



FEDERAL TRANSIT ADMINISTRATION

**REGION IV  
TECHNICAL ASSISTANCE  
CONFERENCE**

**May 13 & 14, 2015**

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

**JAMES HARPER, JR.  
Director, Office of Acquisition  
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

DOCUMENT

DOCUMENT

## 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

## DOCUMENT

## DOCUMENT

- ✓ 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”

**DOCUMENT**

**DOCUMENT**

**DOCUMENT**

## **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”

DOCUMENT

DOCUMENT

DOCUMENT

## 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”

DOCUMENT

DOCUMENT

DOCUMENT

## 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”

DOCUMENT

DOCUMENT

DOCUMENT

## 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”

## DOCUMENT

## DOCUMENT

## DOCUMENT

- ✓ 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”

DOCUMENT

DOCUMENT

DOCUMENT

## 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

**JAMES HARPER, JR**

**[James.harper@dot.gov](mailto:James.harper@dot.gov)**

**202-366-1127**

# Don't Forget the Survey!

Please remember to complete the survey for this session by visiting the Guidebook App or

<http://goo.gl/forms/hhOzdnpmKK>

- Choose “Wed., 1:45 p.m. - Third Party Contracting Update, Common Oversight Deficiencies, & How to Avoid Them” from the dropdown list



# Special Thanks to Our Vendors & Sponsors!

**HNTB**



**HDR**



**FTA**

FEDERAL TRANSIT ADMINISTRATION



**FTA**

FEDERAL TRANSIT ADMINISTRATION