documentation
 - protester response / appeal
 - result of appeal
 - notice of cancellation of solicitation, if applicable
- d. Protest at the Federal Transit Administration level:
- Protests made to the FTA will be limited to DART's failure to have or follow its protest procedures, DART's failure to review a complaint or protest, or violations of federal law or regulation. Any protest to the FTA must be made in accordance with the following guidelines:
- i. A protest must be filed with the FTA no later than five (5) business days after the protester learns or should have learned of an adverse decision by DART or other basis of appeal to FTA;
 - ii. A protest to FTA must be filed in accordance with FTA Circular 4220.1F, Chapter VII, as amended.
 - iii. The Procurement Manager shall submit to the FTA Regional Office a copy of all protests and DART's response.
- e. Notice of Protest Policy

Each solicitation above the small purchase threshold as defined herein shall contain DART's Protest Policy Procedures.

B.12. REJECTION OR ACCEPTANCE OF OFFERS

B.12.1. Purpose. DART may reject individual or all bids or proposals if such action is in DART's best interest or when there is a compelling reason to reject all bids or proposals consistent with federal and state procurement regulations. DART may reject individual bids/proposals for several reasons including submission errors, conflicts of interest, non-responsiveness, other changes in conditions, or for its convenience. After bids have been opened, award should be made to the low responsive, responsible bidder unless there is a compelling reason to reject all bids and cancel the solicitation. In all cases, the decision to reject bids or proposals must be approved by the Procurement Manager.

DART may also accept bids or proposals that have minor error or irregularity. A minor informality or irregularity is one that is merely a matter of form and not of substance. It also pertains to some defect in a bid or variation of a bid from the exact requirements of the solicitation that can be corrected or waived without being prejudicial to other bidders. The defect or variation is immaterial when the effect on price, quantity, quality, or delivery is negligible when contrasted with the total cost or scope of the supplies or services being acquired. The Procurement Manager should give the bidder an opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid or waive the deficiency, whichever is to the advantage of DART.

Should delays be encountered after bid opening that may delay award beyond bidders' acceptance periods, bidders should be requested, before expiration of their bids, to extend in writing the bid acceptance period (with consent of sureties, if any) in order to avoid the need for re-soliciting.

B.12.2. Procedure. The Procurement Manager notifies the Chief Financial Officer about the nature of the error, irregularity, or mistake in the bid or proposal.

- a. Procurement Manager prepares documentation either to reject one or all bids or to accept the error, irregularity, or mistake in the bid/proposal as minor informality.
- b. The Chief Financial Officer approves the documentation for rejection or acceptance prepared by the Procurement Manager for compliance and completeness.
- c. The Procurement Manager notifies the individual or all bidders/proposers that their submittals have been rejected or require the bidder/proposer to correct any minor error. The letter shall contain the reasons for the action.

Compelling reasons to reject a bid or proposal may include the following:

- Materially unbalanced bid/proposal that poses an unacceptable risk to DART.
- Incorrect, inadequate or ambiguous specifications were cited in the solicitation;
- Specifications have been revised or changed;
- Supplies or services being contracted for are no longer needed;
- Bids indicate that the needs of DART can be satisfied by a less expensive article/method differing from that for which the solicitation was issued;
- All otherwise acceptable bids/proposals received are at unreasonable prices, or only one bid is received and the Procurement Manager cannot determine the reasonableness of the bid or proposed price;

- The bids were not independently arrived at in open competition, were collusive, or were submitted in bad faith;
- No responsive bid has been received;
- A cost comparison shows that performance by DART is more economical; or
- For other reasons, cancellation is clearly in the public's interest.

B.13. WITHDRAWAL OF OFFERS

B.13.1. **Purpose.** Vendors may withdraw their bids or proposals before their offer is accepted in accordance with the conditions set forth in the solicitation documents. Some solicitation documents may permit or remain silent on the opportunity to withdraw while others may call for a bid surety to protect DART's interest. Withdrawal of bids or proposals is not a matter of convenience for the vendor. The Procurement Manager shall evaluate such events to ensure the best interest of DART is maintained.

B.14. CLAIM OF ERROR

B.14.1. **Claim of Error Guidance.** An error in offer documents may be discovered before or after a contract has been awarded. Actions that may be taken in response to the error will depend on the nature and the time of discovery. However, regardless of when or who discovered the error, the situation must be handled immediately and properly to ensure that the integrity of the procurement process is maintained.

B.14.2. Procedure

- a. Discovery of Error
 - i. When an error is discovered, before award, the Bidder may request to withdraw its bid by submitting a written Claim of Error notice to the Procurement Manager. The Claim of Error notice must include supporting documentation, including cost breakdown sheets. A solicitation may provide a timeline within which a Claim of Error may be accepted by DART.
 - ii. The Procurement Manager may require the Bidder to submit additional information, as necessary, to evaluate the Claim of Error.
 - iii. Immediately after a Claim of Error is submitted, Procurement Manager shall notify the Chief Financial Officer of the Error.
- b. Identify and Document the Error
 - i. The Procurement Manager shall review the Claim of Error to determine the appropriate Error Category (see table below) and the proper course of action.
 - ii. The Procurement Manager shall prepare documentation attaching a copy of the Bid and a Memorandum or Correspondence describing the error.
 - iii. Based on the documentation provided by the erring Bidder/Proposer, the Procurement Manager will make a determination on whether:
 - o The error can be corrected;
 - o The error will be recognized and the bid allowed to be withdrawn; or
 - o The error will not be recognized and the bid not be allowed to be withdrawn.

- iv. The Procurement Manager sends a letter that notifies the Bidder/Proposer of DART's decision including a notification of the Bidder/Proposer's right to appeal and citations to the appeal procedures in the Solicitation document.
- v. The Procurement Manager assembles the Claim of Error documentation that will go into the file, as follows:
 - o The original Bid/Proposal
 - o The written notice of Claim of Error
 - o All supporting documentation to the Claim of Error
 - o Documentation of the Error
 - o Copies of all internal correspondences regarding the discussion of the Bid/Proposal.
 - o A copy of the letter to the Bidder/Proposer of the final decision.

BID ERROR CATEGORIES		
<i>Below are the four generally accepted categories for Bid Errors and permitted actions.</i>		
Discovered Before Contract Award		
1	Minor Informalities or Irregularities	Errors that are discovered before Contract Award may be: <ul style="list-style-type: none"> • Corrected by the firm; or • Recognized by DART and the bid allowed to be withdrawn; or • Not recognized and the bid not allowed to be withdrawn.
2	Obvious or Apparent Clerical Errors	
3	Errors other than 1 and 2 above	
Discovered After Contract Award		
4	Any Error Discovered After Contract Award	Errors that are discovered after Contract Award, will only be corrected if the Chief Financial Officer determines the following: <ul style="list-style-type: none"> • It would be unconscionable not to allow the correction; • The error can be corrected by a Contract Modification or Change Order, without changing the essential requirements of the specifications. The Chief Financial Officer may also make the following determinations: <ul style="list-style-type: none"> • Rescind the contract; or • Reform the contract, deleting the items involved in the error or increase the contract price, as long as the total corrected contract price does not exceed the next lowest acceptable bid; or • Disallow changes to contract.

C. PROCUREMENT METHODS INSTRUCTIONS

C.1. MICRO-PURCHASES

C.1.1. **Description.** See Section A, Subsection A.6.1.

C.1.2. **Minimum Procurement Lead Time.** Two days

C.1.3. Procedure

- a. Determine Need: This procedure applies to all micro purchase needs of DART departments, except for construction. These purchases are exempt from competition requirements, although the requestor or Procurement Manager should make a determination prior to purchase that the price is fair and reasonable.
- b. Identify Potential Vendor(s): DART departments are generally responsible for identification of vendors. Procurement Manager is responsible for assisting the departments. Typical resources are catalogues, yellow books and other publications etc. Even for the micro-purchase dollar amount threshold, DART departments must seek small businesses or DBEs.
- c. Prohibited Division: Purchaser should avoid splitting larger dollar amount purchases into micro purchases to avoid competition.
- d. Competition: Purchaser should equitably distribute repeated micro purchases among as many qualified local suppliers as is reasonable.
- e. Determine Method of Procurement: All micro purchases can be made by DART P-card or purchase order up to \$3,500.
- f. Order: Determine that appropriate authorization has been received to make the purchase.
- g. Documentation: Minimum documentation required is (1) statement that the price is fair and reasonable and (2) a description of how the recipient made its determination. Purchasers must obtain a receipt or other documentation of the purchase. A record of the transaction must be maintained to match to an expenditures report for credit card purchases, or to match to an invoice for a purchase order. The price(s) paid for items hereunder are determined to be fair and reasonable, based on the following:
 - Current price lists or off-the-shelf pricing
 - Catalog price
 - Prices found reasonable on recent previous purchases
 - Advertisements
 - Similar items in a related industry
 - Independent price estimate (attach documentation)
 - Other (cite basis)
- h. Exception: The Micro purchases under \$3,500 are exempt from FTA's Buy America requirements. However, Davis-Bacon Act that requires contractors to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the U.S. Secretary of Labor will apply to all FTA-

funded construction contracts exceeding \$2,000, even though the recipient uses micro-purchase procurement procedures.

C.2. SMALL PURCHASES

C.2.1. **Description:** See Section A, Subsection A.6.2.

C.2.2. **Minimum Procurement Lead Time:** Two to Three weeks

C.2.3. **Procedure**

For small purchases, requestors may solicit quotes directly without the involvement of the Procurement Manager. However, all procedures, rules, and regulations must be followed and the Procurement ~~Department Manager~~ will review all ~~documentation, quotes prior to issuance of a Purchase Order (PO) number. The Procurement Manager is available to obtain the quotes or provide other assistance on small purchases. All awards are subject to the approval levels located within the Policy~~For purchases up to \$100,000 the purchaser must obtain written quotes. The General Manager must approve all purchases of the Small Purchase Method. Detailed procedures are provided below:

- a. The Project Manager (purchaser or requester) and/or Procurement Manager will complete a DART Purchase Requisition Form.
- b. The Project Manager and/or Procurement Manager will review the scope of work, deliverables or equipment/product specifications and identify at least three qualified suppliers/vendors to provide competition. One of the firms selected to quote shall be a DBE or small business. In the event a DBE or small business is unavailable to quote, the Project Manager or Procurement Manager shall document efforts made to locate DBE's and small businesses.
- c. The Project Manager and/or Procurement Manager will obtain an independent cost estimate (ICE) from a non-bidding source. ICE must show the source and date.
- d. The Procurement Manager may review a procurement request to determine if it can be fulfilled by using either an existing state contract or "piggybacking" onto another public agency contract before soliciting quotes. If none exists, the requestor can either solicit the quotes or have the Procurement Manager complete this action. The Procurement Manager will include the appropriate state and federal terms, conditions, forms, and certifications to the PO.
- e. After quotes or proposals are received but prior to award, the Project Manager and/or Procurement Manager will identify the firm that provided the lowest priced responsive offer. The Project Manager and/or Procurement Manager will concurrently perform a Responsibility Review (as set forth in Section B, Subsection B.9.4) to determine if the offeror is responsible and eligible for contract award.
- f. For A&E purchases under the small purchase threshold, the Project Manager or Procurement Manager shall comply with Brooks Act by ensuring that price is not an evaluation factor and only qualifications are evaluated. The Procurement Manager will perform a price or cost Analysis.
- g. The Procurement Manager will contact the successful firm and request applicable insurance certificates and other mandatory documents.
- h. After approval from the ~~CEO~~General Manager and upon receipt of applicable documents, the Procurement Manager may issue a PO or contract. The PO must

state all applicable commercial, technical, and legal terms and conditions, including delivery and contract end dates.

- i. Upon receipt of the products or services, the requestor inspects and accepts the deliverables, approves the invoice for payment and submits it to Accounts Payable for payment. The requestor shall notify the Procurement Manager if items are not received in the time and manner indicated on the PO, if the wrong items are received or any other concerns.
- j. The Procurement Manager is responsible for ensuring the vendor abides by the terms of the contract, and to assist the requestor to ensure a value added service.

C.3. SEALED BIDS

C.3.1. **Description.** See Section A, Subsection A.6.3.

C.3.2. **Minimum Procurement Lead Time:** 12-18 weeks

C.3.3. **Procedure.**

a. Preparing the IFB.

- i. The IFB must describe the requirements of DART clearly, accurately, and completely. Unnecessarily restrictive specifications or requirements that might unduly limit the number of bidders are prohibited. The invitation includes all documents (whether attached or incorporated by reference) furnished to prospective bidders for bidding.
- ii. The Project Manager submits a DART Purchase Requisition Form, Statement of Work or Scope of Work, and ICE to the Procurement Manager. This initiates the process with the Procurement Manager to deliver a value added service to the Procurement Manager involving a cradle to grave contract management approach.

Depending on the complexity of the requirement, the Project Manager and Procurement Manager should collaborate at the earliest stages of requisition and scope development (cradle). For extremely complex procurements the partnership should be formed from the time the need is identified by the Project Manager's team or for simpler items a minimal relationship between the Project Manager and Procurement Manager will be needed. For construction contracts the Project Manager and Procurement Manager should form a team that is collectively responsible for providing Procurement Strategy that identifies long lead items, owner furnished items, subcontracting opportunities and, other strategies.

- iii. The Project Manager and Procurement Manager discuss procurement requirements such as procurement schedule, risk, insurance, subcontracting opportunities, scope and delivery schedule, bid pricing, schedule, funding source requirements (e.g. FTA 5309, FRA, FHWA, FAA etc.), whether a pre-bid conference is needed and other items of critical nature.
- iv. The Project Manager and Procurement Manager, along with input from other appropriate departments shall ~~and DBE Liaison develop a social equity plan by conducting a joint~~ review DBE, small business, and of subcontracting opportunities. A small business and or DBE goal may be established at this time.

- v. The Procurement Manager drafts an IFB, including the clauses required by law or by regulation and any additional clauses expected to apply to any resulting contract including FTA clauses, prevailing wage, etc. The Procurement Manager conducts a formal review with all key procurement stakeholders to encourage formation of a cohesive contracting team with clear roles and responsibilities. The review results in a cross functional review of the contract. An advertising/distribution plan will be presented to all stakeholders for approval. The solicitation shall be thoroughly reviewed and approved by the Procurement Manager before issuance to detect and correct discrepancies or ambiguities that could limit competition or result in the receipt of nonresponsive bids, or result in contract performance issues.
- b. Advertising the IFB. The Procurement Manager shall prepare advertisement synopsis for one or more of the following: The Des Moines Register (DMR), Passenger Transport, Transit Talent (or other industry publication), and a full IFB package to publish on the DART website. The Procurement Manager should ensure the advertisement attracts competition. The Procurement Manager must ensure the advertisement meets any statutory or regulatory requirements, provides adequate time for bidders to submit an offer, and provides clear instruction on how to obtain the full solicitation packet and the due date for submission of offers.
- c. Amending the IFB.
 - i. All requests for information or questions must be routed directly to the Procurement Manager; written clarification and addendum will be issued by Procurement Manager when necessary. The Procurement Manager shall review and approve all clarifications and addenda prior to issuance.
 - ii. If it becomes necessary to make changes in quantity, specifications, delivery schedules, opening dates, etc., or to correct a defective or ambiguous item of the solicitation, such changes shall be accomplished by amendment of the IFB via addenda. The fact that a change was mentioned at a pre-bid conference does not relieve the necessity for issuing an addendum. Addendums shall be sent, before the time for bid opening, to everyone to whom the IFBs have been furnished.
 - iii. Before amending an IFB, the time remaining until bid opening and the need to extend this period shall be considered. When 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 telephone. Such extension must be confirmed in the addenda.
 - iv. Any information given to a prospective bidder concerning an IFB shall be furnished promptly to all other prospective bidders as an addendum to the invitation (1) if such information is necessary for bidders to submit bids or (2) if the lack of such information would be prejudicial to uninformed bidders. The information shall be furnished even though a pre-bid conference is held.
- d. Pre-bid Conference. A pre-bid conference may be conducted, generally in a complex procurement, as a means of briefing prospective bidders and explaining complicated specifications and requirements to them as early as possible after the invitation has been issued and before the bids are opened. It should not be used as a substitute for amending a defective or ambiguous IFB.
- e. Submission of Bids. Bidders must submit sealed bids to be opened at the time and place stated in the solicitation for the public opening of bids. Bids shall be submitted

so that they will be received at the location designated in the IFB and not later than the exact time set for opening of bids.

f. Bid Opening.

- i. Bidders must submit sealed bids to be opened at the time and place stated in the solicitation for the public opening of bids in accordance with the IFB instructions to be considered "responsive". Bids shall be submitted so that they will be received as designated in the IFB not later than the exact time set for opening of bids.
- ii. All bids (including modifications) received before the time set for the opening of bids shall be kept sealed and secure. Except as otherwise provided herein, bids shall not be opened or viewed, and shall remain in a safe and secured area. If an IFB is cancelled, bids shall be returned unopened to the bidders. Before bid opening, information concerning the identity and number of bids received shall be made available only to DART employees. Such disclosure shall be only on a "need to know" basis. When bid samples are submitted, they shall be handled with sufficient care to prevent disclosure of characteristics before bid opening.
- iii. Envelopes marked as bids but not identifying the bidder or the solicitation may be opened by the Procurement Manager solely for the purpose of identification. If a sealed bid is opened by mistake (e.g., because it is not marked as being a bid), the envelope shall be signed by the opener, whose position shall also be written thereon, and delivered to the Procurement Manager. The Procurement Manager shall immediately write on the envelope (1) an explanation of the opening, (2) the date and time opened, and (3) the invitation for bids number, and shall sign the envelope. The Procurement Manager shall then immediately reseal the envelope.
- iv. The Procurement Manager shall announce when the time set for opening bids has arrived. The Procurement Manager shall then (1) personally and publicly open all bids received before that time, (2) read the bids aloud to the persons present, and (3) have the bids recorded. The original of each bid shall be carefully safeguarded, particularly until the abstract of bids required has been made and its accuracy verified.
- v. Examination of bids by interested persons shall be permitted if it does not interfere unduly with the conduct of DART business. Original bids shall not be allowed to pass out of the hands of a DART official unless a duplicate bid is not available for public inspection. The original bid may be examined by the public only under the supervision of the Procurement Manager and under conditions that preclude possibility of a substitution, addition, deletion, or alteration in the bid.
- vi. A bid opening may be postponed when:
 - o The Procurement Manager has reason to believe that the bids of an important segment of bidders have been delayed in the mail, or in the communications system specified for transmission of bids, for causes beyond their control and without their fault or negligence (e.g., flood, fire, accident, weather conditions, strikes); or
 - o Emergency or unanticipated events interrupt normal DART processes so that the conduct of bid opening as scheduled is impractical.

- o At the time of a determination to postpone a bid opening, an announcement of the determination shall be publicly posted. If practical before issuance of a formal amendment of the IFB, the determination shall be otherwise communicated to prospective bidders who are likely to attend the scheduled bid opening.
 - o Bid abstracts shall be available for public inspection and posted on DART's website as soon as practicable after the bid opening. Such abstracts shall not contain information regarding failure to meet minimum standards of responsibility, apparent collusion of bidders, or other notations properly exempt from disclosure to the public.
- g. Evaluation of Bids.
- i. To be considered for award, a bid must comply with all requirements stipulated in the IFB. Such compliance enables bidders to stand on an equal footing and maintain the integrity of the sealed bidding system.
 - ii. Facsimile or bids submitted by electronic commerce bids shall not be considered unless permitted explicitly in the solicitation.
 - iii. Bids should be filled out, executed, and submitted in accordance with the instructions in the invitation.
 - iv. If a single bid is received or if competition is inadequate, the Procurement Manager shall examine the situation to determine the reasons for the inadequate number of responses. Award may be made notwithstanding the limited number of bids. However, the Procurement Manager shall initiate, if appropriate, corrective action to increase competition in future solicitations for the same or similar items. If only one bid has been received, the Procurement Manager and Project Manager have an option follow the sole source procurement procedure discussed in this Manual.
 - v. The Procurement Manager shall determine that a prospective contractor is responsible and that the prices offered are reasonable before awarding the contract. A price analysis shall be performed in all cases. The price analysis should reveal whether the bids are materially unbalanced. In evaluating the bids for responsiveness, the Procurement Manager shall create an abstract of bids, verifying pricing and summarizing the Bidder's compliance with responsiveness issues and the bid prices. The list of debarred Contractors will be checked and a copy printed for the file. For construction bids, the Procurement Manager shall verify that the Contractor was licensed by the state prior to submitting its bid.
 - vi. If applicable, the Procurement Manager shall issue the standard bid evaluation letter to the apparent low bidder requesting material to be submitted prior to bid evaluation.
- h. Contract Award.
- i. A firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the IFB, is lowest in price.
 - ii. The Procurement Manager shall make a contract award by written or electronic notice within the time for acceptance specified in the bid or an extension to that responsible bidder whose bid, conforming to the invitation, will be most advantageous to DART, considering only price and the price-

related factors included in the IFB. Award shall not be made until all required approvals have been obtained.

- iii. When signed contract and required documents are returned, the Procurement Manager routes the documents to the Project Manager and any other appropriate personnel.
- iv. Upon contract execution, the Procurement Manager confirms with Project Manager the date work is to begin. The Procurement Manager issues the Notice to Proceed. The Procurement Manager then issues the Purchase Order and provides the number to the contractor and Project Manager.
- v. For a construction contract, the Procurement Manager places the original bonds and retainage agreement in the DART fire safe (if applicable). A copy of these documents is placed in the contract file. Upon contract execution, the Procurement Manager returns bid bonds to unsuccessful bidders.

C.4. COMPETITIVE NEGOTIATION

C.4.1. Description. See Section A, Subsection A.6.5.

C.4.2. Minimum Procurement Lead Time: 9 to 12 weeks

C.4.3. Procedure

- a. Preparing the RFP.
 - i. The Project Manager (purchaser or requester) and/or Procurement Manager will complete a DART Purchase Requisition Form.
 - ii. The Project Manager drafts a Preliminary Procurement Plan, which identifies subcontracting opportunities, budget and schedule implications, and potential conflicts of interest. The Project Manager also begins drafting a Scope of Work, which includes all requisite analysis, deliverables, skills, standards of performance and performance milestones.
 - iii. The Procurement Manager provides procurement assistance as needed. The Project Manager prepares requisition with dollar estimate for contract and obtains appropriate approvals before forwarding to the Procurement Manager with the independent cost estimate, estimated schedule, and draft scope of work. The Procurement Manager receives an ICE from the Project Manager (or the Procurement Manager will obtain the ICE) before receiving Proposals. The Procurement Manager shall not permit Proposals to be evaluated or considered if the ICE was not submitted before Proposals were received.
 - iv. The Project Manager and Procurement Manager discuss needed services so that the Procurement Manager has the information needed to put together the solicitation document. Topics for discussion include: procurement schedule, inherent risk for determining insurance requirements, and all contractual and performance risks, where to advertise, subcontracting opportunities, appropriate evaluation criteria categories (price shall be one of the evaluation criteria), weight or points given to the evaluation criteria to determine their relative importance, submittals needed to evaluate based on those criteria, scope and schedule, federal or non-federal monies, selection panel members, and legal or other issues that may affect the procurement.

- v. The Procurement Manager discusses with the Project Manager any anticipated changes to the contract to ensure that they fall within the original scope. The Project Manager needs to know that he/she will have to carry out a separate procurement for changes that lie outside the original scope or work (i.e., a cardinal change).
- vi. The Procurement Manager drafts a procurement schedule for review by the Project Manager. The schedule is negotiated between and agreed upon by both the Procurement Manager and the Project Manager.
- vii. The Procurement Manager initiates preparation of the draft solicitation document. The Project Manager continues to develop the Scope of Work. The Procurement Manager forwards a copy of the solicitation document to the Project Manager. The Procurement Manager shall include technical and price evaluation factors, such as technical capability of the item offered to meet DART requirements: e.g., past performance, management, key people, delivery terms, QA/QC and safety, project management, and evaluation points or the relative order of importance of the evaluation factors in the solicitation document.
- viii. The Procurement Manager discusses project with all stakeholders as needed in order to draft the solicitation document. Included in the stakeholders will be the issues of Technology (IT), Risk, and DBE/small business opportunities.
- ix. The Project Manager provides the final Scope of Work and cost estimate to Procurement Manager (if it has not already been provided).
- x. The Project Manager and Procurement Manager finalize the Preliminary Procurement Plan, including the procurement schedule, subcontracting opportunities, DBE opportunities, outreach plan, and conflict of interest mitigation plan. The Procurement Manager forwards the procurement schedule to all stakeholders. The Project Manager provides an internal distribution list to the Procurement Manager.
- xi. The Procurement Manager prepares the entire solicitation package and routes it to the Project Manager to review.
- xii. The Project Manager and Procurement Manager incorporate any comments into their respective portions of the document to arrive at a "final" solicitation document. Project Manager and Procurement Manager conduct a review conference with all stakeholders, if appropriate, to discuss changes to the document.
- xiii. If necessary, the Procurement Manager sends out advance notice to potential proposers and/or interested parties letting them know of the upcoming solicitation.
- xiv. The Procurement Manager prepares the final solicitation for review. The Project Manager reviews the Scope of Work for quality assurance (the Project Manager may have others review the Scope of Work to ensure the appropriate quality assurance check has been done). The Procurement Manager shall ensure that all solicitations include a clear, accurate, and complete scope before soliciting or advertising for Proposals.
- xv. The Procurement Manager prepares Solicitation Document for distribution (prints hard copies, make CDs, make PDF files, etc.). The Procurement Manager places advertisement in the appropriate publications, on DART's

website, notifies interested parties of the document's availability, and distributes copies of solicitation to those on the internal document distribution list.

- xvi. The Project Manager and Procurement Manager develops an evaluation procedure for the selection panel to follow when evaluating Proposals and conducting interviews (if held). The procedure is completed prior to receiving proposals.
- b. Advertising the RFP. The Procurement Manager will make certain that appropriate advertising occurred before receiving proposals, evidence such actions with an affidavit of publication or other proof of advertisement, and include the proof of advertisement in the procurement file for the contract.
- c. Pre-Proposal Conference.
 - i. At the Pre-Proposal Conference the Procurement Manager, Project Manager, and appropriate DART staff present material regarding the solicitation to prospective Proposers. The Procurement Manager ensures that the pre-proposal conference is recorded (i.e., take notes of the pre-proposal conference) for distribution to all document holders. The Procurement Manager records any questions that cannot be answered by referencing the solicitation document or with information that is generally known. These questions are answered in clarification document issued after the conference.
 - ii. The Procurement Manager receives any requests for information from prospective Proposers and distributes to appropriate parties for answers. The Procurement Manager incorporates answers into a written clarification document and/or addendum and issues to document holders. E-mail is the preferred method of receiving requests for information. All addenda and clarification documents should also be distributed via e-mail to those requesting copies of the solicitation.
- d. Submission of Proposals. The Procurement Manager receives the proposals, reviews them for completeness, and distributes to the selected evaluation panel members along with the evaluation criteria to be used in evaluating the proposals.
- e. Evaluation of Proposals.

The selection panel evaluates the proposals against the stated evaluation criteria. If necessary, the selection panel may decide to interview one or more of the proposing firms/teams in person, prior to making a decision. The final ranking of firms will be based upon the evaluation process described in the solicitation. The Procurement Manager notifies firms if they are no longer being considered, and arranges interviews with firms if interviews are requested by the selection panel. Best and Final Offers (BAFOs) or multiple interviews may be held if deemed necessary to make a final selection. At least one member of the selection panel should be from a department different from the Project Manager's department. The Procurement Manager may provide debriefings to those proposers that do not qualify for BAFO. Upon determination of the top ranked firm, the Procurement Manager and Project Manager evaluates price or cost proposal to determine whether proposed level of effort and prices are fair and reasonable. The Procurement Manager and Project

Manager will jointly determine if the price or cost proposal is acceptable or needs negotiation. Procurement Manager shall ensure an appropriate cost or price analysis is conducted before the Procurement Manager makes a determination on award of contract.

f. Contract Award.

- i. The Procurement Manager and Project Manager will jointly develop a written negotiation position. The Procurement Manager may create an initial draft contract for use as the starting point for negotiations. The Project Manager and Procurement Manager negotiate a contract with the top ranked firm. Before or during negotiations, the Project Manager and/or Procurement Manager shall confirm certification of DBE firms. If a satisfactory contract cannot be negotiated, negotiations may be conducted with the next ranked firm.
- ii. The Procurement Manager forwards the final contract to legal for approval if there are material modifications to important provisions.
- iii. Once the contract terms are satisfactorily negotiated, the Project Manager and Procurement Manager obtain approval from the Commission. The Procurement Manager obtains a copy of the motion and includes it in the procurement file for the contract, where Commission approval is received.
- iv. The Procurement Manager will obtain signatures on the contracts from the winning Proposer, and any other required certification (such as federal forms) or documents. Appropriate DART execution of contract will only occur after all required documents are obtained.
- v. The Procurement Manager reviews certificates of insurance and, if applicable, forwards originals of certificates to the Finance Division or files them in the DART fire proof safe. The Procurement Manager also obtains Accounts Payable information from the winning vendor so that their information can be entered into the DART A/P system.
- vi. Once the contract and certificates of insurance are approved, Procurement Manager will obtain appropriate signature on Contract.
- vii. The Procurement Manager will return one copy of the contract along with Notice to Proceed (NTP), or Limited Notice to Proceed (LNTP) as applicable, to winning Proposer. The Procurement Manager will send one copy of the executed contract to the Project Manager, and file another copy in the DART fire proof safe, and keep one copy in the contract files.
- viii. The Procurement Manager issues a purchase order and provides the PO number to the Contractor and Project Manager (if necessary).
- ix. The Procurement Manager reviews procurement and contract files to ensure all necessary documents are included.

C.5. A&E NEGOTIATED PROCUREMENTS

C.5.1. **Description:** See Section A, Subsection A.6.6.

C.5.2. Minimum Procurement Lead Time: 12 to 24 weeks**C.5.3. Procedure.**

- a. Preparing the Solicitation.
 - i. The Project Manager drafts a Preliminary Procurement Plan, which identifies subcontracting opportunities, budget and schedule implications, and potential conflicts of interest. The Project Manager also begins drafting a Scope of Work, which includes all requisite analysis, deliverables, skills (including the various types of people the A&E Consultant will need to work with or address at public meetings), standards of performance and performance milestones. The Project Manager drafts a requisition with a budget estimate, the ICE, estimated schedule, and draft scope of work.
 - ii. The Project Manager (purchaser or requester) and/or Procurement Manager will complete a DART Purchase Requisition Form.
 - iii. The Procurement Manager receives an ICE from the Project Manager before receiving Proposals (or acquires one himself/herself). The Procurement Manager shall not permit Proposals to be evaluated or considered if the independent cost estimate was not submitted before Proposals were received.
 - iv. The Procurement Manager and Project Manager discuss needed services so that the Procurement Manager has the information needed to put together the solicitation document. Discussion topics may include: procurement schedule, inherent risk (for determining insurance requirements), where to advertise, subcontracting opportunities, appropriate evaluation criteria categories (price cannot be a consideration for A&E), weight or points given to the evaluation criteria to determine their relative importance, submittals needed to evaluate based on those criteria, scope and schedule, federal or non-federal monies, selection panel members, and legal or other issues that may affect the procurement.
 - v. The Procurement Manager discusses with the Project Manager to identify any anticipated changes to the contract to ensure that they fall within the original scope. The Project Manager needs to know that he/she will have to carry out a separate procurement for changes that is outside the original scope or work (i.e., a cardinal change).
 - vi. The Procurement Manager drafts a procurement schedule and delivers it to the Project Manager. The schedule is negotiated between and agreed upon by both the Procurement Manager and the Project Manager.
 - vii. The Procurement Manager starts drafting the Solicitation Document. The Project Manager continues to work on Scope of Work. The Procurement Manager then forwards a copy of the Solicitation to the Project Manager if needed.
 - viii. The Procurement Manager discusses the project with all stakeholders as needed in order to draft and assemble the Solicitation. Items to be addressed (but not limited to) are Technology (IT), Risk, and DBE/Small Business involvement.

- ix. The Project Manager provides the final Scope of Work and ICE to the Procurement Manager.
 - x. The Project Manager and Procurement Manager finalize the procurement plan, including the procurement schedule, subcontracting opportunities, outreach plan, and conflict of interest mitigation plan. The Project Manager provides an internal document distribution list to the Procurement Manager.
 - xi. The Procurement Manager assembles entire Solicitation and routes it to the Project Manager for review.
 - xii. The Project Manager and Procurement Manager incorporate any changes into their respective portions of the document to arrive at a "final" Solicitation Document. Project Manager and Procurement Manager conduct a Proposal Readiness Review conference with all stakeholders, if appropriate, to discuss changes to the document.
 - xiii. Procurement Manager sends out "Advanced Notice", if applicable, to potential proposers and/or interested parties letting them know of the pending solicitation.
 - xiv. The Procurement Manager completes the Solicitation Document for final review. The Procurement Manager includes evaluation factors, such as technical capability of the item offered to meet DART requirements: e.g., past performance, management, key people, and evaluation points or the relative order of importance of the evaluation factors in the solicitation document.
 - xv. When it is necessary, the Procurement Manager and Project Manager schedule the Pre-Proposal Meeting Room.
 - xvi. The Procurement Manager prepares Solicitation Document for distribution (prints hard copies, makes CD, makes PDF files, etc.). The Procurement Manager places advertisement in the appropriate publications (i.e. Des Moines Register), places documents on DART's website, notifies interested parties of the documents' availability, and distributes copies of solicitation to the Project Manager and others on the internal document distribution list.
- b. Advertising. The Procurement Manager will make certain that appropriate advertising occurred before receiving Proposals, evidence such actions with an affidavit of publication or other proof of advertisement, and include the proof of advertisement in the Procurement file.
- c. Pre-Proposal Conference.
- i. At the Pre-Proposal Conference, the Procurement Manager, Project Manager, and other DART stakeholders present material regarding the solicitation to prospective Proposers. The Procurement Manager ensures that the pre-proposal conference is recorded (i.e., takes notes of the pre-proposal conference) for distribution to all document holders. The Procurement Manager records all questions including issues that cannot be answered by referencing the solicitation document or with information that is generally known. These questions are answered in clarification document issued after the Conference.

- iii. Once terms are satisfactorily negotiated, Project Manager prepares materials for the DART Commission and proceeds to obtain appropriate level of approval. The Procurement Manager obtains a copy of the motion and includes it in the Procurement file.
- iv. The Procurement Manager will obtain signatures on 2 original copies of the contract from the contracted vendor, and any other required certification (such as federal forms) or documents. Appropriate DART execution of contract will only occur after all required documents are obtained.
- v. The Procurement Manager reviews Certificates of Insurance and forwards originals to the Chief Financial Officer.
- vi. Once Contract and certificates of insurance are approved, the Procurement Manager will obtain authorized DART signature to execute the Contract.
- vii. The Procurement Manager will return one original of the Contract along with Notice to Proceed (NTP), or Limited Notice to Proceed (LNTP) as applicable, to contracting vendor. The Procurement Manager will send one copy of the executed Contract and NTP or LNTP to the Project Manager and other DART stakeholders. The Procurement Manager will also file a copy of the executed Contract in the DART fire proof safe, and keep one copy in the Contract files.
- viii. Procurement Manager issues a purchase order and provides the PO number to the Contractor and Project Manager (if applicable).
- ix. The Procurement Manager reviews procurement and contract files to ensure all necessary documents are included.
- x. The Procurement Manager reviews files for accuracy, completeness, compliance with all requirements per the Procurement Activity Lists contained in the Appendices.

C.6. SOLE SOURCE

C.6.1. **Purpose.** The purpose of this procedure is to provide direction on sole source procurements, which includes proprietary procurements. As a rule, DART will provide for full and open competition when soliciting bids or proposals. Only under certain limited circumstances, DART may conduct procurements without providing for full and open competition.

C.6.2. **Minimum Procurement Lead Time:** 9 to 12 weeks

C.6.3. **Procedure.** Purchase requisitions for goods and services valued at \$3,500 or more for a federally-funded project, or \$5,000 or more for a non-federally funded project, shall be competitively procured. Sole Source procurements may only be used when the award of a competitive contract is unfeasible under Small Purchase, Sealed Bidding or Competitive Negotiation procedures.

Circumstances that may lead to a sole source action are:

- a. Unique Capability or Availability. The property or services are available from one source if one of the conditions described below is present:

- i. 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 DART only from one source and has not in the past been available to DART from another source.
 - ii. Patent or Restricted Data Rights. Patent or data rights restrictions preclude competition.
 - iii. 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.
 - iv. 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 DART's needs.
- b. Single Bid or Proposal. Upon receiving a single bid or proposal in response to a solicitation, the Procurement Manager along with the Project Manager 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.
- i. Adequate Competition. Procurement Manager acknowledges competition to be adequate when the reasons for few responses were caused by conditions beyond DART's control. Many unrelated factors beyond DART's control might cause potential sources not to submit a bid or proposal. If the competition can be determined adequate, DART's competition requirements will be fulfilled, and the procurement will qualify as a valid sole source.
 - ii. Inadequate Competition. Procurement Manager acknowledges competition to be inadequate when caused by conditions within DART's control. For example, if the specifications used were within DART's control and those specifications were unduly restrictive, competition will be inadequate.
- c. Unusual and Compelling Urgency. DART may limit the number of sources from which it solicits bids or proposals when DART has such an unusual and urgent need for the property or services that DART would be seriously injured unless it were permitted to limit the solicitation. DART 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.
- d. Associated Capital Maintenance Item Exception Repealed. SAFETEA-LU repealed the special procurement preference previously authorized for associated capital maintenance items. Thus, any sole source procurement of associated capital maintenance items must qualify for an exception under the same standards that would apply to other sole source acquisitions.
- e. Authorized by FTA. The Common Grant Rules provide federal agencies authority to permit a recipient to use noncompetitive proposals. Under this authority, FTA has made the following determinations:

- i. Consortium, Joint Venture, Team, Partnership. With some exceptions, when FTA awards a grant agreement or enters into a cooperative agreement with a consortium, joint venture, team, or partnership, or provides FTA assistance for a research project in which FTA has approved the participation of a particular firm or combination of firms in the project work, the grant agreement or cooperative agreement constitutes approval of those arrangements. In such cases, FTA expects DART to use competition, as feasible, to select other participants in the project.
- ii. FAR Standards. To ensure that DART has flexibility equal to that of federal contracting officers, FTA authorizes procurement by noncompetitive proposals in all of the circumstances authorized by FAR Part 6.3. In addition to circumstances discussed in the Common Grant Rules, the FAR authorizes less than full and open competitive procurements in one or more of the following circumstances:
 - o To comply with Department of Transportation (DOT) appropriations laws that include specific statutory requirements, with the result that only a single contractor can perform certain project work.
 - o To maintain a facility, producer, manufacturer, or other supplier available to provide supplies or services in the event of a national emergency or to achieve industrial mobilization.
 - o To establish or maintain an educational or other non-profit institution or a federally funded research and development center that has or will have an essential engineering, research, or development capability.
 - o To acquire the services of an expert or neutral person for any current or anticipated protest, dispute, claim, or litigation.
 - o When precluded by the terms of an international agreement or a treaty between the United States and a foreign government or international organization, or when prohibited by the written directions of a foreign government reimbursing the recipient for the cost of the acquisition of the supplies or services for that government.
 - o When the disclosure of DART's needs would compromise the national security.
 - o When DART determines that full and open competition in connection with a particular acquisition is not in the public interest.
- f. Examples of Sole Source Procurement. The following actions constitute sole source procurements:
 - i. If a contract has one or more options and those options were not evaluated as part of the original contract award, exercising those options after contract award will result in a sole source award.
 - ii. Exercising an option after DART has negotiated a lower or higher price will also result in a sole source award unless that price can be reasonably determined from the terms of the original contract, or that price results from federal actions that can be reliably measured, such as changes in federal prevailing labor rates, for example. In the circumstances described in this paragraph, FTA assistance may be used to support a sole source award only if that award can be justified under FTA's third party contract standards for sole source awards.

- iii. Contract time extensions shall be considered in light of whether they are permissible changes or impermissible cardinal changes. Once DART awards a third party contract, an extension of the contract term length that amounts to a cardinal change will require a sole source justification.
- iv. When DART requires an existing contractor to make a change to its contract that is beyond the scope of that contract, DART has made a sole source award that must be justified.
- g. When Prohibited. Less than full and open competition is not justified based on:
 - i. DART's lack of advance planning, or
 - ii. Limited availability of federal assistance.
- h. Procurement Procedure. When less than full and open competition is available to DART, the Procurement Manager shall:
 - i. Solicit offers from as many potential sources as is practicable under the circumstances.
 - ii. If DART decides to solicit an offer from only one source, Procurement Manager must justify its decision adequately. This is accomplished by completing the Sole Source Justification Form.
 - iii. Contracts for sole source procurements up to \$100,000 may be awarded by the ~~CEO~~General Manager. Contracts for sole source procurements exceeding \$100,000 shall be approved by the Commission. The resolution approving the contract shall also indicate the reasons for the sole source procurement.
 - iv. The Procurement Manager shall prepare or obtain a cost analysis verifying the proposed cost data, the projections of the data, and the evaluation of the costs and profits.
 - v. The Procurement Manager will submit the proposed procurement to FTA for pre-award review if FTA so requests.

C.7. PIGGYBACKING

- C.7.1. **Purpose.** Establish agreements and contracts by taking advantage of existing contracts awarded by other governmental entities for goods and services that DART currently needs.

Piggybacking is defined by the FTA Circular 4220.1.F as: an assignment of existing contract rights to purchase supplies, equipment, or services.

- C.7.2. **Minimum Procurement Lead Time:** 8 to 12 weeks

- C.7.3. **Procedure.** There are a number of issues that should be addressed before deciding to piggyback on another agency's contract. Following are some of the important steps a Procurement Manager must follow:

- a. For FTA assisted projects, the Procurement Manager shall obtain a copy of the entire contract and review it carefully to determine if it contains the provisions required by FTA Circular 4220.1F. This is an important first step, because the requirements of the Circular apply to procurements made through inter-governmental contracts and assignments. If the required federal clauses are not

included in the contract, the Procurement Manager may add them to DART's contract.

- b. Confirm that the original contract contains an express assignability clause that provides for the assignment of all or part of the specified deliverables. FTA's policy is that the original solicitation must contain an express notification to all bidders that an assignment would be possible under the terms of the contract. Such a notification would put the bidders on notice that they would likely be called upon to deliver all of the deliverable items, both the base as well as the option quantities. The assignment clause would thus be an important factor in the original competitive bidding. If the contract does not contain an express assignability clause, piggybacking is not permitted.
- c. Determine that the contract is still in effect.
- d. Determine that the specifications in the existing contract will meet DART's needs.
- e. Review the contract terms and conditions carefully to determine that they are acceptable to DART (e.g., warranty provisions, insurance requirements, etc.)
- f. Determine that the requirements of DART will not be beyond the scope of the existing contract, creating a sole-source (noncompetitive) add-on to the contract, which will have to be justified in accordance with sole source procedures.
- g. Verify that piggybacking quantities were included in the original solicitation.
- h. For federally funded procurements and if the contract is an indefinite quantity contract, verify that the original solicitation and resultant contract contain both a minimum and a maximum quantity, which represent the reasonably foreseeable needs of the parties to the solicitation.
- i. If the piggybacking action represents the exercise of an option provision in the contract, verify that the option is still valid. Options that have expired may not be exercised.
- j. Determine that the contract was awarded competitively, either through sealed bids or through competitive proposals. If the contract was a sole-source award, the Procurement Manager will have to justify a sole-source award in accordance with sole-source procedures.
- k. Verify that a cost or price analysis was performed by the original procuring agency documenting the reasonableness of the contract price and include a copy in the DART procurement file. The Procurement Manager is not required to do a second price analysis if one was originally performed. However, the Procurement Manager must determine that the contract prices originally established are still fair and reasonable. Circumstances should dictate the steps to be taken. For example, if the original award was made some time ago, the Procurement Manager should conduct a market survey and/or perform price analysis to ensure that the prices are still fair and reasonable (even if the original award was competitive and a price analysis was performed initially). Similarly, if deliveries are to be made to a local or centralized delivery point and the original contract calls for statewide deliveries, the Procurement Manager should seek a price reduction.
- l. If the contract is for federally funded rolling stock, verify that the contract term complies with the five-year term limit established by FTA Circular 4220.1F.

- m. Determine the types of changes DART will require to be made to the deliverables. For an assignment, only "within scope" (non-cardinal) changes are allowed (e.g., seating fabrics and colors, paint schemes, signage, floor coloring, etc.).

C.8. BLANKET AGREEMENTS

- C.8.1. **Purpose.** Blanket agreements may be awarded on the basis of qualifications and prices, if applicable, and for specified periods of time but without specific descriptions, statements, or scopes-of-work. Under blanket agreements and contracts, DART may issue task orders for materials, equipment, supplies, or services.

- C.8.2. **Minimum Procurement Lead Time:**

Initial Blanket Agreement: 9 to 12 weeks

Task/Delivery Order Issuance: 3 days

- C.8.3. **Procedure.** A procurement for a blanket agreement shall include technical, price (except for A&E), or both technical and price considerations prior to award of the blanket agreement, which will be for a defined "not to exceed" dollar value. Procurements that result in blanket agreements shall be in accordance with all applicable laws and grant requirements.

Issuance of task orders shall be made upon submission of a quote by the vendor based upon rates established in the blanket agreement, and acceptance of the quote by DART. The quote may be a "not to exceed" estimate, where the vendor is compensated only for time and materials expended in producing the task order deliverables, or a firm fixed price.

In the event of a roster of blanket agreement awardees for a specific type of work, a documented selection process will be conducted by DART staff to determine which vendor will be assigned the task order.

If there is no technical or price competition or the quote is not based upon rates established in the blanket agreement, the task order shall be deemed Sole Source procurement and the requirements applicable to sole source procurements shall be complied with before issuing the task order.

C.9. EMERGENCY PROCUREMENTS

Emergency situations may arise that require that a procurement be made without following normal procedures. Emergency situations should be restricted to those times when delay in completing the procurement could result in jeopardy to persons or property. In addition, the situation leading to the emergency should be one that could not be normally anticipated. If an emergency situation occurs, justification for the emergency procurement shall be documented and submitted to the ~~CEO General Manager~~ for approval. In addition, such documentation shall be attached to the purchase order and placed in the procurement file. The procurement must be approved by the ~~CEO General Manager~~. In all cases of emergency purchases, solicitations should be requested from as many potential sources as is practicable under the circumstance. If soliciting from only one source a Sole Source Justification, including a Cost Price Analysis, must accompany the procurement documentation.

The ~~CEO General Manager~~ is authorized to make a finding of the existence of emergency and execute contracts or purchases necessary to respond to the existing emergency, provided that the ~~CEO General Manager~~ shall, at the first Commission meeting following the ~~CEO General Manager~~'s finding of the existence of an emergency, request Commission approval of the finding of emergency and any purchases or contracts awarded pursuant to that finding.

C.10. PROCUREMENT CARD

C.10.1. **Purpose.** The DART Procurement Card (P-Card) system provides a means for using credit cards for micro purchases. This process can be used for purchase of equipment, materials, supplies and non-professional services (except construction) costing \$3,500 or less per transaction.

C.10.2. **Procedure.** DART shall contract with a merchant bank to obtain commercial credit card services. The contract will provide P-Cards to DART employees for the purpose of paying for official purchases.

C.10.3. Definitions

Approving Official - The person who reviews and approves the cardholder's monthly statement of purchases. This will be the cardholder's Division Manager or Department Director.

Cardholder - The DART employee to whom a card is issued. The card bears this cardholder's name and may only be used by this individual to pay for authorized DART purchases.

Statement of Account - A monthly listing of all payments authorized for purchase made by the cardholder and billed by the merchant.

P-Card Administrator - A DART employee assigned by the Finance Manager, who is responsible for the day-to-day administration and operation of the DART P-Card Program.

C.10.4. Responsibilities

The P-Card Administrator is the focal point for applications for cards, issuance, and destruction of cards, and training.

Upon approval by the P-Card Administrator, the bank will issue cards to designated cardholders and provide monthly statements to cardholders on-line. The bank will pay merchants in a timely manner and will receive reimbursement from DART.

The P-Card Administrator will serve as the liaison between DART and the bank and will be subject to the direction of the Finance Manager, who shall oversee the program and establish guidelines. The Finance Manager shall approve changes to dollar thresholds or authorized merchant codes.

Each cardholder shall reconcile his/her monthly statement and forward the reconciled statement to his/her approving official for signature. Reconciling includes, but is not limited to, verifying that all charges are correct, that account coding is correct, and that receipts or supporting documentation for each purchase accompany the statement. Reconciliations are due by four (4) calendar days from the statement closing date, and must be completed no later than the last day of the reconciliation grace period (7

calendar days from the statement closing date). After the last day of the grace period, the reconciler will not be able to make changes online.

The approving official will sign the cardholder's monthly statements as evidence they agree payments are for purchases that are authorized and made in accordance with these procedures, and original supporting documents accompany the statement. The approving official will also assist the cardholder in resolving disputed payments.

The approving official and/or the Finance Manager have the authority to direct the P-Card Administrator to instruct the bank to cancel a card at any time.

Accounts Payable shall answer the bank's questions about payment of monthly statements as well as make payments under this program.

C.10.5. Use of Purchase Card

The P-Card may be used to pay for micro-purchases.

Without exception, the P-Card may only be used to pay for authorized DART purchases. Under no circumstances, will the P-Card be used for cash advances or personal purchases.

Under no circumstances will the P-Card be used for capital purchases related to grant funds.

C.10.6. Setting up the Purchase Card Account

- a. The sponsoring department will request that the Finance Manager to issue a P-Card to named employee.
- b. The P-Card Administrator will distribute Signature Authorization, Account Maintenance, and Cardholder Agreement forms to selected cardholder and approving official for completion.
- c. The cardholder and approving official will complete the forms. The Cardholder Agreement indicates the cardholder understands the terms of use and will agree to abide by these procedures. The card will be subject to review by the Finance Manager, Chief Financial Officer (CFO) and ~~CEO~~General Manager.
- d. The P-Card Administrator shall order the card from the bank, and issue the card to the cardholder when received.

C.10.7. Dollar Limits Associated with the Purchase Card

The P-Card is subject to a single purchase limit and a monthly cardholder limit. The purpose of these dollar limits is as follows:

- a. "Single Purchase Limit" is a limitation on the procurement authority delegated to the cardholder by the cardholder's Division Manager or Department Director consistent with the requirements of DART's Public Procurement Policy and Procedures Manual. This limit cannot be exceeded.
- b. "Monthly Cardholder Limit" is a budgetary limit assigned by the approving official and may be modified if necessary, by the Finance Manager or CFO.

C.10.8. Authorized Use of the Card

The unique P-Card that the cardholder receives may be used only by that cardholder. No other person is authorized to use the card and the card may only be issued to DART employees.

Use of the card must meet the following conditions:

- The total of a single purchase to be paid for using the card may be comprised of multiple items and cannot exceed the authorized single purchase limit.
- Payment for purchases may not be split in order to stay within the single purchase limit.
- All items purchased over the counter to be paid for using the card must be immediately available. No back ordering is allowed, nor are deposits for special orders.

C.10.9. Unauthorized Use of the Card

The P-Card must not be used for the following purchases, unless approved by Finance Manager, CFO, or ~~CEO~~General Manager:

- Cash advances
- Rental or lease of land or buildings
- Telephone calls
- Personal purchases

C.10.10. Procedures for Use when Paying with the P-Card

When making purchases that will be paid for using the P-Card, all the applicable procurement regulations apply.

Purchases not in excess of \$3,5900 may be accomplished without competition if the cardholder considers the prices to be reasonable.

C.10.11. Documentation, Reconciliation and Payment Procedures

Any time a purchase is made that will be paid using the card, whether it is done over the counter or by telephone, an original supporting document must be retained as proof of purchase (i.e., receipt, invoice, or confirmation screen print). These documents will later be used to verify the purchases shown on the cardholder's monthly statement.

At the end of each monthly billing cycle, the cardholder must reconcile the information on his/her statement. The cardholder must fill in a description for each purchase and the general ledger code. The cardholder must then print the statement, obtain their approving official's signature on the statement, and forward it to Accounts Payable with receipts attached. It is important that the cardholder check each purchase on the statement to verify the accuracy.

If for some reason the cardholder does not have documentation of the transaction to send with the statement, he/she must attach an explanation that includes a description of the item, date of purchase, merchant's name and why there is no supporting documentation.

The cardholder must forward the statement to Accounts Payable by the end of the monthly reconciliation period.

C.10.12. Billing Errors and Disputes

If a cardholder receives a statement that lists a transaction for merchandise that has not been received, the cardholder must attempt to resolve the issue with the Merchant.

If items purchased with the card are found to be defective, the cardholder has the responsibility to obtain replacement or correction of the item as soon as possible.

C.10.13. Lost or Stolen Cards

If the P-card is lost or stolen, it is important that the cardholder immediately notify the bank.

The cardholder must also notify the P-Card Administrator of the lost or stolen card within one workday after knowledge of the card missing.

C.10.14. Card Security

It is the cardholder's responsibility to safeguard the P-Card and account number at all times. The cardholder must not allow anyone to use his/her card or account number. A violation of this trust will require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action.

C.10.15. Separation of Cardholder

Upon separation of a cardholder, the cardholder must surrender the card to his/her approving official.

C.10.16. Transfer of Cardholder to Another Department or Division

If a cardholder is transferred to another Department or Division with a different approving official, the new approving official must determine whether the employee will be a cardholder within his/her Department or Division. If it is determined that the card should be kept by the cardholder, an Account Maintenance Form should be sent to the P-Card Administrator requesting that the P-Card Administrator update the cardholder's Department or Division.

C.10.17. Unauthorized Purchases or Careless Use of the P-Card

A cardholder who makes unauthorized purchases or carelessly uses the card may be liable to DART for the total dollar amount of unauthorized purchases made in connection with the misuse or negligence. In addition, the cardholder may be subjected to disciplinary action for unauthorized or careless use.

C.10.18. Controls

- a. Audit. The cardholder's Division Manager reviews and approves the cardholder's monthly statement reconciliation. The P-Card Administrator reviews a monthly consolidated statement.

- b. Notifications. In the case of misuse of a P-Card, the P-Card Administrator notifies the misuse of the P-Card to his/her supervisor. The P-Card Administrator notifies the bank if any evidence of fraud has occurred.
- c. Reports. The P-Card Administrator receives periodic summary purchase reports from the bank and can also receive them on-demand (if requested).

D. CONTRACT ADMINISTRATION

Contract administration is the process of managing the performance of the contractor in all aspects of the contract to ensure successful contract fulfillment. Contract administration begins with the award of a contract or issuance of Notice to Proceed and ends with contract closeout, and includes all technical and administrative tasks that ensure proper performance of responsibilities by the Contractor and DART.

Factors determining the level, scope and intensity of contract administration activities will depend on the type and nature of contracts, the experience of DART staff and compliance requirements. Simple to moderate contracts will require relatively little contract administration efforts while most construction contracts or professional contracts, or cost reimbursement-based or specialized contracts such as incentives or design-build will require extensive contract administration involvement.

DART is subject to review and audit by FTA and State Governments or its agents during and after contract performance and is required to comply with the standards mandated by the FTA when using federal assistance to finance its procurements. DART is also subject to provisions governing DART's authorizing legislation.

This Procurement Manual primarily implements the requirements of FTA Circular 4220.1.F and state laws in the interpretation of a contract. The contract administration principles, concepts and approaches discussed in the Procurement Manual shall be utilized for all contracts at DART if such procedures will achieve savings in cost, or accelerate schedule, or meet DART goals, or meet public needs, consistent with applicable Iowa State laws and regulations and the FTA Master Agreement.

This Procurement Manual provides a general procedural framework for contract administration to comply with the terms, conditions, and specifications of contracts and applicable Federal, State and local requirements.

D.1. CONTRACT TYPES

Procurements can be developed utilizing a variety of contract types. A contract type reflects the level and timing of the responsibility and risk assumed by the contractor for the cost of performance. DART will consider all relevant factors and ensure the right type of contract is utilized. Detailed guidance is provided in FAR Part 16. The Procurement Manager shall document the rationale for the contract type in the procurement file. The following table provides an overview and a point of reference for this subject.

D.1.1. Fixed Price Contracts – A Fixed Price Contract provides for performance of specified work or supply of goods in consideration of a fixed price, and the contractor bears the risks of uncertainty. Such contracts provide maximum incentive for the contractor to control costs and perform effectively and imposes minimum administrative burden upon contracting parties. A fixed price contract type is recommended for materials, equipment, and construction.

- a. Firm Fixed Price Contracts: A Firm Fixed Price Contract provides for performance of specified work or supply of goods in consideration of a firm and fixed price, and the contractor bears all risks of uncertainty. Such contracts do not permit for price adjustments under normal business circumstances.
- b. Fixed Price with Escalation Contracts: In a fixed price with escalation contract, the contractor bears all contract cost risk except the part covered by the escalation provision. A fixed-price incentive contract is used when the parties can negotiate a

target cost, target profit, and a ceiling price that provides for the contractor to assume an appropriate share of the risk.

- c. Fixed Price with Award Fee Contracts: Award-fee provisions may be used in fixed-price contracts when DART wishes to motivate a contractor and other incentives cannot be used because contractor performance cannot be measured objectively. Such contracts shall establish a fixed price (including normal profit) for the effort. A fixed price will be paid for satisfactory contract performance. Award fee earned (if any) will be paid in addition to fixed price.
- d. Firm-fixed-price, level-of-effort term contract: Requires that a contractor provide a specified level of effort, over a stated period, on work that can be stated only in general terms and that DART pay the contractor a fixed dollar amount.

D.1.2. Cost Reimbursable Contracts provide for the payment of allowable costs incurred in the performance of the contract and establish a ceiling on cost that the contractor cannot exceed. These are best when uncertainties exist which prevent the preparation of precise work scope and cost estimate. This type is also appropriate for professional service contracts. In all cases, the cost reimbursable contract type requires the contractor to have an acceptable cost accounting system.

- a. Cost-plus-fixed-fee: This cost-reimbursement contract provides for payment to the contractor of a negotiated fee that is fixed at the inception of the contract. The fixed fee does not vary with actual cost, but may be adjusted because of changes in the work to be performed under the contract. This contract type permits contracting for efforts that might otherwise present too great a risk to contractors, but it provides the contractor only a minimum incentive to control costs.
- b. Cost-plus-incentive-fee and award-fee: A cost plus incentive fee (CPIF) is a cost-reimbursement contract that provides for an initially negotiated fee to be adjusted later by a formula based on the relationship of total allowable costs to total target costs. A cost-plus-award-fee (CPAF) contract is a cost reimbursement contract similar to CPIF, but the fee adjustment is based on subjective technical evaluation rather than cost control. Increases in fee will be possible when contractor exceeds the technical and management parameters. CPAF requires much greater administration effort than in either CPIF or CPFF. Use of CPAF is only permitted when other contract delivery system is not suitable. Since it requires ongoing collaboration and administration effort, the Procurement Manager shall ensure that the contract values, contract period, and expected results warrant that additional management effort.
- c. Time-and-material (T&M) contract is used to procure supplies and services at specified fixed hourly or unit rates (fully burdened) and/or material at cost. The labor-hour (LH) contracts are a variation of the T&M excluding materials supplied by the contractor. The common grant rule for government recipients permits the use of time and material contracts only when it is not possible to estimate the extent or duration of the effort or cost involved and the contract provides a not-to-exceed ceiling price that the contractor may not exceed except at its own risk. Both T&M and LH provide no incentive for contractors' cost control or labor efficiency; therefore, both the Procurement Manager and Project Manager should monitor that the contractor is performing efficiently and using effective cost control measures.

D.1.3. Construction Contracts for Publicly Funded Buildings. All construction contracts, defined as contracts for building, altering, repairing, improving or demolishing any structure, building or highway, and any draining, dredging, excavation, grading or similar work

upon real property must be obtained by sealed bidding, except as provided in IAC 11-117.3(3). This provision requires construction contracts of more than \$1,590,000 be entered into by "formal competition" which includes negotiated procurements.

- D.1.4. **Rolling Stock.** DART may enter into a multi-year contract to buy transit vehicles (also referred to as rolling stock), with an option not to exceed five (5) years to buy additional rolling stock or replacement parts. The option(s) must be exercised no later than five (5) years after the date of the original contract. DART will comply with the requirements of FTA C 4220.1F, Chapter 4, Section 2.e., Rolling Stock – Special Requirements when procuring rolling stock.
- D.1.5. **Risk Analysis.** The risk to DART increases as the contract type moves from Lump Sum Firm Fixed Fee to Cost plus Fixed Fee. The former is the easiest to administer, but the risk to the contractor increases. The latter involves the highest uncertainty and the contractor does not guarantee to deliver the product or finish the project at the contract award price.
- D.1.6. **Factors to Determine Appropriate Contract.** As discussed in FAR Part 16, the factors that should be considered in determining appropriate contract types are: price competition, realistic pricing standard, degree of uncertainty and impact on cost evaluation, type and complexity of the work, urgency, period of performance, contractor's technical qualification, contractor's financial responsibility, past performance, concurrent contract work load, extent of subcontracting, availability of procurement history, and contract administration. The Federal Common Grant Rules expressly prohibit the use of the cost plus a percentage of cost and cost plus a percentage of construction cost methods of contracting.

D.2. ROLES AND RESPONSIBILITIES

The goal of contract administration is to receive ordered contract deliverables in an economic, efficient, effective, timely, and compliant manner. Successful contract completion requires skilled professionals, cross-functional team support, collaboration, transparency, and timely decision making. As such, the contract administration functions are shared responsibility of all project owners/project managers and supporting organizations.

Project Manager – A Project Manager is the technical, subject matter expert with daily contract performance oversight. The project management or technical oversight (e.g., daily field inspection, monthly or quarterly assessment and monitoring of project status used to determine and validate project performance) is the responsibility of the Project Manager.

Contract Administrator (CA) – The Procurement Division leads procurement and supports all requesting organizations, project owners, or project managers with post-award contract administration activities as necessary. A Contract Administrator provides broad range of procurement planning, solicitation, source selection, negotiation, contract administration services. Collaborating with the Project Managers, consultants, and functional organizations, the CA ensures timely and compliant resolution of contract administration issues and implements solutions for efficient, effective contract administration. The CA also is responsible for review and approval of contract terms and conditions relating to insurance and liability protection.

To ensure successful completion of a contract, the CA is available to properly interpret and appropriately apply the contract clauses as well as concurrently review change orders, recognize and analyze project and contract related problems, conduct contract or legal research, analyze claim proposals, summarize results, and make appropriate recommendations cradle to grave.

Immediately after full execution and award of the contract, the technical administration of the contract becomes the responsibility of the PM with the CA responsible for all contractual matters. The CA and the PM shall establish the methods and procedures to be utilized in the performance of the contract.

Prior to the contract completion date, the CA shall contact the PM to confirm that no contractor effort will be required after the specified contract completion date and that the contract may be closed out. This action shall be initiated depending on complexity of work, at least sixty to one hundred days prior to the contract completion date. This is necessary to determine whether there will be an overrun; to negotiate and extend the period of performance, if necessary; and, to allow sufficient procurement lead-time if there is a follow-on effort. If the contract is to be completed on schedule, the CA shall proceed with contract closure; otherwise, appropriate action shall be taken to extend the contract.

Construction Management Consultant or Resident Engineer (RE) - Construction projects require on-site engineering supervision by a resident engineer/program manager. At the same time, it is not feasible to have a CA at each construction site. An RE Team typically consists of a RE, office engineer, administrative assistant, document control specialist, inspectors, and a contract change specialist or project control specialist. The RE team performs nearly all of the construction management responsibilities and is the DART authorized on-site field representative for all assigned work. The team monitors and maintains control of the progress of the work and all aspects of the contract through Monthly Progress Payment Meetings, Monthly Progress Reports, Contract Progress meetings, Quality Meetings, Schedule Meetings, claims, and disputes.

The RE's role includes responsibilities to liaison with Contractor and PM to ensure effective contract administration.

The following are other organizational functions involved in contract administration with a short description of typical contract administration responsibilities:

DBE Liaison Officer – is responsible for establishing, reviewing, approving and monitoring Small Business and DBE Programs and administering the application of Title VI.

Legal – is responsible for creation or review and approval of standard contract terms and conditions for solicitation and award documents and representing DART in dispute and litigation cases.

Finance – is responsible for assuring that all procurements are coded to the appropriate accounts and that adequate budget authorization is allocated and available for the procurement and is responsible for reviewing invoices and making payments. Accounting also reviews solicitation documents and provides guidance to the Procurement Manager on any financial issues related to accounting treatment of transactions and on how specific contract terms will affect a contract's ultimate treatment, and sets up appropriate approval routes, based on current organization charts and authority levels.

D.3. CONTRACT ADMINISTRATION SYSTEM

The following documents and resources form the basis of DART's Procurement and Contract Administration System.

- The Common Grant Rule
- FTA Master Agreement
- FTA Circular 4220.1F
- Code of Iowa

References for Best Practices:

- FTA's Best Practices Procurement Manual (BPPM)
- FTA Project and Construction Management guidelines 2011 Update
- Federal Acquisition Regulation Part 31- Federal Cost Principles and Procedures
- Federal Acquisition Regulation Part 42 – Contract Administration
- Federal Acquisition Regulation Part 43 – Contract Modifications
- The National Transit Institute Course, "Cost or Price Analysis and Risk Assessment"
- FTA's Price and Cost Analysis guide located at Pricing Guide for FTA Grantees

Contract Administration Steps:

- Post Award Contract Administration Activity List
- Post Award Contract Administration Activity List for Construction

D.4. CONTRACT ADMINISTRATION QUALIFICATION

DART employees or consultants performing any aspect of procurement or contract administration duties must demonstrate requisite skills, knowledge, and ability of having satisfactorily performed procurement and contract administration duties.

In addition, staff assuming complex contract administration functions is expected to properly interpret and apply the contract clauses as well as recognize and analyze project and contract related problems, conduct research, summarize results, and make appropriate recommendations. If the consultants or outside contractors are performing the contract administration work, Project Managers shall take appropriate steps to prevent or mitigate organizational conflicts of interest that would result in conflicting roles that might bias a contractor's judgment or would result in unfair competitive advantage.

D.5. CONTRACT ADMINISTRATION TASKS

Post-award contract administration is a significant part of DART's procurement process. Each contract will likely require different contract administration actions, collaboration and documentation activities. Simple to moderate goods and services contracts will have different specific administrative actions than construction contracts do, just as lump sum contracts are managed differently than incentive or time and material or cost-reimbursement contracts.

D.6. STANDARDS OF CONDUCT

The Common Grant Rules require DART to maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.

As provided in the Common Grant Rules and the Federal Transit Administration Master Agreement, no DART employee, officer, agent, or board member, or his or her immediate family member, partner, or organization that employs or is about to employ any of the foregoing may participate in the selection, award, or administration of a contract supported with FTA assistance if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of those previously listed have a financial or other interest in the firm selected for award.

The DART Commission established a code of ethics for board members, officers, and employees; DART officers, employees, agents or board members shall neither solicit nor accept gifts,

entertainments, gratuities, favors, or anything of monetary value from contractors, consultants, potential contractors or consultants, or parties to sub-agreements. Information about conflict of interest, giving or accepting entertainment, gifts, favors or gratuities, political activity and other matters relating to ethical conduct are contained in the Code of Ethics in the DART Handbook.

To the extent permitted by the State of Iowa regulations, this standard of conduct will consider appropriate penalties, sanctions, or other disciplinary action for violation of such standards by DART officers, employees, agents, board members, or by contractors, consultants, or sub-recipients or their agents.

D.7. CHANGE ORDER ADMINISTRATION

A contract modification, also called (especially in construction contracts) a change order (CO), is broadly defined as any alteration which changes a contract document after it has been executed by the parties. It may or may not involve changes to the contract price or schedule, although those are the two most frequent elements of a CO; changes to the contract terms, names of the parties, or the specification or scope of services requires a CO. DART may execute bilateral or unilateral change orders to its contracts. Change Order administration requires that the Procurement Manager make an in-scope determination for the desired change work. A cost or price analysis must be performed to ensure that the price for the changed work is equitable, fair and reasonable. The methodology and depth of analysis is influenced by the facts surrounding the particular procurement situation.

Prior to issuing a contract modification, the Project Manager should document that the change is necessary and that the modification as issued will attain DART's objectives. The Procurement Manager must verify that funding is available. If the proposed modification will affect the contract's insurance or DBE requirements, the change in requirements should be addressed in the request for change proposal. If the change includes steel, iron, or manufactured products ~~with a value equal or higher than the current Buy America guidance dictates of \$100,000 or higher~~ for a federally participating purchase, a Buy America certification is required.

D.7.1. Independent Cost Estimate

The Independent Cost Estimate (ICE) is a price or cost estimate developed by the Project Manager, based on the project requirements (i.e., statement of work or other specifications or change order condition), without the influence of potential contractors' efforts (e.g., marketing), prior to receiving contractor proposals.

FTA Circular 4220.1F requires a cost or price analysis for every procurement action, including change orders. The starting point for the analysis is an independent cost estimate. Prior to receiving a change proposal, DART shall independently estimate the cost of performing the work. The ICE can be used as a basis of comparison for evaluating the proposed price received. A "change order" means any contract action that calls for the negotiation of a cost or price proposal arising out of a change in the contract requirements. The ICE should be used to justify, defend, make tradeoff decisions, and manage the procurement life cycle.

D.7.2. Change Order Don'ts

DART shall ensure that none of the following conditions is present when preparing, processing, reviewing, or approving change orders:

- a. Change order work is outside the original work scope; this requirement is met through sole source justification that results in a new contract.

- b. An ICE is prepared after receipt of a change proposal or based on recommendation of the affected contractor.
- c. A cost analysis is performed without detailed or sufficient cost elements.
- d. A profit or fee is not analyzed commensurate with work complexity, performance/contractual risk, contractor's investment, amount of subcontracting, past performance data, or market place rates.
- e. Fully loaded rates or NTE contract prices are not broken down into requisite cost elements (i.e., labor, overhead, G&A, material, equipment, profit or fee) when cost analysis is required.
- f. Negotiations with contractors are not documented (*if negotiation is not necessary, the file should be documented to the analysis that led to that conclusion.)
- g. If a lump sum price is compared, a price analysis is based on contract prices that were obsolete or established non-competitively without appropriate cost analysis.
- h. A change order is approved for an option that cannot be exercised unilaterally.
- i. A proper option evaluation (e.g. price/cost analysis) was not performed and documented during the pre-award stage. The need to perform a pre-award cost/price analysis should not be circumvented through the use of post-award sole source justification.
- j. No documentation is available to determine that the option price is better than prices available in the market, or that when DART intends to exercise the option, the option is not advantageous.

D.7.3. Change Order Cost/Price Analysis

The Common Grant Rules require a cost/price analysis in connection with all change orders. The method and degree of cost/price analysis depends on the facts and circumstances surrounding each contract action. If the original contract contains only a lump sum price, additional cost and pricing data must be requested to perform a cost/price analysis.

Procurement Manager or Project Manager shall perform a cost analysis when a contractor is requested to submit detailed cost elements (that is, labor hours, overhead, materials, and so forth) of the change order cost. Changes in scope do not always result in increased costs. Elimination or reduction of contract work may result in a decrease in the contract price. Regardless of the direction of the price change, these modifications require cost analysis using the cost principles to determine that the price change is fair and reasonable.

A Project Manager is responsible for performing cost/price analysis for all change orders.

The following references provide guidance in preparing cost or price analysis:

- FTA's "Best Practices Procurement Manual," Chapter 5
- Pricing Guide for FTA Grantees
www.fta.dot.gov/documents/Helpline_Price_Guide.doc
- FAR Part 31, Contract Cost Principles and Procedures

D.7.4. Approval

Contract Modifications are subject to the approval standards set forth in the policies and procedures, including Commission approval if required.

D.7.5. Delays

In some instances, particularly during a construction project, following the above approval process may cause unreasonable and costly delays to the project. Under these circumstances, the ~~CEO~~ General Manager may direct the contractor to proceed with the change, pending completion of the formal change order process. Such direction must be limited as to time and cost, and the formal change order quickly initiated and processed. No such direction, or any time and materials change order, shall be issued without a defined cap on the amount the contractor may spend prior to the issuance of a formal change order.

D.7.6. Change Order File

The Procurement Manager shall maintain a separate file for change orders as part of the procurement record, containing the documentation described in this section.

D.7.7. Termination Cost Analysis

If a contract of any type (fixed-price or cost-reimbursement) is contemplated for termination of convenience or for cause, a complete cost analysis must be performed to negotiate the final amount of the termination settlement. Terminating a contract means unilaterally ending it before its stated end.

Contracts can be terminated for the convenience of DART or for cause (also called default). Contracts are usually terminated for convenience when DART no longer has a need for the service or products as they are specified in the contract, or when it is not possible to substantiate that the contractor's performance is poor enough to terminate for cause. Contracts should be terminated for cause when the contractor fails to perform the contract as written.

D.8. EXERCISING OPTIONS

If a contract has one or more options and those options were not evaluated as part of the original contract award, exercising those options after contract award will result in a sole source award. Exercising an option after DART has negotiated a lower or higher price will also result in a sole source award unless that price can be reasonably determined from the terms of the original contract, or that price results from Federal actions that can be reliably measured, such as changes in federal prevailing labor rates.

FTA expects DART to ensure that the terms and conditions of the option it seeks to exercise are substantially similar to the terms and conditions of the option as stated in the original contract at the time it was awarded. DART may not exercise an option unless it has determined that the option price is better than prices available in the market, or that when it intends to exercise the option, the option is more advantageous.

DART need not evaluate bids or offers for any option quantities when it determines that offer evaluation or exercise of option would not be in its best interests.

D.9. INVOICE AND PAYMENT

The Contract specifies the payment terms. The contractor must submit and DART must process applications for progress payment in accordance with the requirements and General and Special Conditions of the contract.

The Finance Department has several stages of involvement in third party contracts and at various stages of post contract award action. A major responsibility in third party contracts is to

ensure timely payments. While the Procurement Manager and Project Manager are responsible for recommending and approving payments, the Finance Division is responsible for receiving invoices, issuing checks, and validating funds availability.

Invoices are first received in Finance Division. The Finance Division routes these invoices to the Project Manager for review. The Project Manager is responsible for identifying any retentions and withholdings. The Finance Division provides oversight to such retentions and withholding to ensure payment accuracy. At contract closeout, Finance Division is responsible for the final check processing.

Invoice Review for CPFF or T&M Contracts: When reviewing invoices under a cost-plus-fixed-fee contract (CPFF), a time-and-materials (T&M) contract or any hybrid contract containing incentive or award fee, the Project Manager shall examine and validate all allocable and allowable costs incurred by the prime contractor, including amounts spent for supplies and services on purchase orders or subcontracts pursuant to the contract terms and conditions and the cost principles stipulated in FAR Part 31 and accordingly reject or disallow un-allocable or unallowable cost elements.

D.10. ADVANCE PAYMENT

Advance payments are payments made to a contractor before the contractor incurs contract costs. The following principles and restrictions apply to all advanced payment situations at DART:

Use of State or FTA Assistance Prohibited: DART shall not use State or FTA assistance to make payments to a contractor before the contractor has incurred the costs for which the payments would be attributable.

Exceptions for Sound Business Reasons:

- a. Adequate Security for Advance Payments: FTA recognizes that advance payments may be needed for certain costs supported by sound business judgment. Adequate security for the advance payment is an essential pre-condition to FTA's concurrence in the use of FTA or local share funds.
- b. Customary Advance Payments: FTA recognizes that advance payments are typically required for, but are not limited to, public utility connections and services, rent, tuition, insurance premiums, subscriptions to publications, software licenses, construction mobilization costs, transportation, hotel reservations, and conference and convention registrations. Accordingly, DART may use FTA assistance to support or reimburse the costs of such acquisitions. The FTA concurrence is required only when such advance payment or payments customarily required in the marketplace exceed \$100,000. In summary, if there are sound business reasons justifying the advance payment and adequate security for the payment, FTA will generally concur in a written request for an exception.

D.11. PROGRESS PAYMENT

Progress payments are payments for contract work that has not been completed. DART may use FTA assistance to support progress payments provided that DART obtains adequate security for those payments and has sufficient written documentation to substantiate the work for which payment is requested.

Adequate Security for Progress Payments: Adequate security for progress payments may include taking title or obtaining a letter of credit or taking equivalent measures to protect DART's financial interest in the progress payment. Adequate security should reflect the practical realities

of different procurement scenarios and factual circumstances. The FTA acknowledges the practical reality that taking title to work in progress may not be desirable in some circumstances. DART will consider the costs associated with providing security and the impact of those costs on the contract price, as well as the consequences of incomplete performance.

Adequate Documentation: Sufficient documentation is required to demonstrate completion of the amount of work for which progress payments are made.

Percentage of Completion Method: The Common Grant Rules require that any progress payments for construction contracts be made on a percentage of completion method described therein. DART, however, may not make progress payments for other than construction contracts based on this percentage method.

D.12. RECORD RETENTION

The record retention requirement of three years shall commence only after the final audit and final payment is made and all other issues are resolved. It does not necessarily start with completion of the contract work or contract closeout.

This requirement does not distinguish between fixed-price contracts and cost-type contracts. There would not be a final audit for fixed-price contracts and thus the three-year retention period will generally start upon contract closeout. A cost-type contract will be audited before being closed.

D.13. CONTRACT CLOSEOUT

It is generally the responsibility of the Project Manager (PM) to establish that the work under a contract has been completed and the contract is ready for closeout. The Procurement Manager is responsible for ensuring completion of the contract closeout process, prior to release of retainage and final payment, including completion of the closeout checklist. The contract closeout checklist should be used to document completion of the closeout process. See Contract Closeout Checklist (Appendix B).

When the Project Manager determines that the work is complete, the Procurement Manager should issue the contract closeout checklist to the Project Manager to begin the closeout process. The Project Manager will then work with the Procurement Manager to complete the checklist documenting that the contract is complete and all required deliverables have been inspected and accepted.

- a. Contractor Performance Evaluation Report. The Procurement Manager should complete a Contractor Performance Evaluation Report, to document the contractor's performance for future source selection decisions. Input from the end users of the product or service and others familiar with the purchase / project should provide input for the report. The contractor may (not a requirement) be furnished with the report and given an opportunity to submit comments, rebutting statements or additional information. The Contractor's comments should be retained in the report file, along with the Evaluation Report.
- b. Proof of Insurance Coverage. For all contracts requiring the Contractor to maintain insurance for its products or services (e.g., professional liability or product liability insurance) beyond the end of the contract term, the Procurement Manager should obtain proof of insurance from the Contractor as part of the closeout process. This documentation should be reviewed and approved by the Procurement Manager

(in consultation with a third party responsible for risk management, if any) prior to release of retainage and final payment to the Contractor.

- c. Release of Bonds. When a construction project is completed and accepted, and all subcontractors paid, DART shall release the Contractor's bond surety from any further obligations on behalf of the Contractor and release any funds retained under Iowa Code Chapter 573, as amended. The release of the Contractor's bond surety is usually completed on a form called "Consent of Surety" provided by the bond surety provider. Any release of the Contractor's bond surety or release of any funds retained under Iowa Code Chapter 573, as amended, shall be reviewed by both the Project Manager and the Procurement Manager; if any questions arise regarding the appropriateness or wording of a release, legal counsel should be consulted.
- d. Contractor's General Release. A general release from the Contractor is important to obtain prior to final payment because it assures DART that there will be no further claims from the Contractor once the final payment has been made. As part of the contract closeout process, the Procurement Manager shall send the Contractor a closeout letter that includes a general release from the Contractor. The general release should state that for the payment of a sum certain, which is the final contract amount agreed to by both parties, the Contractor releases DART from any and all claims of every kind arising directly or indirectly out of the contract. The general release should also contain a certification that the Contractor has paid its subcontractors and suppliers for all labor, materials, services, etc. furnished under the contract. The general release is to be signed by a corporate official authorized to bind the Contractor.
- e. Warranty. The contract specifications may require that individual warranties or guarantees be furnished for various installed equipment or systems. For each completed contract requiring warranties, the Procurement Manager should ensure that the warranty is received prior to release of retainage and final payment. A register should be created in the contract file, identifying:
 - Each individual item of equipment and system for which a warranty or guarantee is specified (roofing, doors, sealants, etc.);
 - The pertinent section in the contract specification;
 - The name of the company providing the warranty;
 - The expiration date of the warranty; and
 - Contact information for the providing company
- f. Close-Out Audits. In contracts paid on a cost plus basis, a close-out audit may be required to verify provisional overhead rates used for payments during the course of the contract. In addition, DART, its auditors or FTA may require an audit to verify the appropriateness of amounts paid the contractor. Audits must be conducted by auditors who are independent from the third party contractor. DART may have such audits conducted by its own personnel, or may retain an independent accounting firm procured through a competitive process. DART may also request that a federal agency such as the Defense Contract Audit Agency conduct the audit; however such audits are dependent upon the availability of staff time. The federal government maintains a continuing audit function at some contractor locations, and these auditors are more likely to be available for such audits. Requests for federal audit assistance should be directed to FTA. Any negotiations

resulting from such audits must be documented in the contract file and reported to FTA.

Upon closeout of the contract, all documents including e-mail correspondence relating to the contract must be included in the file. Any new records created following contract closeout (e.g. documents concerning warranty issues) will become part of the same file.

D.14. CONTRACT DOCUMENTATION

The Procurement Department, in collaboration with all responsible parties, shall ensure that the history of all pre-award, post-award actions, and related project, operation, legal, and financial information are documented, collected, reviewed for compliance, maintained, distributed, archived and readily accessible to internal and external audits including the State of Iowa and the FTA.

DART personnel and consultants involved in and performing contract administration tasks shall prepare, maintain, and keep adequate and readily accessible project performance and financial records, covering procurement transactions as well as other aspects of project implementation and contract administration including:

- Procurement documentation will include rationale for the method of procurement for each contract, including a sole source justification for any acquisition that does not qualify as competitive, as well as any change order deemed cardinal by the Procurement and Contracts Division.
- Contract type documentation will state the reasons for selecting the contract type used (i.e., fixed price, cost reimbursement, time and material);
- Contractor selection will include reasons for contractor selection or rejection, as well as a written responsibility determination for the successful contractor;
- Cost or Price Analysis: All procurement and change orders will evaluate and state its justification for the contract cost or price by including an ICE and cost or price analysis.
- Change Order: All change order information including essential documents, will be collected, maintained, and stored from the program/project organization, functional departments, and construction management contractors. Any other project related information will be kept in the internal databases and will be readily available to internal audit and FTA (if needed). Change Orders documentation will include in-scope determination as well as a cost or price analysis to establish that the price is fair and reasonable.
- All Post-award Activities: partnering, inspection report, claims, disputes, invoice processing, and reports and forms.
- As determined by the Procurement Department, the level of documentation will be commensurate with the size and complexity of the procurement.
- Access to Records. Apart from the more limited record access provisions of the Common Grant Rules, 49 U.S.C. Section 5325(g) provides FTA and DOT officials, the Comptroller General, or any of their representatives, access to and the right to examine and inspect all records, documents, and papers, including contracts, related to any FTA project financed with Federal assistance authorized by 49 U.S.C. Chapter 53.

D.15. DISPUTES, CLAIMS, LITIGATION, AND SETTLEMENT

DART will resolve all contractual and administrative issues including protests, disputes, and claims using good administrative practices and sound business judgment. FTA may be involved in DART's administrative decisions when DART uses federal funds to support the costs of settlements or other resolutions of protests, disputes, claims, or litigation. For detailed FTA guidance, see FTA C 4220.1F, Page VII-1 through VII-10.



Public Procurement Policy and Procedures Manual APPENDIX

Des Moines Area Regional Transit Authority

 **APPENDIX LISTING**

APPENDIX A – Principal Statutes, Regulations and Resources

APPENDIX B – Forms and Checklists

1. Method of Procurement Decision Matrix
2. Purchase Requisition Form
3. Solicitation and Contract File
4. Evaluation Process
5. Personal Conflict of Interest Declaration – Selection Panel Member
6. Organizational Conflict of Interest Declaration – Project Manager
7. Contractor Responsibility
8. Price Analysis
9. Cost Analysis
10. Time and Material
11. Sole Source Justification
12. Written Record of Procurement History
13. Contract Closeout
14. Piggyback Process
15. Pre-Award / Post-Delivery Reviews
16. Protests

APPENDIX C – Third Party Contract Provisions

APPENDIX D – Applicability of Third Party Contract Provisions

APPENDIX E – Certifications, Reports and Forms

APPENDIX F – Templates

APPENDIX G – Quick Reference – Methods of Procurement

 **APPENDIX A****Principal Statutes, Regulations and Resources**



PRINCIPAL STATUTES, REGULATIONS AND RESOURCES GOVERNING DART'S PROCUREMENTS

CITATION	TITLE	SUBJECT	URL
FTA C4220.1F	Third Party Contracting Requirements	Requirements for Federally-funded procurements	https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Third%20Party%20Contracting%20Guidance%20%28Circular%204220.1F%29.pdf http://www.fta.dot.gov/documents/FTA-Circular-4220.1F.pdf
FTA Master Agreement (Current Year)	Master Agreement (Issued annually as of October 1 of each year)	Terms and conditions governing Federally-assisted projects	https://www.transit.dot.gov/sites/fta.dot.gov/files/FTA%20Master%20Agreement%20FY2017%20-%202010-1-2016.pdf http://www.fta.dot.gov/documents/20-Master.pdf
49 C.F.R. Part 18	Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments	Regulations governing Federally-assisted projects	http://www.access.gpo.gov/nara/cfr/waisidx_08/49cfr18_08.html
49 U.S.C. Chapter 53	Federal Transit Laws	Statutes governing federal transit programs	https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Chapter%2053%20as%20amended%20by%20the%20FAST%20Act_1.pdf http://www.fta.dot.gov/legislation-law/12316-1097.html
49 CFR Part 26	Participation by Disadvantaged Business Enterprise in Department of Transportation Financial Assistance Programs	Regulations governing the certification of DBEs and the establishment/administration of DBE goals	http://www.access.gpo.gov/nara/cfr/waisidx_09/49cfr26_09.html

49 CFR Part 661	Buy America Requirements	Buy America requirements for iron, steel, manufactured products and rolling stock	https://www.ecfr.gov/cgi-bin/text-idx?rgn=div5;node=49%3A7.1.2.1.18 https://www.gpo.gov/fdsys/pkg/FR-2016-09-01/pdf/2016-21007.pdf http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=3c5bb75fcfd0ec2bde382cfda2113614&tpl=/ecfrbrowse/Title49/49cfr661-main-02.tpl
40 U.S.C. §§3141 et seq.	Davis Bacon Act	Prevailing wage requirements for Federally—assisted construction projects	http://www.dol.gov/whd/contracts/dbra.htm
40 U.S.C. §1101	Brooks Act	Procurement of Architect-Engineering and Related Services	https://www.gpo.gov/fdsys/pkg/FR-2015-05-22/pdf/2015-12024.pdf http://www.fhwa.dot.gov/programadmin/121205-40usc.cfm
Treasury Circular 570	List of Approved Sureties	Companies approved to provide bonds on federal projects.	https://www.fiscal.treasury.gov/fsreports/ref/suretyBnd/c570.htm http://www.fms.treas.gov/c570/index.html
FTA C5010.1D	Grant Management Requirements	Regulations governing the administration of grants	https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/C_5010_1D_Grant_Management_Requirements_2012_Page_Changes_8-27-2012_0.pdf http://www.fta.dot.gov/images/content_images/C_5010_1D_Grant_Management_Requirements_2012_Page_Changes_8-27-2012.pdf
SAM	System for Award Management	Listing of Debarred Individuals and Companies	https://www.sam.gov/portal/SAM/##11#1 https://www.sam.gov/portal/public/SAM/##11#1



APPENDIX B

Forms and Checklists



Method of Procurement Decision Matrix

Project Title: _____

Micro-Purchase	Competitive Proposals/ Request for Proposals (RFP)
<input type="checkbox"/> Amount <\$3,500 (if federally funds) or Amount <\$5,000 (if no federal funds)	<input type="checkbox"/> Complete Specifications possibly not Feasible
<input type="checkbox"/> Multiple Sources	<input type="checkbox"/> Proposer input may be needed for some of the Work
Competitive Quotes	<input type="checkbox"/> Two or More Responsible Proposers Willing to Compete
<input type="checkbox"/> Amount >\$3,500 and <\$1,500,000 (Excluding Professional Services over \$50,000)	<input type="checkbox"/> Discussion Needed with Proposers After Receipt of Proposals, Prior to Award
<input type="checkbox"/> Multiple Sources Available	<input type="checkbox"/> Fixed Price can be Set After Discussions
<input type="checkbox"/> Not an Emergency Purchase	
Sealed Bid/ Invitation for Bid (IFB)	Sole Source
<input type="checkbox"/> Complete & Adequate Specification or Purchase Description	<input type="checkbox"/> OEM, Custom Item
<input type="checkbox"/> Two or More Responsible Bidders Willing to Compete	<input type="checkbox"/> Only One Source Available
<input type="checkbox"/> Selection can be Made on Basis of Price	<input type="checkbox"/> Public Exigency Issue
<input type="checkbox"/> Procurement Suitable for Firm Fixed Price	<input type="checkbox"/> Competition is Inadequate after Public Solicitation
<input type="checkbox"/> No Discussion with Bidders Needed after Receipt of Offers	<input type="checkbox"/> Approved by FTA
Two-Step Negotiated Procurement	Emergency Procurement (subset of sole source)
<input type="checkbox"/> Engineering Services	<input type="checkbox"/> The General Manager has determined (and the Chairman concurs) that an emergency exists
<input type="checkbox"/> Architectural Services	
Time & Materials Contract (subset of RFP)	
<input type="checkbox"/> Fixed price cannot be set for work	
<input type="checkbox"/> Complete extent of work unknown, whether time, or materials use, or both	

TYPE OF CONTRACT:

<input type="checkbox"/> Firm Fixed Price	<input type="checkbox"/> Cost Reimbursement	<input type="checkbox"/> Time and Materials
---	---	---

Requestor: _____ Date: _____



PURCHASE REQUISITION FORM

Date:							
Requesting Department:							
Project Manager:							
Project Title:							
	New Contract		Change Order/ Modification		Expiring Contract		Other:
Description of item or service to be purchased: (attach product specification or scope of work for services)							
Benefits of project to DART:							
Benefits of project to DART customers:							
Date item(s) or service(s) needed by:							
Project budget:							
Independent Cost Estimate: (attach ICE supporting form and documentation)							
Funding source:	Capital Operating	Federal Budget Code #	%	State	%	Local	%
Funding deadline:							
DART resources needed for project completion:							
Is a 3 rd party vendor needed for implementation? If so, who?							
Other DART departments involved:		IT		Transportation		Planning	
		Finance		Maintenance		HR	
		Marketing		Paratransit		Facilities	
		Cust. Service		Administration		Other:	
Procurement type:		Micro-purchase		Quotes		IFB	
		Existing public contract		RFP		Sole source	
DBE participation goal:							
Attachments included:		Specification or Scope of Work		Independent Cost Estimate		Vendor List	

Requester: _____ Date: _____

Department Manager: _____ Date: _____

Director: _____ Date: _____

Chief Financial Officer: _____ Date: _____

General Manager: _____ Date: _____



SOLICITATION CHECKLIST (up to CONTRACT AWARD)

Project Title: _____

Project Manager: _____

Solicitation #: _____

Purchase Order #: _____

SECTION 1: CORRESPONDENCE/DBE REPORTING INFORMATION DEBRIEFS/FOIA/PROTESTS	
<input type="checkbox"/> Correspondence (including emails)	<input type="checkbox"/> FOIA/Information Requests
<input type="checkbox"/> DBE Reporting Information	<input type="checkbox"/> Protests
<input type="checkbox"/> Debriefs	
SECTION 2: CONTRACT AWARD DOCUMENTS	
<input type="checkbox"/> Notice of Contract Award/Notice of Intent to Award	<input type="checkbox"/> Contractor's License
<input type="checkbox"/> Contract/Notice-To-Proceed	<input type="checkbox"/> Recommendation to Award a Contract
<input type="checkbox"/> Contractor's Bid	<input type="checkbox"/> Commission Authorization (to award a Contract)
SECTION 3: INSURANCE AND BONDS/LETTER OF CREDIT	
<input type="checkbox"/> Insurance Requirements	<input type="checkbox"/> Performance and Payment Bonds/Letter of Credit
<input type="checkbox"/> Certificate of Insurance Liability	
SECTION 4: EVALUATION DOCUMENTS	
<input type="checkbox"/> Price Analysis/Cost Analysis	<input type="checkbox"/> Negotiations Sign-In Sheet
<input type="checkbox"/> Determination and Findings for Contractor's Responsibility	<input type="checkbox"/> Interview Sign-In Sheet
<input type="checkbox"/> Financial Analysis	<input type="checkbox"/> Notification of Interview
<input type="checkbox"/> Request for / and Best and Final Offers	<input type="checkbox"/> Notification of Negotiations
<input type="checkbox"/> System for Award Management (SAM) (printout of search results)	<input type="checkbox"/> Technical Evaluation Summary, Summary Matrix & Score Sheets
<input type="checkbox"/> Responsiveness Determination	<input type="checkbox"/> Conflict of Interest / Non-Disclosure Statements from Evaluation Team

SECTION 5: PROCUREMENT DOCUMENTS	
<input type="checkbox"/> Procurement-Contract File Checklist	<input type="checkbox"/> Record of Late Bid/Offer
<input type="checkbox"/> Record of Procurement History	<input type="checkbox"/> Recording of Bids
<input type="checkbox"/> Preliminary Procurement Plan	<input type="checkbox"/> Bid Opening Attendees Sign-In Sheet
<input type="checkbox"/> Cancellation of Procurement – (Notice to Bidders, Public Notification, Project Manager's Recommendation, Determination and Findings)	<input type="checkbox"/> Questions and Answers
<input type="checkbox"/> Single Bid/Responses from Investigation	<input type="checkbox"/> Pre-Bid Meeting Attendees Sign-In Sheet
<input type="checkbox"/> Abstract of Bids	<input type="checkbox"/> Prospective Bidder's Mailing List
<input type="checkbox"/> Bid Tabulation	<input type="checkbox"/> Plan Holders List
<input type="checkbox"/> Bid/Proposal Receipt	<input type="checkbox"/> Advertisement (website, emails, newspaper, publications)
<input type="checkbox"/> Bids Received	<input type="checkbox"/> Public Notices (bid abstract, Intent to Award, Notice of Award, other notices to Bidders)
<input type="checkbox"/> Withdrawal of Bid/Offer	
SECTION 6: SOLICITATION DOCUMENTS	
<input type="checkbox"/> Addenda	<input type="checkbox"/> Determination and Findings for Competitive Sealed Proposals
<input type="checkbox"/> Solicitation	<input type="checkbox"/> Scope of Work
<input type="checkbox"/> Independent Cost Estimate	<input type="checkbox"/> Legal Review
<input type="checkbox"/> Liquidated Damages Assessment	
SECTION 7: ROLLING STOCK ONLY	
<input type="checkbox"/> Pre-Award Buy America Review	<input type="checkbox"/> Pre-FMVSS Certification (Buses only)
<input type="checkbox"/> Pre -Purchaser's Requirements Certifications	<input type="checkbox"/> Pre-Award Transit Vehicle Manufacturers Certifications (TVM Certification from www.fta.dot.gov/dbe)

Procurement Lead: _____ Date: _____

EVALUATION PROCESS CHECKLIST

The DART Procurement Lead is to assure that every Evaluation Panel member understands all of the following aspects of being a part of the RFP evaluation process. The completed and signed checklist shall become a part of the permanent procurement record.

Review Basics of RFP Evaluation Process:

- Evaluation Panel members must hold the proposals in strict confidence.
- Do not discuss the proposals with anyone except other Evaluation Panel members and the Procurement Lead unless directed by the Procurement Lead.
- Do not have any contact with the proposers except at the direction and with the approval of the Procurement Lead. Any contacts must be documented.
- Explore all potential conflicts of interest with any of the Evaluation Panel members.
- Review and make determination regarding all potential organizational conflicts of interest with any of the Offerors.

- RFP timeline variables
 - Ramifications of the Best and Final Offer phase.
 - Potential for protests.

- Review the Basics of the RFP process including how the evaluation will occur, team discussion, communications between Evaluation Team members, scoring criteria and overall timeline. Make sure to discuss the following:
 - Discuss process for initial individual scoring. Determine whether evaluators will take proposals home to complete scoring. If so, discuss the need to secure proposals and maintain confidentiality.
 - Explain any worksheets and scoring guidelines to be used in the process.
 - Explain the difference between official evaluator scores and working notes.
 - The Evaluation Team individually scores each proposal against the RFP criteria or scoring benchmarks, not against each other.
 - The Evaluation Team may submit questions to the Procurement Lead, to be asked of the proposers, to help clarify any ambiguities in the proposal. Requests for clarification must be in writing to the Procurement Lead, who will forward them to the proposers. Written responses are received by the Procurement Lead and are distributed to the Evaluation Team members.
 - An evaluator's scores may be questioned if it is determined that the score or scores are outside the norm of other evaluators. The Procurement Lead may call a meeting for the purpose of clarifying an evaluator's score. At this meeting the Evaluation Team may discuss any variations in scoring. This does not mean the score will be discarded, only reviewed. Sometimes, based upon information/clarification shared during the discussion evaluator(s) may elect to change his/her scores, however that is at the sole discretion of each evaluator.

- Discuss the components of the official RFP file. All written documents including e-mails related to the evaluation become part of the official file.
- Reference checking. The team may split the reference checking between them (all references are asked the same set of questions) or one person may be assigned to complete this task. Notes must be maintained of these contacts.
- Determine who will be responsible for scoring the cost component of the RFP.

- Discuss Oral Presentations and Best and Final Offer process.
 - Decide the criteria to use for bringing in proposers for Oral Presentations. Discuss how any Oral Presentations will be scored.
 - Decide the criteria to use for evaluating Best and Final Offers (BAFO). Discuss how BAFO will be scored.

- Discuss the process for Evaluation Team members to express their concerns with the process or other members of the Evaluation Team, and the various internal and external steps available.

Procurement
Lead: _____

Date: _____



PERSONAL CONFLICT OF INTEREST DECLARATION – SELECTION PANEL MEMBER

Project Title: _____

Solicitation #: _____

I, _____, hereby agree and acknowledge the following:

1. I am a member of the selection panel (a "Selection Panel Member") for the contract award for the above-referenced Project.
2. I have read and understand the DART PUBLIC PROCUREMENT POLICY AND PROCEDURES MANUAL (the "Policy"), including, but not limited to, Section B.5 of the Policy entitled *Conflict of Interest*.
3. In accordance with the Policy, I understand that each Selection Panel Member is required to identify any real, any potential or any appearance of a **personal conflict of interest** that may compromise the integrity of the solicitation or contract award for the Project.
4. In accordance with the Policy, I understand that a "**personal conflict of interest**" arises when:
 - a. Any DART employee, officer, Commission member, or agent involved in the selection, award or administration of a contract or sub-agreement, or a member of his or her immediate family, partner, or outside employer or prospective employer, has a financial interest in the entity selected, or competing, for a contract;
 - b. Any DART employee, officer, Commission member, or agent solicits or accepts gifts, gratuities, favors, or anything of monetary value from a contractor, potential contractor, or party to a sub-agreement; or
 - c. Any DART employee, officer, Commission member, or agent uses his or her position, or non-public information gained during his or her work for DART, for personal gain, including gain inuring to an immediate family member, partner, or current or potential employer.
5. I hereby declare that: (check one box)
 - I **do not have** a real, a potential or an appearance of a personal conflict of interest with any person or entity competing for a contract award for the Project.
 - I **do have** a real, a potential or an appearance of a personal conflict of interest with a person and/or entity competing for a contract award for the Project as follows:

<u>PERSON/ENTITY</u>	<u>PERSONAL CONFLICT OF INTEREST</u>

6. I will notify the DART Procurement Manager of any subsequent circumstances that arise during the procurement process that may present a real, a potential or an appearance of a personal conflict of interest with any person or entity competing for a contract award for the Project.

7. In signing this Personal Conflict of Interest Declaration, I have considered all of my business relationships and financial interests.

Signature: _____

Date: _____



PERSONAL CONFLICT OF INTEREST DECLARATION – PROJECT MANAGER

Project Title: _____

Solicitation #: _____

I, _____, hereby agree and acknowledge the following:

1. I am the Project Manager for the above-referenced Project.
2. I have read and understand the DART PUBLIC PROCUREMENT POLICY AND PROCEDURES MANUAL (the "Policy"), including, but not limited to, Section A.5.1 of the Policy entitled *Full and Open Competition* and Section B.5 of the Policy entitled *Conflict of Interest*.
3. In accordance with the Policy, I understand that the Project Manager is required to identify any real, any potential or any appearance of an **organizational conflict of interest** that may compromise the integrity of the solicitation or contract award for the Project.
4. In accordance with the Policy, I understand that an "**organizational conflict of interest**" arises when:
 - a. A contractor is unable, or potentially unable, to provide impartial and objective assistance or advise to DART due to other activities, relationships, contracts or circumstances;
 - b. A contractor has an unfair competitive advantage through obtaining access to nonpublic information during the performance of an earlier contract; or
 - c. During the conduct of an earlier procurement, the contractor has established the ground rules for a future procurement by developing specifications, evaluation factor, or similar documents.
5. I hereby declare that: (check one box)
 - DART **does not have** a real, a potential or an appearance of an organizational conflict of interest with any person or entity competing for a contract award for the Project.
 - DART **does have** a real, a potential or an appearance of an organizational conflict of interest with a person and/or entity competing for a contract award for the Project as follows:

<u>PERSON/ENTITY</u>	<u>PERSONAL CONFLICT OF INTEREST</u>

6. I will notify the DART Procurement Manager of any subsequent circumstances that arise during the procurement process that may present a real, a potential or an appearance of an organizational conflict of interest with any person or entity competing for a contract award for the Project.
7. In signing this Organizational Conflict of Interest Declaration, I have considered all of DART's business relationships and financial interests.

Signature: _____

Date: _____



CONTRACTOR RESPONSIBILITY CHECKLIST

Project Title: _____

Project Manager: _____

Solicitation #: _____

Contractor: _____

A contractor review is required, prior to award, to determine that the contractor is responsible and capable to perform the work as specified. Note: The FTA does not require its grantees to make a written determination of contractor responsibility for small purchases (those under \$100,000).

VERIFICATION DOCUMENTATION	NOTES
<input type="checkbox"/> System for Award Management (SAM)	
<input type="checkbox"/> Iowa License	
<input type="checkbox"/> Certificate of Insurance	
<input type="checkbox"/> Certificate of Insurance Compliance Verification	
<input type="checkbox"/> DBE Participation Commitment Verification	
<input type="checkbox"/> Financial Resources	
<input type="checkbox"/> Bid Bond, if applicable	
<input type="checkbox"/> Evaluation of Technical Qualifications / Experience	
<input type="checkbox"/> Past Performance Verifications	
<input type="checkbox"/> Integrity and Business Ethics	
<input type="checkbox"/> Operational Capability	
<input type="checkbox"/> History of Compliance with Contract Requirements	
<input type="checkbox"/> Technical Licensing and Certifications	
<input type="checkbox"/> History of Compliance with federal policies	
<input type="checkbox"/> Other Verifications, as necessary	
Is Contractor Deemed Responsible? <input type="checkbox"/> YES <input type="checkbox"/> NO	
Basis for Responsibility Determination:	

Procurement Lead: _____ Date: _____



PRICE ANALYSIS CHECKLIST

Project Title: _____

Solicitation #: _____

A price analysis is a review of lump sum pricing to make a determination of reasonableness. This checklist and supporting documentation should be maintained in the procurement file.

PRICING IS DETERMINED TO BE FAIR AND REASONABLE BASED ON (check all that apply)		
<input type="checkbox"/> Competition (documentation attached)	No. of Quotes Obtained	
<input type="checkbox"/> Price is within an acceptable increase	% Increase from Prior	
<input type="checkbox"/> Commercial Catalog / Published Price List	Page Number:	Catalog Date:
<input type="checkbox"/> Comparison of Historical Purchases of Same or Like Item / Services <input type="checkbox"/> Comparison of Prices obtained by other Agencies for Like Item / Services <input type="checkbox"/> Required Offeror to certify that the price(s) offered are no higher than those charged other customers for items of similar quality and quantity	PO / Contract No.	
	Date Last Purchased	
	Price Last Purchased	
<input type="checkbox"/> Action is the result of a competitively bid State or Municipality Contract that has provisions for use by State of Iowa agencies and/or political sub-divisions for goods, supplies, or services	State Contract Number:	
	Contract Date:	
<input type="checkbox"/> Price has been established as fair and reasonable through negotiation with awardee. The original quote of \$ _____ was lowered to \$ _____		
<input type="checkbox"/> Awardee has shown a high degree of technical competence and adherence to DART's business performance requirements. Past competitive pricing transactions with this vendor was determined to be fair and reasonable.		
<input type="checkbox"/> Awardee is Original Equipment Manufacturer and /or only known distributor for this (these) item(s). Pricing quoted to DART does not differ from those quoted to any other customer.		
<input type="checkbox"/> Other: (List specific reasons, i.e. valid requisition estimate, minimum order quantity, high priority of delivery, etc.)		

Procurement Lead: _____ Date: _____



COST ANALYSIS CHECKLIST

Project Title: _____

Solicitation #: _____

Unless price reasonableness can be determined, a cost analysis must be performed for each sole source contract award (or change order). The offeror is required to submit the elements (i.e., labor hours and rates, overhead, materials, equipment, etc.) of the estimated cost. A cost analysis is not required when the pricing reflects a catalog or market price of a commercial product sold in substantial quantities to the general public or is based on prices set by law or regulation.

Labor Category	Hourly Rate	Hours	Total
Labor (Details Attached)	\$		\$
Labor Burden (%)		%	\$
Total Labor	\$		\$
Material (Details Attached)	\$		\$
Material Handling Fee		%	\$
Equipment (Details Attached)	\$		\$
Equipment Markup		%	\$
Other Direct Costs (Details Attached)	\$		\$
Subcontractor Costs (Details Attached)	\$		\$
Subcontractor (markup)		%	\$
Negotiated Profit (Documentation attached)	\$		\$
TOTAL			\$

Procurement Lead: _____ Date: _____



TIME AND MATERIAL JUSTIFICATION



Project Title: _____

Contract/PO #: _____

Change Order #: _____

Date: _____

Basis of Award/Modification:						
Differing Site Condition	Coordination Issue	Change in Scope	Conflict in Drawings	Design Clarification	Info Not on Docs	Other:*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Specify Other:						
Order of Magnitude Cost:		\$ _____				
Not to Exceed Ceiling:		\$ _____				
Description of Award/Change:						
Justification for T&M: (Facts and References)						
Recommendation:						

Prepared by
Project Manager: _____ Date: _____

Concurred by
Procurement Lead: _____ Date: _____



SOLE SOURCE OR EMERGENCY PROCUREMENT ACTION



Project Title: _____

Project Manager: _____

Date: _____

<input type="checkbox"/> Sole Source Procurement Justification		<input type="checkbox"/> Emergency Procurement Justification	
Proposed Vendor:	\$ _____		
Not to Exceed Ceiling:	\$ _____		
Nature/ Description of Proposed Procurement:			
Justification:			
Price Estimate:			
Funding Source:			
Independent Cost Estimate:		Cost Analysis:	
SAM (System for Award Management):			
Proposed Vendor's Unique Qualifications:			

Project Manager: _____ Date: _____

Procurement Manager: _____ Date: _____

Chief Financial Officer: _____ Date: _____

General Manager: _____ Date: _____



WRITTEN RECORD OF PROCUREMENT HISTORY

Date:						
Procurement number:						
Project title:						
Funding source:						
Date of receipt of offer:						
Independent cost estimate:						
SAM:						
Cost/Price analysis:						
Date of Public Advertising:						
Methods of Public Advertising:						
Procurement description/ Scope of work (What is the purchase, Why is it needed? What is it for? Quantity? If this is a contract modification, what events, circumstances contributed to the needed change?)						
Procurement method: This acquisition is being accomplished by		Small Purchase/ Quotes		Request for Proposals		Invitation for Bids (IFB)
		Request for Qualifications		Sole source/ Emergency purchase		Other:
Contract type:		Firm Fixed Price		Firm Fixed Unit Price		Lump Sum
		Time and Material	If T&M, Not to Exceed Amount			
			If T&M, Date of Final Negotiation			
Rationale for the method of procurement:						
Reason for the selection of the contract type:						
Negotiation Schedule						
Evaluation Panel Names and Position						
Reason for the contractor selection:						

Basis for the contract price:	
Offeror's Name:	
Offeror's Address:	
Offeror's Proposed Price:	
Explain any differences between Independent Cost Estimate and Offeror's Price:	

Procurement Manager

Signature: _____ Date: _____

Project Manager

Signature: _____ Date: _____



CONTRACT CLOSEOUT CHECKLIST PROFESSIONAL SERVICES OR TASK ORDER

Project Title: _____

Solicitation #: _____

Substantial Completion Date: _____

Closeout Item	Responsible Party	Due Date	Status
Notification of Substantial Completion	PM		
Substantial Completion Punchlist	PM		
Completion of Punchlist Items	PM		
Inspection / Acceptance Documentation	PM		
Certificate of Completion	PM		
Resolution of Final Quantities, as applicable	PM		
Determination / Recovery of Liquidated Damages, as applicable	CA / PM		
Systems Integration Testing, as applicable	PM		
Systems Integration Certification as applicable	PM		
Warranties, as applicable	PM / CA		
Operation and Maintenance Manuals, as applicable	PM / CA		
As-Built Drawings, as applicable	PM		
Resolution of Changes, Disputes, Claims	CA		
Review and closeout of insurance file	CA		
Settlement of Insurance Claims, as applicable	CA		
Final Invoice Received	PM		
Consent of Surety to Release final payment to Contractor	CA		
Contractor's General Release	CA		
Retainage and Final Invoice Paid	PM / Finance		
Notification of Closeout to Grants Management	CA		
Contractor Performance Evaluation Report	PM/CA		

Procurement Lead: _____ Date: _____

Project Manager: _____ Date: _____



CONTRACT CLOSEOUT CHECKLIST CONSTRUCTION PROJECTS

Project Title: _____

Solicitation #: _____

Substantial Completion Date: _____

Closeout Item	Responsible Party	Due Date	Status
Notification of Substantial Completion	PM		
Substantial Completion Punchlist	PM		
Completion of Punchlist Items	PM		
Inspection / Acceptance Documentation	PM		
Certificate of Completion	PM		
Resolution of Final Quantities, as applicable	PM		
Determination / Recovery of Liquidated Damages, as applicable	CA / PM		
Systems Integration Testing, as applicable	PM		
Systems Integration Certification as applicable	PM		
Spare Parts List, as applicable	PM / CA		
Warranties, as applicable	PM / CA		
Operation and Maintenance Manuals, as applicable	PM / CA		
Final Requests for Information (RFIs) and Submittals	PM		
As-Built Drawings, as applicable	PM		
Resolution of Changes, Disputes, Claims	CA		
Review and closeout of insurance file	CA		
Settlement of Insurance Claims, as applicable	CA		
Final Invoice Received	PM		
Final DBE Form from Prime Contractor	DBE officer		
Final DBE Form from DBE Subcontractors	DBE officer		
Contractor's Affidavit of Release of Liens	CA		
Consent of Surety to Release final payment to Contractor	CA		
Contractor's General Release	CA		
Retainage and Final Invoice Paid	PM / Finance		
Files to Document Control	CA / PM		
Notification of Closeout to Grants Management	CA		
Contractor Performance Evaluation Report	PM/CA		

Procurement Lead: _____ Date: _____

Project Manager: _____ Date: _____



PIGGYBACK PROCESS CHECKLIST

Definition: Piggybacking is the post award use of a contractual document / process that allows someone who was not contemplated in the original procurement to purchase the same supplies / equipment through that original document / process. To document the substantiation of piggybacking / assignment of an existing agreement, the following is required:

- Have you obtained a copy of the contract and the solicitation document, including the specifications and any Buy America Pre-Award or Post-Delivery audits?
- Does the solicitation and contract contain an express "assignability" clause that provides for the assignment of all or part of the specified deliverables?
- Did the contractor submit the certifications required by federal regulations? See FTA C 4220.1 F Chapter V, Section 7, Part 2 (a) "Acquisition Through Assigned Contract Rights".
- Does the contract contain clauses required by federal regulations? See FTA C 4220.1 F Chapter V, Section 7, Part 2 (a) "Acquisition Through Assigned Contract Rights".
- Were the piggybacking quantities included in the original solicitation, i.e. were they in the original bid, and were they evaluated as part of the award decision?
- If this is an indefinite quantity contract, did the original solicitation and resultant contract contain both a minimum and maximum quantity, and did these represent the reasonably foreseeable needs of the parties to the contract?
- If this piggybacking action represents the exercising of an option in the contract, is the option provision still valid?
- Was a cost or price analysis performed by the original contracting agency, documenting the reasonableness of the price? Obtain a copy for the official contract file.
- If the contract is for rolling stock or replacement parts, does the contract term comply with FTA's five year term limit?
- Was there a proper evaluation of the bids / proposals? Include a copy in the official file.
- If changes to the deliverables are required, are they within the scope of the contract, or are they cardinal changes?
- If this is a cardinal change, have sole source requirements been followed and documented?

Procurement Lead: _____ Date: _____



ROLLING STOCK PRE-AWARD REVIEW

Before signing contract with supplier



Rolling Stock: _____
 Contract Number: _____
 Purchase Order #: _____
 Date: _____

Buy America Certification

- Reviewed and Verified ~~60 Percent~~ Domestic Content Requirements:
- > 60% - FY2016 and 2017
 - > 65% - FY2018 and 2019
 - > 70% - FY2020 and beyond

AND

- Reviewed and Verified Proposed U.S. Final Assembly Location, Operations, and Total Cost

OR

- Requested and Received Buy America Waiver

Purchaser's Requirements Certification

- Checked Bid Specification Compliance With Solicitation Specifications

AND

- Completed Manufacturer Capability Study

FMVSS (Federal Motor Vehicle Safety Standards) Certification

- Requested and Received Manufacturer's Letter Stating:
 The Information to be Included on the FMVSS Stickers

OR

- The Rolling Stock Is Not Subject to FMVSS

Note: All certifications must be kept on file. Supporting documentation should accompany each certification.

Procurement Manager: _____ Date: _____

Chief Operating Officer: _____ Date: _____



ROLLING STOCK POST-AWARD REVIEW

Before using the rolling stock in transit service



Rolling Stock: _____
 Contract Number: _____
 Purchase Order #: _____
 Date: _____

Buy America Certification

- Reviewed and Verified ~~60 Percent~~ Domestic Content Requirements:
- > 60% - FY2016 and 2017
 - > 65% - FY2018 and 2019
 - > 70% - FY2020 and beyond

AND

- Reviewed and Verified Proposed U.S. Final Assembly Location, Operations, and Total Cost

OR

- Requested and Received Buy America Waiver

Purchaser's Requirements Certification

For Procurements of More Than Ten Rolling Stock

- Completed Resident Inspector's Report

AND

- Completed Visual Inspections and Road Tests

OR

For Procurements of Ten or Fewer Rolling Stock, and any Number of Unmodified Vans

- Completed Visual Inspections and Road Tests

FMVSS (Federal Motor Vehicle Safety Standards) Certification

- Verified FMVSS Sticker is Affixed to Each Rolling Stock

OR

- Requested and Received Manufacturer's Letter Stating That the Rolling Stock Are Not Subject to FMVSS

Note: All certifications must be kept on file. Supporting documentation should accompany each certification.

Procurement Manager: _____ Date: _____

Chief Operating Officer: _____ Date: _____



PROTEST CHECKLIST

Project Title: _____

Solicitation #: _____

Contractor: _____

Note: Protest files should be maintained separately from the contract administration files.

PROTEST FILE DOCUMENTATION	NOTES
<input type="checkbox"/> Record of Notification to FTA (when FTA funded)	
<input type="checkbox"/> Protest	
<input type="checkbox"/> Record of Determination of Protest Timeliness	
<input type="checkbox"/> Record of Internal Distribution of Protest	
<input type="checkbox"/> Record of Internal Responses to Protest	
<input type="checkbox"/> Record of Legal Review (if applicable)	
<input type="checkbox"/> Determination of Findings (supporting documentation)	
<input type="checkbox"/> Protester Response / Appeal	
<input type="checkbox"/> Record of Result of Appeal	
<input type="checkbox"/> Notice of Cancellation of Solicitation (if applicable)	
<input type="checkbox"/> Other:	
Notes: 	

Procurement Lead: _____ Date: _____

Chief Financial Officer: _____ Date: _____



DBE and/or Sub-Contractor Compliance Verification Checklist



Project Title: _____

DBE/Sub-Contractor: _____

Prime Contractor: _____

Work Type: _____

Type of Work Observed:	
Does DBE on-site representative effectively manage the work being performed? If No, explain:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does DBE appear to have control over methods of work and equipment needed for their contract items? If No, explain:	<input type="checkbox"/> YES <input type="checkbox"/> NO
To your knowledge, has anyone other than the DBE's personnel worked on the sub-contracted items? If Yes, explain:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Has the DBE used their own, leased, or rented equipment for these contract items? If No, explain:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Has the DBE used any of the prime contractor's people or equipment? If Yes, explain:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does it appear that someone other than the DBE is furnishing material for the items the DBE is responsible for? If Yes, explain:	<input type="checkbox"/> YES <input type="checkbox"/> NO

Reviewer: _____

Date: _____

Procurement Manager: _____

Date: _____

 **APPENDIX C**

Third Party Contract Provisions



THIRD PARTY CONTRACT PROVISIONS

(excluding micro-purchases, except Davis-Bacon requirements apply to contracts exceeding \$2,000)

PROVISION	COMMENTS	MASTER AGREEMENT REFERENCE (based on FA MA(17) 10-1-2010)
All FTA Assisted Third Party Contracts and Subcontracts		
No Federal Government Obligations to Third Parties (by Use of a Disclaimer)		§ 2.f
False or Fraudulent Statements or Claims – Civil and Criminal Fraud		§ 3.f
Access to Third Party Contract Records		§ 15.t
Changes to Federal Requirements		§ 2.c(1)
Civil Rights (Title VI, EEO, ADA, EEO (except special DOL construction clause))		§ 12
Disadvantaged Business Enterprises (DBEs)	Contract awarded on the basis of a bid/proposal offering to use DBEs.	§ 12.d
Incorporation of FTA Terms	Per FTA C 4220.1F	§ 15.a
Awards Exceeding \$10,000		
Terminations	If 49 CFR Part 18 applies	§ 11 and § 15.a, which incorporate 49 CFR Part 18
Special EEO provision for construction contracts	IF 49 CFR Part 18 or Part 19 indicate that the DOL EEOC regulations at 41 C.F.R. Chapter 60 apply.	§ 15.a, which incorporates 49 CFR Part 18 and 19
Awards Exceeding \$25,000		
Debarment and Suspension		§ 3.b
Awards Exceeding the Simplified Acquisition Threshold (\$100,000)		
Buy America	When tangible property or construction will be acquired <u>and when award exceeds \$150,000.</u>	§ 14.a
Resolution of Disputes, Breaches, or Other Litigation		§ 56
Awards Exceeding \$100,000 by Statute		
Lobbying		§ 3.d
Clean Air		§ 25.b
Clean Water		§ 25.c
Transport of Property or Persons		
Cargo Preference	When acquiring property suitable for shipment by ocean vessel	§ 14.b
Fly America	When property or persons are transported by air between U.S. and foreign destinations, or between foreign locations	§ 14.c

(excluding micro-purchases, except Davis-Bacon requirements apply to contracts exceeding \$2,000)

PROVISION	COMMENTS	MASTER AGREEMENT REFERENCE (based on FA MA(17) 10-1-2010)
Construction Activities		
Construction Employee Protections – Davis-Bacon Act	For contracts exceeding \$2,000	§ 24.a(1)
Construction Employee Protections – Contract Work Hours & Safety Standards Act	For contracts exceeding \$100,000	§ 24.a(2)
Construction Employee Protections – Sec. 1 Copeland Anti-Kickback Act – Sec. 2 Copeland Anti-Kickback Act	All contracts All construction contracts exceeding \$2,000	§ 24.a(3)
Bonding for Construction Activities Exceeding \$100,000	5% bid guarantee bond 100% performance bond Payment bond equal to: – 50% for contracts < \$1M – 40% for contracts >\$1M – < \$5M – \$2.5M for contracts > \$5M	§ 15.o(1)
Seismic Safety	Construction contracts for new buildings or for existing buildings	§ 23.e
Non-construction Activities		
Non-construction Employee Protection – Contract Work Hours & Safety Standards Act	For all turnkey, rolling stock, and operational contracts (excluding transportation services contracts) in excess of \$100,000	§ 24.b
Transit Operations		
Transit Employee Protective Arrangements		§ 24.d
Charter Bus Operations		§ 28
School Bus Operations		§ 29
Drug Use and Testing	Safety sensitive functions	§ 32.b
Alcohol Misuse and Testing	Safety sensitive functions	§ 32.b
Planning, Research, Development, and Demonstration Projects		
Patent Rights		§ 17
Rights in Data and Copyrights		§ 18
Special Notification Requirements for States		
Special Notification Requirement for States		§ 38
Miscellaneous Special Requirements		
Energy Conservation		§ 26
Recycled Products	Contracts when procuring \$10,000 or more per year of items designated by EPA	§ 15.k
Conformance with National ITS Architecture	Contracts and solicitations for ITS projects	§ 15.m
ADA Access	Contracts for rolling stock or facilities construction/renovation	§ 12.g
Assignability Clause	Procurements through assignments	§ 15.a, which incorporates 49 CFR Part 18 and 49 CFR Part 19

 **APPENDIX D**

Applicability of Third Party Contract Provisions



APPLICABILITY OF THIRD PARTY CONTRACT PROVISIONS

(excluding micro-purchases, except Davis-Bacon requirements apply to contracts exceeding \$2,000)

PROVISION	TYPE OF PROCUREMENT				
	Professional Services/A&E	Operations/ Management	Rolling Stock Purchase	Construction	Materials & Supplies
No Federal Government Obligations to Third Parties (by Use of a Disclaimer)	All	All	All	All	All
False Statements or Claims Civil and Criminal Fraud	All	All	All	All	All
Access to Third Party Contract Records	All	All	All	All	All
Changes to Federal Requirements	All	All	All	All	All
Termination	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.
Civil Rights (Title VI, EEO, ADA except Special DOL EEO clause for construction projects)	All	All	All>\$10,000	All	All
Special DOL EEO clause for construction projects				>\$10,000	
Disadvantaged Business Enterprises (DBEs)	All	All	All	All	All
Incorporation of FTA Terms	All	All	All	All	All
Debarment and Suspension	>\$25,000	>\$25,000	>\$25,000	>\$25,000	>\$25,000
Buy America			>\$1,500,000	>\$1,500,000	>\$1,500,000
Resolution of Disputes, Breaches, or Other Litigation	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Lobbying	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Air	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Water	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Cargo Preference			For property transported by ocean vessel.	For property transported by ocean vessel.	For property transported by ocean vessel.
Fly America	For foreign air transport or travel.	For foreign air transport or travel.	For foreign air transport or travel.	For foreign air transport or travel.	For foreign air transport or travel.
Davis-Bacon Act				>\$2,000 (including ferry vessels)	
Contract Work Hours and		>\$100,000 (except	>\$100,000	>\$100,000 (including ferry	

(excluding micro-purchases, except Davis-Bacon requirements apply to contracts exceeding \$2,000)

TYPE OF PROCUREMENT					
PROVISION	Professional Services/A&E	Operations/ Management	Rolling Stock Purchase	Construction	Materials & Supplies
Safety Standards Act		transportation services)		vessels)	
Copeland Anti-Kickback Act Section 1 Section 2				All exceeding \$2,000 (including ferry vessels)	
Bonding				\$100,000	
Seismic Safety	A&E for New Buildings & Additions			New Buildings & additions	
Transit Employee Protective Arrangements		Transit Operations			
Charter Service Operations		All			
School Bus Operations		All			
Drug Use and Testing		Transit Operations			
Alcohol Misuse and Testing		Transit Operations			
Patent Rights	Research & Development				
Rights in Data and Copyright Requirements	Research & Development				
Energy Conservation	All	All	All	All	All
Recycled Products		Contracts for items designated by EPA, when procuring \$10,000 or more per year		Contracts for items designated by EPA, when procuring \$10,000 or more per year	Contracts for items designated by EPA, when procuring \$10,000 or more per year
Conformance with ITS National Architecture	ITS Projects	ITS Projects	ITS Projects	ITS Projects	ITS Projects
ADA Access	A&E	All	All	All	All
Notification of Federal Participation for States	Limited to States	Limited to States	Limited to States	Limited to States	Limited to States

 **APPENDIX E****Certifications, Reports and Forms**



CERTIFICATIONS, REPORTS AND FORMS

CERTIFICATIONS, REPORTS, AND FORMS	COMMENTS	REGULATORY REFERENCE
Bus Testing Certification	All procurements of new model transit buses and vans and existing models being modified with a major changeover changes.	49 CFR Part 665
TVM Certifications	All rolling stock procurements	49 CFR Part 26
Buy America Certification	Procurements of steel, iron or manufactured products exceeding \$100,000	49 CFR Part 661
Pre-award Review	FTA Annual Certification for any rolling stock procurement	49 CFR Part 663
Pre-award Buy America Certification	Rolling stock procurements exceeding \$1590,000	49 CFR Part 663
Pre-award Purchaser's Requirement	All rolling stock procurements	49 CFR Part 663
Post Delivery Review	FTA Annual Certification for any rolling stock procurement	49 CFR Part 663
Post Delivery Buy America Certification	Rolling stock procurements exceeding \$1590,000	49 CFR Part 663
Post Delivery Purchaser's Requirement	All rolling stock procurements to the extent required by federal laws and regulations	49 CFR Part 663
On-Site Inspector's Report	Rolling Stock procurements for more than 10 vehicles	49 CFR Part 663
On-Site Inspector's Report	Rolling stock except for procurements of: -10 or few vehicles -20 or few vehicles serving rural (other than urbanized) areas or urbanized areas of 200,000 people or fewer -any amount of primary manufactured standard production and unmodified vans that after visual inspection and road testing meet the contract specifications	49 CFR Part 663
Federal Motor Vehicles Safety Standards (Pre-award Review and Post Delivery)	Motor vehicle procurements (49 CFR 571)	49 CFR Part 663
Lobbying	Procurements exceeding \$100,000	49 CFR Part 20
Standard Form LLL and Quarterly Updates (when required)	Procurements exceeding \$100,000 where contractor engages in lobbying activities	49 CFR Part 20



APPENDIX F
Templates



DATE

Contractor Contact Name
Contractor Legal Name
Contractor Address 1
Contractor Address 2

Reference: Notice of Intent to Award for **the Project Name**
Project No. **FY##-#-001**

The Des Moines Regional Transit Authority (DART) has completed its evaluation of the bids submitted in response to its **Bid Type** and **Name**. Based on the number (**#**) **bids** received on or before **#:00 P.M. CST, Month DD, 20##**, DART will be issuing a **type contract to Contractor**.

DART will be entering into contract negotiations with **Contractor** to complete the **construction of the Project Name Project** subject to **the review of the additional documentation required upon receipt of the letter of intent as outlined in the specifications**. **The Project was bid at \$##,###**. Award of the **construction** contract is subject to approval by the DART Commission. This contract will be on the agenda at the DART Commission's **Month DD, 20##** meeting.

This Notice of Intent to Award starts the five (5) day period in which an unsuccessful vendor may file a vendor appeal in accordance with **the bid type**.

On behalf of DART, thank you for submitting a **bid in response** to our solicitation. Please feel free to contact me **at (515) 283-#### or at email@ridedart.com** if I can provide further information about this procurement. DART's proposal information is public domain and will be made available upon request.

Sincerely,

Signatory Name
Signatory Title

CC: **XXXXXXX**, Project Manager

Des Moines
Area Regional
Transit Authority

620 Cherry Street
Des Moines, Iowa
50309-4530

515-283-8100
Fax 515-283-8135
ridedart.com



DATE

Contractor Contact Name
Contractor Legal Name
Contractor Address 1
Contractor Address 2

Dear **Mr. / Ms. Contractor Representative**,

Reference: Notice to Proceed
Contract Number and Title Here

The Des Moines Area Regional Transit Authority (DART) Commission has approved a contract with **Contractor** for the **Project Name/Description**. This is your Notice to Proceed with the project.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Signatory Name
Signatory Title

CC: **XXXXXXX**, Project Manager

**Des Moines
Area Regional
Transit Authority**

620 Cherry Street
Des Moines, Iowa
50309-4530

515-283-8100
Fax 515-283-8135
ridedart.com



MEMORANDUM

TO: *Contract Administrator Name*
FROM: *Procurement Manager*
DATE: *DATE*
SUBJECT: Procurement Manager Assignment
Solicitation Number, Project Title

You are hereby notified of your assignment as the Contracting Officer (CO) for the referenced solicitation and resulting contract. As DART's authorized representative and contracting point of contact, you are charged with administration of this solicitation and resulting contract.

Accordingly, you are responsible for:

Administering the solicitation process, leading the bid / proposal evaluation, award recommendation, administration of the resulting contract including the change control process, coordination with the Project Manager, Risk department, and DBE project office, and contract closeout.

With your authority to administer the contract, you may take the following actions:

- Act as the principal administrative point of contact with the Contractor and Project Manager;
- Ensure the review and recommended approval of invoices.
- Coordinate correspondence with the contractor if it significantly affects the contractual terms, or the rights and obligations of the parties;
- Review and evaluate contract changes, in accordance with Procurement Procedures Manual contract modification / change order process,
- Obtain sole source justifications and perform cost / price analyses for contract modifications;
- Upon notice from the Contractor that the Work is Substantially Complete, coordinate with the Project Manager an inspection of the Work, an established Punch List, and obtain from the Project Manager formal notification of Substantial Completion;
- Complete contractor evaluation, which shall be maintained in the official contract file, in coordination with the Project Manager.
- Closeout contract

Acknowledged: _____

DATE

Approved: _____

DATE

**Des Moines
Area Regional
Transit Authority**

620 Cherry Street
Des Moines, Iowa
50309-4530

515-283-8100
Fax 515-283-8135
ridedart.com



MEMORANDUM

TO: *Project Manager Name*
FROM: *Procurement Staff Member*
DATE: *DATE*
SUBJECT: Project Manager Assignment
Solicitation Number, Project Title

You are hereby notified of your assignment as the Project Manager (PM) for the referenced contract. As DART's authorized representative and technical point of contact, you are charged with oversight and administration of the performance of this Contract.

Accordingly, you have authority to oversee the performance of the work, and may take the following actions:

- Act as the principal technical point of contact with the Contractor;
- Review and recommend approval of invoices. In those cases requiring release of final retained percentage of payment, you will make your recommendations in writing to the Contracting Officer;
- Coordinate correspondence with the Contract Administrator if it significantly affects the contractual terms, or the rights and obligations of the parties;
- Notify the Contract Administrator whenever you have reason to believe that any estimated cost not to exceed amount for a contract modification will be exceeded;
- Approve, in writing, the Contractor's progress schedule;
- Receive from the Contractor monthly DBE status reports, and forwarding them to the DBE Project Manager, if applicable;
- Review and evaluation of field level changes, with a \$3,000 limit, in accordance with DART's Procurement Procedures Manual contract modification / change order process, with the authority to direct emergency changes as necessary;
- Upon notice from the Contractor that the Work is Substantially Complete, conduct an inspection of the Work, establish a Punch List, and advise the Procurement Manager as to whether or not Substantial Completion has been attained;
- Provide the Procurement Manager with a written notification after all Work has been satisfactorily completed stating that you are not aware of any open issues that would preclude close out of the contract.

**Des Moines
Area Regional
Transit Authority**

620 Cherry Street
Des Moines, Iowa
50309-4530

515-283-8100
Fax 515-283-8135
ridedart.com



Please note that ***Procurement Staff Member***, designated contract administrator for this contract is the designated point of contact for all non-technical matters pertaining to the administration of this contract.

Sincerely,

Signatory Name
Signatory Title

Copy: ***Contractor's Representative***
Contract File
Finance
Department Head

**Des Moines
Area Regional
Transit Authority**

620 Cherry Street
Des Moines, Iowa
50309-4530

515-283-8100
Fax 515-283-8135
ridedart.com



DATE

Contractor Contact Name
Contractor Legal Name
Contractor Address 1
Contractor Address 2

Dear **Mr. / Ms. Contractor Representative**,

Reference: Project Manager Designation
Project Name - FY##-##-001

You are hereby notified that the Project Manager (PM) for the referenced contract is **PM Name Here**. As DART's authorized representative and technical point of contact, the PM is charged with oversight and administration of the performance of this Contract.

Accordingly, **PM Name Here** has authority to oversee the performance of the work, and may take the following actions:

- Act as the principal technical point of contact with the Contractor;
- Review and evaluate field level changes, with the authority to direct emergency changes as necessary, with a \$3,000 limitation;
- Review and recommend approval of invoices. In those cases requiring release of final retained percentage of payment, the PM will make his/her recommendations in writing to the Contract Administrator;
- Coordinate correspondence with the Procurement Manager if it significantly affects the contractual terms, or the rights and obligations of the parties;
- Notify the Procurement Manager whenever the PM has reason to believe that any estimated cost not to exceed amount for a contract modification will be exceeded;
- Approve, in writing, the Contractor's progress schedule;
- Receive from the Contractor monthly DBE status reports, as applicable;
- Upon notice from the Contractor that the Work is Substantially Complete, conduct an inspection of the Work, establish a Punch List (if applicable), and advise the Procurement Manager as to whether or not Substantial Completion has been attained;
- Provide the Procurement Manager with a written notification after all Work has been satisfactorily completed with statement that he/she is not aware of any open issues that would preclude close out of the contract.

**Des Moines
Area Regional
Transit Authority**

620 Cherry Street
Des Moines, Iowa
50309-4530

515-283-8100
Fax 515-283-8135
ridedart.com



Mr. / Ms. PM Name Here can be contacted at *Phone number here*, or *Email Address Here*. For non-technical matters pertaining to the administration of this contract, please contact *Contracting Officer Name here*, the designated Contract Administrator at *Phone number here*.

Sincerely,

Signatory Name
Signatory Title

CC: XXXXXXXX, Project Manager

**Des Moines
Area Regional
Transit Authority**

620 Cherry Street
Des Moines, Iowa
50309-4530

515-283-8100
Fax 515-283-8135
ridedart.com



MEMORANDUM

TO: *Department Head / General Manager*
FROM: *Procurement Manager*
DATE: *DATE*
SUBJECT: Recommendation for Contract Award
Solicitation Number, Project Title

The Evaluation Team for Project *FY##-R-001* has completed their evaluation of the proposals received. Based on the Evaluation Criteria identified in the Request for Proposal, *Company X* has scored the highest among all proposers. The Evaluation Team has determined that *Company X* provides the best value to DART.

Pending a Responsibility Evaluation and receipt of all appropriate insurance and other documents, you are hereby requested approval of the recommendation for contract award.

Acknowledged:

DATE

Approved:

DATE

**Des Moines
Area Regional
Transit Authority**

620 Cherry Street
Des Moines, Iowa
50309-4530

515-283-8100
Fax 515-283-8135
ridedart.com



BID TABULATION FORM

Project Title: _____

Solicitation #: _____

Date and Time #: _____

Bidder	Name of Bidder	Bid Bond	Total Bid	DBE Participation (Y/N)	Bidder DBE Commitment %	Responsive Bid (Y/N)	Bid Rejected (Reason)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Notes:							
Independent Cost Estimate:							
DBE Goal:							

Procurement Lead: _____ Date: _____



BID OPENING FORM

Project Title: _____

Solicitation #: _____

Date and Time: _____

Name	Company	Email	Phone

Procurement Lead: _____ Date: _____

 **APPENDIX G****Quick Reference – Methods of Procurement**



METHODS OF PROCUREMENT – QUICK REFERENCE

Method	Micro Purchases (Supplies, Equipment, non-professional services)	Small Purchases (Supplies, Equipment, non-professional services)	Sealed Bids (Construction, Supplies, Equipment, non-professional services)	Competitive Proposals (Supplies, Equipment, Services, Professional Services, Federally participating A&E Services)	Non-Competitive (Single or Sole Source)
Threshold (Including Shipping and Handling)	Up to \$3, 500 000, if federal funds Up to \$5,000 if no federal funds	\$3, 500 01 up to \$1 500 ,000 (excluding Professional Services over \$50,000)	\$1 500 ,001 and higher; requires Commission approval; advertising	\$1 500 ,001 (or \$50,001 for Professional and Federally Participating A&E services) and higher requires Commission approval; advertising	Commission approval if over \$100,000; notification posted
Planning	None, unless construction over \$2,000	Purchase Requisition, Technical Specification or Scope of Work, cost estimate, DBE Goal, if any	Purchase Requisition, address options, specification, vendor list, independent cost estimate, DBE Goal (if any), Insurance requirements, schedule	Purchase Requisition, address options, specification, vendor list, independent cost estimate, DBE Goal (if any), Insurance requirements, schedule	Documented justification, Purchase Requisition, address options, Specification or Scope of Work, independent cost estimate, Insurance requirements

Method	Micro Purchases (Supplies, Equipment, non-professional services)	Small Purchases (Supplies, Equipment, non-professional services)	Sealed Bids (Construction, Supplies, Equipment, non-professional services)	Competitive Proposals (Supplies, Equipment, Services, Professional Services, Federally participating A&E Services)	Non-Competitive (Single or Sole Source)
Obtain Quotes / Bids / Proposals	At least ONE Quote OR may be off-the shelf pricing for retail items	Scope of Work \$3,500 to \$1,500,000 at least 2 written quotes sought and documented Established Evaluation Criteria, Factors, and Relative Importance,	IFB, Specification Publically Advertised, Adequate number of known suppliers, Formal Sealed Bid, Open Bids Publicly	RFP, Scope of Work, Performance or Functional Specification, Advertise, Publish Evaluation Method, Factors, and Relative Importance, Adequate number of qualified sources, Written Proposal Discussions Expected, BAFO For Professional Services or Federally Participating A&E Services procurements over \$50,000, cost cannot be an evaluation factor, nor can a cost proposal be solicited to be submitted with the technical proposal	Only One Reasonably Available Supplier / Contractor, Written Proposal, Acknowledgment and Acceptance of FTA clauses, Completion of Representations and Certifications
Award Purchase Order / Contract	Single Quote No Competition Required	Requires Competition Awarded to "Best Value" (usually low bid)	Firm Fixed Price; Awarded to Lowest Responsive and Responsible Bidder Any and all bids may be rejected	Requires Competition Usually awarded to Best Value (best combination of meeting technical needs and price)	Written Justification, Available only from one known source

Method	Micro Purchases (Supplies, Equipment, non-professional services)	Small Purchases (Supplies, Equipment, non- professional services)	Sealed Bids (Construction, Supplies, Equipment, non- professional services)	Competitive Proposals (Supplies, Equipment, Services, Professional Services, Federally participating A&E Services)	Non-Competitive (Single or Sole Source)
Determination of Price Reasonableness	Description of how price is determined fair & reasonable (catalog or open market pricing, etc.)	Price Analysis	Low Bid	Price Analysis, if adequate competition exists, otherwise Cost Analysis required	Cost Analysis Required, unless basis is catalog or market price of commercial product
Bonding Requirements	Not Required	Not Required	Required for construction Contracts over \$100,000	Usually not Required	Required for construction contracts over \$100,000
Davis-Bacon Wage Rates	Construction contracts over \$2,000	Construction contracts	Construction contracts	Construction contracts	Construction contracts over \$2,000
Buy America Certification	Exempt	Exempt	Required if over \$ 150 0,000	Required if over \$ 150 0,000	Required if over \$ 150 0,000
Excluded Parties List Verification	Not Required	Required if \$25,000 or higher	Required	Required	Required if \$25,000 or higher
Documentation of Rationale / Basis for Award	e.g. "Purchased at off the shelf pricing"	Historical Data or written summary (Findings of Fact)	Written Summary	Written Summary (Findings of Fact and Record of Negotiations)	Written Summary (Findings of Fact and Record of Negotiations)



ACTION ITEM



8C:	Transit Bus Shelter Contract
Action:	<p>A) Approve a five (5) year contract with Brasco International, Inc. to Manufacture and Deliver Transit Bus Shelters for the amount Not to Exceed \$1,500,000.</p> <p>B) Approve purchase of ten (10) shelters with options for solar power and art display panels for the total purchase price of \$126,000.</p>

Staff Resource: *Mike Tiedens, Procurement Manager*

Background:

- DART is seeking a qualified manufacturer to provide the Manufacture and Delivery of Bus Shelters (including but not limited to):
 - Prefabricated shelters
 - Modular sections delivered as a kit and ready for field installation
 - Finished product must match our current shelter design in appearance
 - Must meet all applicable local building codes

Procurement:

- DART conducted an Invitation for Bid (IFB) for the project. The IFB was published on November 1, 2017 and bids were due at 2:00 PM CST on December 15, 2017.
- Three (3) bids were received, and all bids were deemed responsive:
 - Brasco International, Inc.
 - Dimensional Innovations
 - Tolar Manufacturing
- Brasco International, Inc. was determined to have the lowest bid and has been determined to be a responsible bidder.

Brasco International Background:

- Brasco International has 35 years of experience designing and manufacturing transit shelters and street furniture.
- Customers include:
 - Arlington County – Arlington, VA
 - Central Ohio Transit Authority – Columbus, OH
 - Pinellas Suncoast Transit Authority – St. Petersburg, FL
 - SORTA Metro – Cincinnati, OH
 - TriMet – Milwaukee, WI
 - Utah Transit Authority – Salt Lake City, UT



ACTION ITEM
8C: Transit Bus Shelter Contract

Contract Pricing Summary:

Description	Shelter Dimensions (W x D)	Unit Price
Shelter Type "A"	12' x 4'	\$9,475
Shelter Type "B"	12' x 2'	\$8,875
Shelter Type "C"	16' x 4'	\$12,450
Ad Panel		\$1,675
Solar Unit w/ Ad Panel		\$1,975
Solar Unit w/o Ad Panel		\$1,250
Perforated Aluminum Screen Walls		\$250
Art Glass Panel (per panel)		\$600 - \$800

Funding:

- Funding will come from the capital budget.

Recommendation:

- Approve a five (5) year contract with Brasco International, Inc. to Manufacture and Deliver Transit Bus Shelters for the amount Not to Exceed \$1,500,000.
- Approve the purchase of ten (10) Type "A" shelters with options for solar power and art display panels for the total purchase price of \$126,000.



ACTION ITEM



8D: December FY2018 Consolidated Financial Report

Action: Approve the December FY2018 Consolidated Financial Report

Staff Resource: Amber Dakan, Finance Manager

Year-to-Date Budget Highlights:

Revenue:

- Fixed Route Operating revenue is 2.42% under budget projections. Other Contracted Services continues to outperform budget which is offsetting Cash Fares operating under budget.
- Fixed Route Non-Operating revenue is currently 1.04% above budget. FTA lease funds are driving the performance level and offsetting State Operating Assistance under budget levels due to timing.
- Paratransit Operating revenue is 17.14% lower than budget expectations. All three categories are lower than expected. Primarily, Other Contracted Services trips makes up the largest variance.
- Paratransit Non-Operating revenue is on target.
- Rideshare revenues are 7.42% below budget. Rideshare year to date revenue has dipped below expenses slightly but is projected to be corrected prior to year end.

Operating Expense:

- Fixed Route Budget Summary – Operating expenses are 6.97% below budget projections year to date. Fuel and Lubricants, Insurance, and Salaries, Wages & Fringes are seeing the largest savings.
- Paratransit Budget Summary – Operating expenses are currently showing budget savings of 8.60%. Fuel and Lubricants, Salaries, Wages & Fringes, and Equipment Repair Parts are the categories seeing the most savings.
- Rideshare Budget Summary – Rideshare expenses are below budgetary expectations by 6.21%. Fuel & Lubricants, Salaries, Wages & Fringes, and Miscellaneous Departmental Expenses are the three categories seeing the most savings.

Recommendation:

- Approve the December FY2018 Consolidated Financial Report.

**** TOTAL Un-Audited Performance of December FY2018 Year to Date as Compared to Budget:**

Fixed Route	\$	1,014,619	Reserve for Accidents (See Balance Sheet):
Paratransit	\$	(23,376)	\$293,497.65
Rideshare	\$	<u>(4,960)</u>	
Total	\$	986,284	

FY2018 Financials: December 2017

FIXED ROUTE	December 2017			Year-To-Date-(6) Months Ending 12/31/2017		
	Actual	Budgeted	Variance	Actual	Budgeted	Variance
Operating Revenue	357,315	463,642	(106,327)	2,714,496	2,781,850	(67,354)
Non-Operating Revenue	1,600,587	1,848,126	(247,538)	11,204,243	11,088,754	115,489
Subtotal	1,957,902	2,311,767	(353,865)	13,918,739	13,870,604	48,135
Operating Expenses	2,111,649	2,311,767	200,118	12,904,120	13,870,604	966,484
Gain/(Loss)	(153,747)	-	(153,747)	1,014,619	-	1,014,619

PARATRANSIT	December 2017			Year-To-Date-(6) Months Ending 12/31/2017		
	Actual	Budgeted	Variance	Actual	Budgeted	Variance
Operating Revenue	100,186	150,983	(50,797)	750,653	905,900	(155,247)
Non-Operating Revenue	112,485	113,417	(931)	675,895	680,501	(4,605)
Subtotal	212,672	264,400	(51,728)	1,426,548	1,586,401	(159,852)
Operating Expenses	228,680	264,400	35,720	1,449,924	1,586,401	136,476
Gain/(Loss)	(16,009)	-	(16,009)	(23,376)	-	(23,376)

RIDESHARE	December 2017			Year-To-Date-(6) Months Ending 12/31/2017		
	Actual	Budgeted	Variance	Actual	Budgeted	Variance
Operating Revenue	69,058	68,792	266	382,141	412,750	(30,609)
Non-Operating Revenue	-	-	-	-	-	-
Subtotal	69,058	68,792	266	382,141	412,750	(30,609)
Operating Expenses	66,343	68,792	2,448	387,100	412,750	25,650
Gain/(Loss)	2,714	-	2,714	(4,960)	-	(4,960)



DISCUSSION ITEM



9A: Reserve Fund Policy Review

Staff Resource: Jamie Schug, Chief Financial Officer

- The current General Fund Reserve Policy was adopted in the fall of 2014.
- The General Fund Reserve Policy shall be subject to review and revision by the DART Commission at least every three (3) years.
- DART staff reviewed several other organizations General Fund Reserve Policies as well as the recommended best practices of the Government Finance Officers Association.
- The General Fund Reserve Policy is attached.
- No changes are recommended.



GENERAL FUND RESERVE POLICY

Commission Approval Date: October 7, 2014

Purpose:

DART desires to maintain a prudent level of financial resources to guard its stakeholders against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. In addition, this policy is intended to document the appropriate Reserve level to protect the DART's credit worthiness. The General Fund Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

This policy establishes the amounts DART will strive to maintain in its General Fund Reserve, how the Reserve will be funded, and the conditions under which Reserve may be used.

Definitions:

For purposes of this Policy, the following terms or phrases shall have the following meanings:

- **"Commission"** shall mean DART's duly appointed policy-making and governing body.
- **"DART"** shall mean Des Moines Regional Transit Authority, an Iowa Code Chapter 28E entity.
- **"General Fund"** shall mean one of five governmental fund types. The General Fund typically serves as the chief operating fund of a government. The General Fund is used to account for all financial resources not accounted for in some other fund.
- **"Reserve"** shall mean only the portion of Fund Balance that is intended to provide stability and respond to unplanned events or opportunities.

Reserve Level Target:

DART will strive to hold 20-25% expressed as a percentage of DART's annual operating expenditures in General Fund balance. This amount is expressed as a goal range to recognize that fund balance levels can fluctuate from year to year due to the normal course of operations.

Conditions for Use of Reserves:

The use of reserves shall be limited to unanticipated, non-recurring needs, or anticipated future obligations. Fund balances shall not be used for normal or recurring annual operating expenditures.

The General Manager is authorized to make recommendations to the Commission for use of reserves. A majority vote of the Commission will be required to use reserves. Any recommendation shall be accompanied by a proposal for the replenishment of the reserves to the Commission.

In no circumstances shall the total General Fund Reserve balance drop below 20% of DART's annual operating expenditures for the General Fund.



Policy Review:

The General Fund Reserve Policy shall be subject to review and revision by the DART Commission at least every three (3) years. This does not preclude the DART Commission from revising the General Fund Reserve Policy should the DART Commission determine that the best interest of the public and/or DART would be served by making such a revision.

The DART Commission must approve any amendment or revision by majority vote before said amendment or revision shall become official policy of DART.



DISCUSSION ITEM



9B: Quarterly Investment Review

Staff Resource: Amber Dakan, Finance Manager

- A presentation regarding the investment performance for calendar year 2017 with emphasis on fourth quarter; October 1, 2017 – December 31, 2017 will be given by Amy Mitchell, Director with Miles Capital.
- Attached is DART's Quarterly Investment Report for review.



MILES *Capital*

Investment Review

Des Moines Area Regional Transit Authority

Period: October 1, 2017 – December 31, 2017

1415 28th St., Suite 200 | West Des Moines, IA 50266 | 800.343.7084

Miles Capital

SEC-REGISTERED ADVISER

Iowa's largest independent firm,
founded in 1982

PUBLIC ENTITIES EXPERIENCE

Partnering since 1986, dedicated
to clients' success

TRUSTED ADVISER

Our top goal

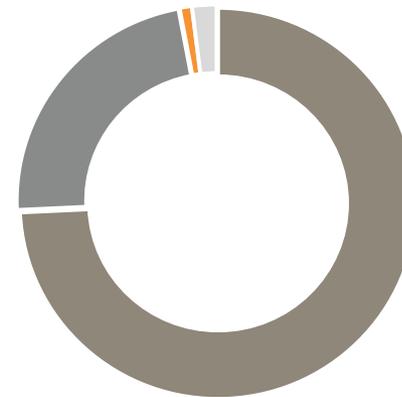
PROFESSIONAL TEAM

Credentialed, tenured
group collaborating to help
meet client needs

INNOVATIVE AND AGILE

Creating solutions to help meet
the changing environment

Assets Under Management
as of 12/31/17



- Insurance
- Local Government Entities
- Other Institutions
- Individual & Sub Advisory

<i>Insurance</i>	<i>74%</i>
<i>Local Government Entities</i>	<i>23%</i>
<i>Other Institutional</i>	<i>1%</i>
<i>Individual & Sub Advisory</i>	<i>2%</i>
<i>Total</i>	<i>\$4.8 Billion</i>

What is the Miles Managed Account Program?

INVESTMENT CHALLENGES FOR PUBLIC ENTITIES	OUR SOLUTION: MILES MANAGED ACCOUNT A COMPREHENSIVE PORTFOLIO
Limited In-house Investment Resources	Public Entity Investment Experience
Time and Administrative Challenges	Manage Operational Concerns, Provide Convenience
Investment Constraints – Low Yields & Little Income to Offset Tight Budgets	Focus on Helping to Maximize Every Dollar
Fluctuating Cash Flows – Knowing How Much to Invest	Diversified, Liquid, & Customized Portfolios
Identifying Compliant Investment Options	Conforms to Regulatory Framework

Your Challenge = Our Focus

DART REPORTING

DART Commission Agenda Packet - February 6, 2018



Des Moines Area Regional Transit Authority

As of: December 31, 2017

Economic & Market Commentary:

As 2017 comes to a close, many economic indicators across both consumer and business sectors are at decade highs. It also appears momentum may accelerate thanks to some year-end fiscal policy that will take effect in 2018. The new tax policy is projected to add approximately 0.2-0.4 percent growth in 2018, mostly due to the corporate sector tax changes. Consumers continue to play a major role in the expansion as retail sales accelerated and the housing and equity markets set record highs. Throughout 2017 the corporate sector experienced robust growth and will likely experience benefits from the sizable cut in the corporate tax rate. A few of the potential risks to the current growth path include less accommodative postures by many global central banks, U.S mid-term elections, general risk asset valuation levels, and geo-political risk. Even with these risks, we are optimistic that growth in the U.S. and overseas should remain solid in 2018.

Strategy & Market Drivers:

Fixed income market returns were heavily influenced by Treasury interest rate movements for the quarter and year. Longer interest rates, as measured by the 10 year U.S. Treasury bond, rose during the fourth quarter but were range bound for much of the year and ended at 2.41 percent, nearly right on top of where they started the year. Short term interest rates, as measured by the 2 year Treasury bond, rose throughout the year and ended at 1.89 percent after starting the year at 1.19 percent. The largest influence on interest rates was the action of the Federal Reserve, which increased short term interest rates three times in 2017 and appears poised to raise rates three times in 2018.

Outlook:

We are cautiously optimistic for continued equity strength in 2018. Stock gains have come due to expanding economies, solid earnings, low inflation, cheap credit, and low interest rates. These factors are likely to continue into 2018. We have seen two consecutive quarters of GDP growth over 3 percent and 2018 earnings growth is estimated to be in the double digits for the year, so we are experiencing positive momentum. Tax reform should also provide a tailwind for equities. Large caps will likely see increased share repurchases, while small caps will have a lower rate at 20 percent, compared to their current average above 30 percent. However, valuations remain more supportive in emerging market and foreign developed equities than domestic markets. And geo-political risks and stretched valuations could create turbulence in the markets.

Des Moines Area Regional Transit Authority

As of: December 31, 2017

Portfolio Appraisal

Cusip/Ticker	Quantity	Security Name	Rating	Coupon	Maturity	Purchase Cost		Market Value		% of Assets	Estimated Annual Income	Yield
						Average Cost	Total Cost	Price	Value			
Short Term Liquidity												
Cash/Cash Equivalents												
GOIXX	1,068	FEDERATED GOVT OBLI FD-IS	NR	1.027		1.00	1,068	1.00	1,068	0.0	11	1.15
SA0004000	5,337,896	FIRST NATIONAL BANK OMAHA (ICS) - SAVINGS	NR	1.557		100.00	5,337,896	100.00	5,337,896	72.8	83,200	1.61
CD1005783	245,000	BANK IOWA CD	NR	1.270	4/11/2018	100.00	245,000	100.00	245,000	3.3	3,112	1.27
CD1005791	754,519	STATE SAVINGS BANK CD	NR	1.200	4/12/2018	100.00	754,519	100.00	754,519	10.3	9,054	1.19
CD1005785	1,000,000	BANKERS TRUST CD	NR	1.280	11/9/2018	100.00	1,000,000	100.00	1,000,000	13.6	12,800	1.28
TOTAL Cash/Cash Equivalents							7,338,483		7,338,483	100.0	108,177	1.51
TOTAL PORTFOLIO							7,338,483		7,338,483			1.51
TOTAL ACCRUED INCOME											19,157	
TOTAL PORTFOLIO + ACCRUED INCOME											7,357,640	

Estimated Annual Yield (EAY) as shown is calculated using Yield to Maturity on Market Price (YTM) for fixed income securities and Current Yield for equity securities. Cost basis information should not be relied upon for tax purposes." DART Commission Agenda Packet - February 6, 2018

Des Moines Area Regional Transit Authority

As of: December 31, 2017

Portfolio Performance

TOTAL RETURN (%)	QTD	YTD	1-year	3-year	5-year	Since Inception*
(periods greater than 12 months annualized)						
Client Portfolio (Gross)	0.32	1.11	1.11	—	—	0.91
Client Portfolio (Net)	0.31	1.03	1.03	—	—	0.85

*Since Inception date: April 1, 2016

Des Moines Area Regional Transit Authority:

Periods greater than one year are annualized. Past performance is not indicative of future performance. All performance figures include dividends and income, but do not include management fees.

Des Moines Area Regional Transit Authority

As of: December 31, 2017

Account Activity Summary

Portfolio Value on 09/30/2017	\$3,038,014
Deposits/Withdrawals	\$4,300,108
Management Fees	(\$560)
Income	\$23,038
Appreciation	0.00
Change In Accrued Income	(\$2,960)
Portfolio Value on 12/31/2017	\$7,357,640

Purchases & Sales

Trade Date	Settle Date	Quantity	Security	Ticker	Unit Price	Amount
Short Term Liquidity						
Purchase						
10/02/2017	10/02/2017	15	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$14.50
10/09/2017	10/09/2017	500,000	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$500,000.00
10/10/2017	10/10/2017	7,507	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$7,506.85
10/11/2017	10/11/2017	500,000	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$500,000.00
10/11/2017	10/11/2017	3,968	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$3,968.22
10/12/2017	10/12/2017	0	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$0.40
10/12/2017	10/12/2017	4,519	STATE SAVINGS BANK CD	CD1005791	\$100.00	\$4,519.12
10/12/2017	10/12/2017	1,030,000	FIRST NATIONAL BANK OMAHA (ICS) - SAVINGS	SA0004000	\$100.00	\$1,030,000.00
10/27/2017	10/27/2017	4,000,000	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$4,000,000.00
10/30/2017	10/30/2017	4,000,000	FIRST NATIONAL BANK OMAHA (ICS) - SAVINGS	SA0004000	\$100.00	\$4,000,000.00
10/31/2017	10/31/2017	810	FIRST NATIONAL BANK OMAHA (ICS) - SAVINGS	SA0004000	\$100.00	\$809.50
11/01/2017	11/01/2017	330	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$330.08
11/17/2017	11/17/2017	300,000	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$300,000.00
11/21/2017	11/21/2017	300,000	FIRST NATIONAL BANK OMAHA (ICS) - SAVINGS	SA0004000	\$100.00	\$300,000.00
11/30/2017	11/30/2017	5,858	FIRST NATIONAL BANK OMAHA (ICS) - SAVINGS	SA0004000	\$100.00	\$5,857.54
12/01/2017	12/01/2017	32	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$31.90
TOTAL Purchases						\$10,653,038.11

Des Moines Area Regional Transit Authority

As of: December 31, 2017

Purchases & Sales

	Trade Date	Settle Date	Quantity	Security	Ticker	Unit Price	Amount
Sell							
	10/12/2017	10/12/2017	1,030,000	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$1,030,000.00
	10/25/2017	10/25/2017	83	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$83.33
	10/30/2017	10/30/2017	4,000,000	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$4,000,000.00
	11/21/2017	11/21/2017	300,000	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$300,000.00
	11/27/2017	11/27/2017	186	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$185.80
	12/26/2017	12/26/2017	183	FEDERATED GOVT OBLI FD-IS	GOIXX	\$1.00	\$183.32
				TOTAL Sales			\$5,330,452.45
Maturity							
	10/07/2017	10/07/2017	500,000	FREEDOM FINANCIAL CD	CD1004360	\$100.00	\$500,000.00
	10/11/2017	10/11/2017	500,000	STATE SAVINGS BANK CD	CD1005490	\$100.00	\$500,000.00
				TOTAL Maturities			\$1,000,000.00

Des Moines Area Regional Transit Authority

As of: December 31, 2017

Disclosures:

The information provided in these reports is confidential and intended for existing client use only. All information contained herein is believed to be correct, but accuracy cannot be guaranteed and should not be relied upon for legal or tax reporting purposes. These reports are not intended for clients to use as a replacement for custodial statements, which should be considered the official record. Miles Capital encourages clients to compare and verify the information in this report with the custodial statement.

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Estimated Annual Income (EAI), when available, is used in this report to reflect the amount a client would earn on a security if its current position and related income remained consistent for a year. EAI reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

Estimated Annual Yield (EAY), when available, is used in this report to reflect the current EAI divided by the current value of the security as of the statement closing date.

EAI and EAY are estimates and the actual income and yield may be lower or higher than the estimated amounts. The information used to derive these estimates is obtained from various outside vendors; Miles Capital is not responsible for estimated annual income and yields which are either missing or incorrect.

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DISCUSSION ITEM



9C: Quarterly Safety Report – 2nd Quarter FY 2018

Staff Resource: Patrick Daly, Operations Manager – Safety

Analysis of accidents for the 2nd Quarter of FY2018:

ACCIDENTS BY ROUTE:	2nd QTR FY18	2nd QTR FY17	YTD FY18	YTD FY17
#1 – FAIRGROUNDS	1	2	2	5
#3 – UNIVERSITY	5	2	7	5
#4 – 14TH	0	0	2	0
#5 – FRANKLIN AVE/JOHNSTON	0	0	0	1
#6 – INDIANOLA AVE	1	1	2	1
#7 – SW 9 th ST	1	4	1	4
#8 – FLEUR DR	1	1	2	1
#9 – EXPRESSES	4	3	8	9
#10 – EAST UNIVERSITY	0	0	0	0
#11 – INGERSOLL/VALLEY JCT	0	0	1	0
#12 – ON PROPERTY	8	2	15	7
#13 – PARK AVE	0	0	0	0
#14 – BEAVER AVE.	0	2	1	6
#15 – 6 th AVE.	2	2	5	3
#16 – DOUGLAS AVE	2	1	3	2
#17 – HUBBELL AVE/ALTOONA	1	1	3	2
#52 – VALLEY WEST/JORDAN CR	1	0	2	2
#60 – INGERSOLL/UNIVERSITY	2	4	2	4
#72 – WDM/CLIVE FLEX	2	0	3	0
#73 – URBANDALE/WHTS FLEX	0	1	0	1
#74 – NW URBANDALE FLEW	0	0	1	0
#40 - LINK	1	1	1	1
#42 - STATE CAPITAL/D-LINE	0	0	3	2
#SS - SCHOOL ROUTES	0	1	1	1
#20 - PARATRANSIT	5	6	8	16
R - RIDESHARE	2	1	2	3
A - ADMIN	0	0	1	0
M – MAINTENANCE	0	1	0	1
SF – STATE FAIR	0	0	1	2
Training	1	0	1	0
TAXI	1		1	
TOTALS	40	36	78	79



DISCUSSION ITEM
9C: Quarterly Safety Report – 2nd Quarter FY 2018

ACCIDENTS BY TYPE:	2 nd QTR	2 nd QTR	YTD	YTD
	<u>FY18</u>	<u>FY17</u>	<u>FY18</u>	<u>FY17</u>
BUS INTO FIXED OBJECT	25	13	39	32
PERSONAL INJURY	0	0	0	0
BUS INTO VEHICLE	4	4	9	12
VEHICLE INTO BUS	10	18	28	33
OTHER	1	0	2	1
STRUCK ANIMAL	0	0	0	0
MAINTENANCE	0	1	0	1
VANDALISM	0	0	0	0
TOTALS	40	36	78	79

ACCIDENTS BY CHARGEABILITY CODE:	2 nd QTR	2 nd QTR	YTD	YTD
	<u>FY18</u>	<u>FY17</u>	<u>FY18</u>	<u>FY17</u>
NON PREVENTABLE	11	19	32	41
PREVENTABLE - OPERATOR	18	17	28	38
PREVENTABLE - SYSTEM	1	0	1	0
ON PROPERTY	8	*A	15	*A
UNDETERMINED	2	0	2	0
TOTALS	40	36	78	79

*A - These accidents were previously included in the Preventable category

ACCIDENTS BY SERVICE	2 nd QTR	2 nd QTR	YTD	YTD
	<u>FY18</u>	<u>FY17</u>	<u>FY18</u>	<u>FY17</u>
FIXED ROUTE	26	28	59	57
PARATRANSIT	5	6	8	16
RIDESHARE	2	1	2	3
ADMINISTRATION	0	0	1	0
MAINTENANCE	5	1	5	1
STATE FAIR	0	0	1	2
TRAINING	1	0	1	0
TAXI	1	0	1	0
TOTALS	40	36	78	79



DISCUSSION ITEM



9D: DART Commission Long-Term Planning

Staff Resource: Elizabeth Presutti, Chief Executive Officer

- A presentation will be provided outlining the approach and schedule for accomplishing the long-range planning efforts by the DART Commission.



System Summary Performance Report

December 2017

	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	December 2016	December % Change FY18	FY18 December YTD	FY17 December YTD	YTD % Change FY18
Fixed Route												
Passengers	287,355	265,741	554,545	366,183	383,886	353,416	307,572	315,266	(2.44%)	2,231,343	2,262,004	(1.36%)
Mobile Ticketing Ridership	0	0	264	254	1,160	7,066	7,786	0	0.00%	16,530	0	0.00%
OTT Ridership	19,236	18,154	20,542	20,390	21,931	21,284	19,312	20,199	(4.39%)	121,613	117,997	3.06%
Unlimited Access Ridership	27,011	23,968	28,678	28,746	28,198	26,099	21,443	25,087	(14.53%)	157,132	168,867	(6.95%)
Bike Rack Usage	5,995	6,160	7,141	6,369	5,652	4,386	3,203	2,647	21.00%	32,911	31,921	3.10%
Passengers Per Revenue Hour	15.8	15.4	24.7	21.0	20.4	19.8	17.6	17.0	3.72%	20.1	20.2	(0.78%)
Average Passenger Trip Length	4.42	4.55	4.43	4.47	4.43	4.44	4.42	4.37	1.22%	4.45	4.37	1.91%
Complaints Per 100,000 Passengers	11.48	12.42	14.25	21.30	19.54	18.67	12.03	10.47	14.93%	16.49	10.48	57.41%
Commendations Per 100,000 Passengers	3.13	3.39	1.62	2.46	1.82	0.85	0.33	1.27	(74.38%)	1.70	1.46	16.73%
On-Time Performance	81.70%	82.00%	76.97%	77.69%	79.20%	83.23%	84.19%	83.21%	1.17%	80.53%	82.67%	(2.59%)
<u>Accident Frequency Rate by Service:</u>												
Preventable/100,000 Miles	3.26	0.38	1.38	0.74	2.73	2.52	1.48	0.00	0.00%	1.56	1.28	21.51%
Non-Preventable/100,000 Miles	2.17	2.30	3.31	1.85	0.68	1.08	1.48	2.09	(29.30%)	1.85	2.33	(20.80%)
<u>Maintenance:</u>												
Total Service Miles	276,137.8	260,394.5	362,040.4	270,261.9	292,939.7	277,902.1	270,462.1	286,819.5	(5.70%)	1,734,000.7	1,716,697.2	1.01%
Roadcalls/100,000 Miles	31.51	43.01	30.94	21.46	19.12	14.39	7.39	33.82	(78.13%)	22.95	36.12	(36.45%)
Active Vehicles In Fleet	126	126	123	123	123	123	123	127	(3.15%)	124	126	(1.72%)
Paratransit												
Passengers	9,233	8,330	9,423	8,914	9,589	8,427	7,766	9,302	(16.51%)	52,449	54,988	(4.62%)
Passengers Per Revenue Hour	2.4	2.4	2.4	2.5	2.4	2.3	2.3	2.5	(10.20%)	2.4	2.6	(8.14%)
Average Passenger Trip Length	8.88	8.99	9.01	9.06	9.07	9.09	9.07	8.89	1.99%	9.05	8.88	1.85%
Complaints Per 100,000 Passengers	64.98	120.05	84.90	100.96	83.43	83.07	193.15	75.25	156.67%	108.68	45.46	139.04%
Commendations Per 100,000 Passengers	10.83	24.01	10.61	33.65	0.00	0.00	0.00	0.00	0.00%	11.44	0.00	0.00%
On-Time Performance	85.82%	86.50%	87.25%	83.86%	83.97%	83.68%	85.23%	92.92%	(8.28%)	85.10%	92.84%	(8.33%)
<u>Accident Frequency Rate by Service:</u>												
Preventable/100,000 Miles	1.28	1.34	0.00	0.00	1.30	0.00	1.54	1.37	12.03%	0.69	2.11	(67.42%)
Non-Preventable/100,000 Miles	2.57	1.34	1.27	0.00	1.30	0.00	0.00	0.00	0.00%	0.69	1.64	(58.12%)
<u>Maintenance:</u>												
Total Service Miles	77,859.2	74,451.3	79,006.7	72,027.5	76,780.0	69,367.4	65,128.3	72,968.4	(10.74%)	436,761.2	426,841.7	2.32%
Roadcalls/100,000 Miles	14.13	4.03	10.13	11.11	5.21	10.09	1.54	8.22	(81.33%)	7.10	9.84	(27.87%)
Active Vehicles In Fleet	25	25	23	23	23	23	23	22	4.55%	23	22	5.26%
Rideshare												
Passengers	19,195	16,083	19,429	17,612	19,518	19,205	17,832	13,862	28.64%	109,679	91,638	19.69%
Passengers Per Revenue Hour	5.5	5.1	5.5	5.4	5.4	6.4	6.5	4.9	31.72%	5.7	5.1	12.85%
Rideshare Customers	614	630	633	636	657	684	713	560	27.32%	659	559	17.86%
Rideshare Vans In Circulation	95	95	95	93	95	97	97	84	15.48%	95	84	13.72%
Average Passenger Trip Length	38.66	39.17	38.76	38.64	38.40	38.07	38.53	40.01	(3.70%)	38.58	40.13	(3.86%)
Complaints Per 100,000 Passengers	0.00	12.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	1.82	0.00	0.00%
Commendations Per 100,000 Passengers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
<u>Accident Frequency Rate by Service:</u>												
Preventable/100,000 Miles	0.00	0.00	0.00	0.00	0.00	0.00	0.69	0.00	0.00%	0.11	0.25	(56.19%)
Non-Preventable/100,000 Miles	0.00	0.00	0.00	0.00	0.00	0.00	0.69	0.00	0.00%	0.11	0.25	(56.19%)
<u>Maintenance:</u>												
Total Service Miles	157,781.0	139,814.0	166,241.0	142,285.0	163,547.0	153,024.5	144,372.1	126,431.8	14.19%	909,283.6	796,432.4	14.17%
Active Vehicles In Fleet	109	109	109	109	109	109	107	108	(0.93%)	109	108	0.62%
System Total												
Farebox Recovery Ratio	13.42%	18.34%	25.70%	23.31%	22.97%	22.66%	20.27%	25.53%	(20.60%)	22.28%	26.33%	(15.37%)



System Performance Ridership Report

December 2017

	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	December 2016	December % Change FY18	FY18 December YTD	FY17 December YTD	YTD % Change FY18
Fixed Route	287,355	265,741	554,545	366,183	383,886	353,416	307,572	315,266	(2.44%)	2,231,343	2,262,004	(1.36%)
1. Local:												
#1 - Fairgrounds	13,540	13,061	247,010	19,810	20,612	18,083	15,627	15,834	(1.31%)	334,203	342,301	(2.37%)
#3 - University	30,326	28,515	31,544	32,331	33,378	32,409	28,843	29,250	(1.39%)	187,020	203,963	(8.31%)
#4 - E. 14th	15,337	14,049	16,396	16,010	16,152	16,062	13,742	15,652	(12.20%)	92,411	98,909	(6.57%)
#5 - Franklin Ave	6,574	5,090	7,164	9,374	11,016	11,491	8,983	7,675	17.04%	53,118	47,340	12.21%
#6 - Indianola Ave	21,306	19,925	26,008	30,459	32,019	29,462	25,578	26,793	(4.53%)	163,451	177,599	(7.97%)
#7 - SW 9th St	27,392	24,519	30,791	38,564	41,572	37,203	33,108	31,235	6.00%	205,757	194,299	5.90%
#8 - Fleur Dr	2,393	2,169	3,792	5,798	6,084	5,692	4,176	4,324	(3.42%)	27,711	25,320	9.44%
#10 - East University	2,320	1,933	2,902	3,299	3,533	3,078	2,778	2,455	13.16%	17,523	3,249	439.34%
#11 - Ingersoll Ave	2,151	1,594	2,031	1,924	2,019	1,780	1,476	1,820	(18.90%)	10,824	13,035	(16.96%)
#13 - Evergreen/SE Park Ave	738	623	3,170	7,873	8,715	7,828	5,891	6,211	(5.15%)	34,100	33,367	2.20%
#14 - Beaver Ave	15,335	13,847	18,176	22,293	23,844	21,466	18,438	18,636	(1.06%)	118,064	115,302	2.40%
#15 - 6th Ave	18,847	17,834	21,920	27,165	28,820	26,546	23,306	22,731	2.53%	145,591	142,642	2.07%
#16 - Douglas Ave	27,678	25,212	31,302	37,557	38,225	36,228	31,591	33,443	(5.54%)	200,115	208,973	(4.24%)
#17 - Hubbell Ave	22,344	20,920	23,365	23,307	26,596	23,709	22,076	21,450	2.92%	139,973	140,863	(0.63%)
#52 - Valley West/Jordan Creek	13,650	12,939	14,816	14,670	14,781	13,424	13,505	14,177	(4.74%)	84,135	86,886	(3.17%)
#60 - Ingersoll/University	28,898	26,097	31,299	34,862	36,851	33,414	28,870	28,368	1.77%	191,393	191,217	0.09%
2. Shuttle:												
Dline	13,828	15,017	16,165	16,583	14,875	12,822	11,345	11,615	(2.32%)	86,807	80,835	7.39%
Link Shuttle	1,028	771	714	632	667	620	523	879	(40.50%)	3,927	5,914	(33.60%)
3. Express:												
#91 - Merle Hay Express	1,280	1,065	1,380	1,056	0	0	0	951	(100.00%)	3,501	5,894	(40.60%)
#92 - Hickman Express	2,044	1,673	2,368	2,128	2,502	2,363	1,870	2,290	(18.34%)	12,904	15,047	(14.24%)
#93 - NW 86th Express	2,826	2,595	3,061	2,546	2,811	2,587	2,299	2,941	(21.83%)	15,899	20,299	(21.68%)
#94 - Westtown	1,068	1,041	1,265	1,023	1,100	1,383	815	875	(6.86%)	6,627	7,081	(6.41%)
#95 - Vista	1,344	1,144	1,308	1,132	1,123	880	744	1,084	(31.37%)	6,331	8,293	(23.66%)
#96 - E.P. True	2,346	2,190	2,500	2,097	2,403	1,985	1,618	1,954	(17.20%)	12,793	13,234	(3.33%)
#98 - Ankeny	6,422	5,667	6,799	6,617	7,122	6,477	5,191	6,206	(16.36%)	37,873	39,968	(5.24%)
#99 - Altoona	1,557	1,430	1,582	1,608	1,616	1,541	1,106	1,654	(33.13%)	8,883	9,924	(10.49%)
4. Flex:												
#72 Flex: West Des Moines/Clive	3,663	3,864	4,512	4,239	4,194	3,737	3,184	3,390	(6.08%)	23,730	21,736	9.17%
#73 Flex: Urbandale/Windsor Heights	198	182	213	211	245	193	172	192	(10.42%)	1,216	1,304	(6.75%)
#74 Flex: NW Urbandale	570	538	677	744	756	623	471	575	(18.09%)	3,809	3,202	18.96%
5. On Call:												
On-Call: Ankeny	133	77	113	121	106	112	83	209	(60.29%)	612	1,300	(52.92%)
On-Call: Johnston/Grimes	127	104	138	98	99	170	133	215	(38.14%)	742	1,494	(50.33%)
On-Call: Regional	92	56	64	52	50	48	30	182	(83.52%)	300	1,214	(75.29%)
Paratransit	9,233	8,330	9,423	8,914	9,589	8,427	7,766	9,302	(16.51%)	52,449	54,988	(4.62%)
Cab	799	717	783	989	1,015	1,031	975	897	8.70%	5,510	5,366	2.68%
Bus/Van	8,434	7,613	8,640	7,925	8,574	7,396	6,791	8,405	(19.20%)	46,939	49,622	(5.41%)
Rideshare	19,195	16,083	19,429	17,612	19,518	19,205	17,832	13,862	28.64%	109,679	91,638	19.69%
Total Ridership	315,783	290,154	583,397	392,709	412,993	381,048	333,170	338,430	(1.55%)	2,393,471	2,408,630	(0.63%)



MONTHLY REPORT



10A: Operations

Staff Resources: *Tim Sanderson, Chief Operating Officer*

- In January, Pat Halsey DART's Building Supervisor for DART Central Station was redeployed with the Marines for the second time in a year. On January 17, DART staff held a small function in order to have the opportunity to wish him and thank him for his service. We are looking forward to his safe return.
- In early January, Tim Sanderson attended the Transportation Research Board's Annual Conference. There was a great deal of discussion and information surrounding the future outlook and impact of autonomous vehicles of cities and transit agencies. A number of different perspectives were shared and excellent insight into this exciting technology was gained.
- The Operations Team continues to work on the Battery Electric Bus project.
 - This includes:
 1. Working with Proterra to finalize pricing. This entails reviewing and selecting the parts and equipment installed on the bus to ensure that they are compatible with our procedures and systems to the greatest extent possible.
 2. Awaiting word on the status of the DERA application which, if successful will allow for seven buses to be purchased.
 3. Meeting with our partner in this project, MidAmerican Energy in order to coordinate activities.
 4. Working with our consultants on designing the infrastructure required to accommodate these buses
 - Based on our progress to date, we anticipate an action item on the purchase of the vehicles at the March Commission Meeting.



MONTHLY REPORT



10B:	External Affairs Team Report
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Staff Resources: *Amanda Wanke, Chief External Affairs Officer*

External Affairs – All Team

February Service Change: DART's first service change of 2018 is scheduled for Sunday, Feb. 4 and includes changes for Local Routes 1, 4, 5 and 17. Local Routes 1 and 4 will be re-routed on inbound trips to return to travel over the Grand Avenue Bridge in downtown Des Moines. In addition to that change, Local Route 4 will travel further north to 58th Avenue on select trips to travel to DART's new Unlimited Access partner, Dee Zee Manufacturing. Local Route 5 is re-routing to travel on NW 70th in Johnston and will no longer travel on Morningside Drive. Local Route 17 is undergoing schedule changes, and will not have any map changes. Communications about this service change were shared with riders beginning on Jan. 17, 2018.

Veterans Ride for Free Promotional Month: DART and Polk County Veterans Affairs have partnered together to provide a month-long promotion in May. During this time veterans will be able to ride DART for free, and the VA will reimburse DART for the rides. Staff from area organizations are working together to ensure that as many veterans as possible are aware of the program.

Deer Ridge Community Shuttle: Staff are finalizing a schedule for the Deer Ridge Community Shuttle. The shuttle will begin Feb. 26 and will run at least two days a week with several trips to the Windsor Heights Wal-Mart where riders can transfer to the Route 3 and/or access the many services at Wal-Mart and in the Windsor Heights area.

Marketing and Communications – Erin Hockman, Marketing and Communications Manager

Wi-Fi on All Buses – Wi-Fi launched on every bus, every route, on Tuesday, Jan. 2, 2018. In the first two weeks, riders connected 8,724 times to the Wi-Fi, for an average of 4,362/week. This is an increase of 3,000 average weekly connections, compared to 1,300 connections during the 45-week Wi-Fi pilot in 2017. After the launch, DART also received media coverage from more than 10 outlets, including KCCI, We Are Iowa, the *Des Moines Register* and the *Business Record*.

MyDART Trip Planner Pilot – The marketing team organized a 2-week pilot to test the MyDART app trip planner, which will launch to all riders in late-spring 2018. The pilot began on Monday, Jan. 29 and will run through Sunday, Feb. 11. Participants are given weekly tasks and asked to complete a survey at the end of the pilot.

Dee Zee Manufacturing Unlimited Access – As of Feb. 4, 2018, Dee Zee manufacturing employees can ride free as the company is now part of DART's Unlimited Access Program. The marketing team has worked closely with Dee Zee to provide information to its employees. Dee Zee sent out a post card to each employee, posted in breakrooms and shared in their bi-monthly newsletter. DART and Dee Zee also worked together on a press release and grab n' go's held in Dee Zee breakrooms in late-January.

DMARC Mobile Food Pantry – DART will host the Des Moines Area Religious Council's (DMARC) Mobile Food Pantry every first and third Thursday, beginning March 1, 2018. The mobile pantry will be placed at the far south end of DART Central Station, where DART supervisor vehicles are parked. This pantry gives riders an opportunity to pick up food without having to travel to one of DMARC's food pantries. The marketing team will promote to riders through signage at DART Central Station, email, social media and on-the-bus tactics.

MONTHLY REPORT
10B: External Affairs



APTA AdWheels: DART was notified on Thursday, Jan. 18 that it was a first place recipient for a 2017 APTA Ad Wheel Award for its DART Forward 2035 Year Five Update Campaign. DART was selected as the winner in the Best Marketing and Communications Educational Effort under the comprehensive campaign category and was judged amongst several other US transit agencies with between 4 and 20 million rides per year. DART's External Affairs Officer Amanda Wanke will be presented with a first place certificate during the APTA Marketing and Communications Workshop in San Francisco, CA in Feb. 2018. DART's entry is automatically entered into a competition for the Grand Prize amongst all APTA members. Notification for that award will occur in spring 2018.

Business Development – DART's business partnerships coordinator held several meetings with area employers to discuss transportation, including:

- Grab and Go with Voya Financial
- Implemented Dee Zee Unlimited Access program, including on site benefits education with Dee Zee employees.
- Attended the One Economy Summit at Drake University.

Meetings and contract renewals with current Unlimited Access partners are ongoing.

Marketing Analytics Report

Metric	July 2017	Aug. 2017	Sept. 2017	Oct. 2017	Nov. 2017	Dec. 2017	Dec. 2016	% Change Year Prior
MyDART App Accounts	n/a	n/a	n/a	655	1049	1287	n/a	n/a
Website Unique Visitors	30,934	38,943	33,616	35,487	30,299	28,421	29,136	-2.52%
Facebook Likes	2,844	2,927	3,011	3,039	3,061	3,069	2,645	13.82%
Twitter Followers	1,934	1,953	1,961	1,976	1,988	1,992	1,831	8.08%
Email Subscribers	4,930	4,940	4,980	5,470	5,480	5,770	4,220	26.86%
Trip Plans	6,852	9,678	8,662	8,515	6,453	5,274	7,905	-49.89%
Next Bus	2,846	3,618	3,418	3,665	3,574	3,623	2,889	20.26%
Schedules	2,155	3,481	2,701	2,319	1,978	1,817	1,475	18.82%
RideTime App	31,530	36,643	34,298	38,170	37,331	35,067	30,395	13.32%
SMS Text Messaging	55,761	65,834	66,685	87,471	76,266	79,234	56,641	28.51%
IVR	8,457	10,180	9,963	9,268	8,440	8,119	7,889	2.83%

MyDART App Report

Metric	Oct. 2017	Nov. 2017	Dec. 2017	TOTAL
Downloads	1,012	580	341	1,933
iOS	437	250	133	820
Android	575	330	208	1,113
Accounts Created	655	394	238	1,287
Orders Placed	428	927	1,099	2,454
Passes Purchased	550	1,254	1,381	3,185
Revenue	\$4,645.35	\$8,846.65	\$10,023.00	\$23,515.00

MONTHLY REPORT
10B: External Affairs



Customer Experience – Alison Walding, Customer Experience Manager

Website Communication and Messages

- Bus Stop/Shelter Requests = 1
- Contact/Feedback Form = 32
- Voicemails = 88
- Required response = 3 (03%)

Total Calls for December 2017

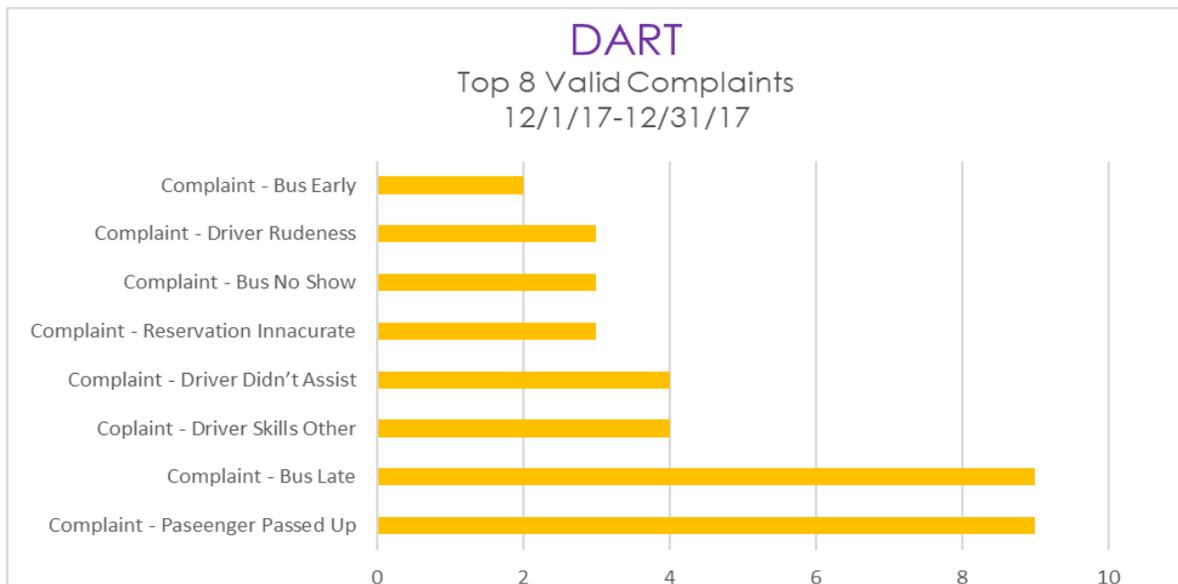
- Schedule Information – 5294
- Paratransit - 3466
- Spanish Line – 37
- Receptionist – 293
- RideShare – 138

Mobility Coordination

Mobility Coordinator Activities December 2017

- How to Ride Fort DSM (49)
- How to Ride Bernie Lorenz (17)
- How to Ride Fresh Start Women's Facility (5)
- How to Ride Bridges of Iowa (7)
- How to Ride House of Mercy (9)
- How to Ride VA Amputee Support Group (8)
- How to Ride at CISS for Veteran clients (12)

Top 8 Valid Complaints (per 100,000 passengers) as of December 31, 2017



MONTHLY REPORT
10B: External Affairs



RideShare

December 2017

- Received commission approval on van donation recommendations and turned vans over to recipients.
- Provided 1 driver training
- Added several new vans to the road including the new River Bend Industries van

Planning – Emily McMahon, Interim Planning Manager

Schedule Analysis: Staff continue to work with Transportation, Management & Design (TMD) to do a review of DART's bus schedules in order to identify opportunities to increase ridership and customer satisfaction through schedule changes, as well as opportunities for efficiencies. The process will take several months. Recommendations will likely be brought to the Commission in spring 2018.

Upcoming Major Service Changes: Staff are preparing for the June and August service changes. With the Des Moines Public Schools bell times changes, the implementation of the Euclid-Douglas Crosstown, and potential other changes, August is shaping up to be a fairly major change. Updates will be brought to the Commission throughout the spring.

Long-Term Shelter Plan: Staff are preparing a long-term shelter plan that identifies potential future locations for shelters, funding needed, and an implementation timeline.



MONTHLY REPORT



10C: Procurement

Staff Resource: Mike Tiedens, Procurement Manager

Upcoming Procurements:

Janitorial Services – DART is seeking a qualified Contractor to provide Janitorial and miscellaneous housekeeping services at DART Central Station and 1100 DART Way. The services will ensure the cleanliness and safety of the interior and exterior of the facilities. Services will include, but not be limited to cleaning of surfaces and windows in all areas, removal of trash and debris and periodic heavier cleaning as necessary.

- Request for Proposal to be published in February 2018

Contracts and Task Orders Approved Recently:

Substance Architecture, On-Call Architecture and Engineering Services Contract

- Facility Assessment – Phase I – Tasks include, but are not limited to assessing the condition of the existing Operations and Maintenance Facility at 1100 DART Way. Potential areas of focus are interior, exterior, fire/life safety, ADA, HVAC, electrical, plumbing, fire protection, building code compliance, security and data integration.
 - Task order was approved for the \$70,283.80
- Heat Pump Design – Tasks include, but are not limited to assessing the existing temperature and air flow conditions in the lobby at DART Central Station and recommending and designing a solution.
 - Task order was approved for the amount Not to Exceed \$9,500.00
- Concrete Floor – DART Central Station – Tasks include, but are not limited to preparing and designing the restoration of the floor in the public lobby at DART Central Station. Work will include buffing the existing floor and application of a new clear epoxy coating.
 - Task order was approved for the \$1,500.00

Fuel Tank Gauge Replacement – DART solicited bids for a contractor to provide services and equipment to replace failing in-ground tank equipment for tracking fuel.

- The winning proposer was Seneca Companies and the contract price is \$17,036.80

Other Notes:

Procurement Training – Throughout the month of February, the DART Procurement Department will be holding procurement training sessions for the administrative staff. The training focuses on high level procurement requirements and information as well as resources available to assist in purchasing projects and activities.

MONTHLY REPORT
10C: Procurement



Future Procurements:

- Heavy Duty Battery Electric Bus
- RideShare Vans & Minivans
- Janitorial Services (both locations)
- 5 Medium Duty Buses (4 Paratransit, 1 On Call)
- Employment Services
- Printing Services
- Data Management System (TransTrack) Maintenance Extension
- Bus Wash
- Heat Pump Replacement – DCS
- Portable Maintenance Lift



MONTHLY REPORT



10D: Chief Executive Officer

Staff Resource: Elizabeth Presutti, Chief Executive Officer

- **DART Executive Committee:** The DART Executive Committee met on Friday, January 26th. The discussion items presented during the meeting included: DART Long-Term Planning, upcoming Audit Services RFP and an update from DART's Legal Counsel.
The next DART Executive Committee meeting is scheduled for February 16, 2018 at 8:00 am.
- **New Commissioner Appointments:** With the City Council transitions this January, DART has had several new appointments to the Commission either in the Commissioner or alternate capacity:
 - City of Des Moines: Joshua Mandelbaum (Alternate)
 - City of Mitchellville: Mayor Dean Brand and Treasa Mitchell (Alternate)
 - City of Pleasant Hill: Ross Grooters (Alternate)
 - City of Carlisle: TBD
- **Mobile Food Pantry:** In an effort to reduce barriers to accessing food pantries due to transportation availability, we are very excited to announce that DART will begin hosting the DMARC Mobile Food Pantry. The pantry will be at DART Central Station on the first and third Thursdays of the month starting March 1st from 4:00 to 6:00 pm.



FUTURE DART COMMISSION ITEMS



FUTURE AGENDA ITEMS:

March 6, 2018 – 12:00 P.M.	
Action Items	Information Items
<ul style="list-style-type: none"> • FY 2019 Budget • Medium-Duty Bus Purchase • RideShare Vans • Contract for Electric Buses • Withdrawal approval for Cities 	
April 3, 2018 – 12:00 P.M.	
Action Items	Information Items
<ul style="list-style-type: none"> • RideShare Minivans • Financial Audit Services • Transtrack/Trapeze Contract Renewal 	
May 1, 2018 – 12:00 P.M.	
Action Items	Information Items
<ul style="list-style-type: none"> • Architecture and Engineering Services Contract 	

Other Future Agenda Items:

- Bus Shelter Planning