



FEDERAL TRANSIT ADMINISTRATION

**REGION IV
TECHNICAL ASSISTANCE
CONFERENCE**

May 13 & 14, 2015

**“THIRD PARTY CONTRACTING
UPDATE AND COMMON OVERSIGHT
DEFICIENCIES / HOW TO AVOID
THEM”**

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Management**



FEDERAL TRANSIT ADMINISTRATION

“Third Party Contracting Update”

- **FTA Circular 4220.1F (Next Generation)**
- **BPPM (Revision – Rewrite)**
- **Small Purchases Threshold**

“Common Oversight Deficiencies ”

- ❖ Lack of Independent Government Estimate (IGE)
- ❖ Lack of required Cost / Price Analysis
- ❖ No evidence of having or following procurement policies and procedures
- ❖ Failure to include FTA Clauses

“Common Oversight Deficiencies”

- ❖ Failure to Exercise full and Open Competition
- ❖ Improper use of geographical preference
- ❖ Sole Source Awards
- ❖ No Contract Administration System

“Common Oversight Deficiencies”

❖ Improper Piggybacking Purchases

❖ Improper Use of Options

“How to Avoid Deficiencies”

DOCUMENT

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LACK OF INDEPENDENT GOVERNMENT ESTIMATE (IGE)

- ✓ Independent Government Estimate Worksheet

LACK OF REQUIRED COST / PRICE ANALYSIS

- ✓ Prepopulated Form for Price Analysis
- ✓ Cost Analysis Worksheet

“How To Avoid Deficiencies”

DOCUMENT

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- ✓ NO EVIDENCE OF HAVING OR FOLLOWING PROCUREMENT POLICIES AND PROCEDURES

- Procurement Policies and Procedures

“Each recipient and sub-recipient may use its own procurement procedures, provided that its procurements conform to applicable Federal law and regulations.”

[FTA C 4220.1F, 111,3.a.]

“How to Avoid Deficiencies”

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FAILURE TO INCLUDE FTA CLAUSE

- ✓ Circular 4220.1F, Appendix D, Provisions, Certifications, Reports, Forms, and Other Matrices, Third Party Contract Provisions

FAILURE TO EXERCISE FULL AND OPEN COMPETITION

- ✓ Outreach Programs
- ✓ Treat Supplier as Partners
- ✓ Advertisement (Widespread)

“How To Avoid Deficiencies”

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IMPROPER USE OF GEOGRAPHICAL PREFERENCE

- ✓ Prequalify Bidders
- ✓ Prequalified Product Lists

SOLE SOURCE AWARDS

- ✓ Use when appropriate
- ✓ Unique Capability or Availability
- ✓ Inadequate competition
- ✓ Unusual and Compelling Urgency

“How to Avoid Deficiencies”

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NO CONTRACT ADMINISTRATION SYSTEMS

- ✓ Have a written system that
 - Ensures that contractors perform in accordance with T&Cs
 - Follows the system
 - Will be presented to reviewers

“How To Avoid Deficiencies”

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IMPROPER PIGGYBACKING PURCHASES

- ✓ Obtain copy of entire contract from awarding agency
- ✓ Be sure there is an assignability clause in the contract
- ✓ Is there sufficient time on the contract to meet delivery
- ✓ Determine specifications will meet your needs
- ✓ Review T&Cs to determine acceptability

“How To Avoid Deficiencies”

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- ✓ Determine scope of existing contract
- ✓ Determine existing contract was awarded competitively
- ✓ Document your price analysis (Fair & Reasonable)
- ✓ Determine that the contractor has submitted all Federally required certifications
- ✓ Use the Piggybacking Worksheet in the BPPM

“How To Avoid Deficiencies”

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IMPROPER USE OF OPTIONS

- ✓ Include requirements for pricing options in solicitation
- ✓ Evaluate the option(s) as part of the total awarded contract price
- ✓ Review price for advantageousness before exercising option

Questions



Contact Information

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- Choose “Thurs., 11:00 a.m. - Third Party Contracting Update, Common Oversight Deficiencies, & How to Avoid Them” from the dropdown list

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