



South Dakota Transit Subrecipient Manual

*Implemented May 2024
Updated May 2024*



**DEPARTMENT OF
TRANSPORTATION**

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INTRODUCTION

The South Dakota Department of Transportation (SDDOT) is the designated recipient by Federal Transit Administration (FTA) to administer the Section 5303/5304, 5310, 5311, and 5339 funds for the small urban areas and rural areas of South Dakota. As the designated recipient, SDDOT is responsible for receiving and apportioning FTA funds to eligible projects and applying for funds on behalf of all eligible subrecipients.

It is the responsibility of SDDOT to provide grant management, oversight, and technical assistance to subrecipients of the above-mentioned funding along with state funding. The overall goals and objectives for the Transit Program are identified in the SDDOT State Management Plan (SMP) located on the SDDOT Transit webpage under Polices.

The goals and objectives of the Transit Subrecipient Manual is to provide additional guidance, resources, and tools to support the requirements outlined in the SMP, state and federal requirements, and state and federal laws set forth as applicable to subrecipients of federal or state transit related funding.

The Transit Subrecipient Manual will be linked on the SDOOT Transit webpage under Polices. SDDOT will provide notice via memo to inform subrecipients of any updates to the manual. These memos will also be posted to the SDDOT Transit Website under Polices. It is the responsibility of the provider to stay abreast of the most current guidance provided by SDDOT. This manual is not a full representation of all the requirements of transit. Federal and state rules and regulations, SDDOT State Management Plan, funding agreements, etc. are required to be adhered to for compliance.

Subrecipients must have the legal, financial, managerial, and technical capacity to receive federal and state grants. Must have a designated body legally responsible for the overall organization, management, and operation of the transportation system. The subrecipient's role is to adhere to all the requirements authorized by board or council of a subrecipient entity; in addition, to the funding received through the State of SD.

The oversight body of the subrecipient playing an active role in charting the future of their transit agency is crucial. Refer to the SDDOT Transit Provider of Directors [Fact Sheet](#) for additional expectations.

DUE DATES

<i>From Transit Subrecipients to SDDOT Transit</i>		
What's Due:	When	How Often
Standardized 5311 Request Form	Monthly, unless approved to submit quarterly.	Monthly, unless approved to submit quarterly.
Ridership, Miles, Revenue Hours, Coordinated Trips	Monthly	Monthly
Section 5310 Reports	Mid-October	Annually
Grant Tracking Reports (aka Project Status Reports)	Send out February 1 st and August 1 st with responses due in February and August by the 15 th .	Twice A Year
Project Monitoring	<hr/> Rolling Stock, planning, technology, and construction projects will require contract administration quarterly reports to be submitted. Jan. 15 th , April 15 th , July 15 th & Oct. 15 th	
Last 5311 Request Form for the funding year.	November 1 st	Annually
Planning Fund application announced	December	Annually
Verify yearly inventory in SDDOT's asset management database,	September 15th	Annually
Certification transit assets are used for transit purposes and Certification of insurance (facility, equipment, vehicle, & flood)	September 15th	Annually
TAM – Current maintenance records and asset ratings in SDDOT's	September 1 st	Ongoing Subrecipients must enter maintenance record

asset management database		as they occur.
TAM Plan SOGR & targets (SDDOT will work with providers to update targets.)	September 1 st	October 1 st every 4 years
Charter Reports	Jan. 15 th , April 15 th , July 15 th & Oct. 15 th	Annually
5 Year Capital Improvement Plan	November 1 st	Annually
Drug and Alcohol MIS Reports	Early March	Annually
DBE Report	April 30 th (October – March) October 31 st (April – September)	Annually
MPO – 5310 Project recommendations	April 30 th	Annually
Single Audit SF-SAC submission certification. (Required if agency receives \$750,000 or more in any kind of federal funds.)	June 30 th	Annually
TAM Plan rewrite (SDDOT will work with providers to get feedback.)	September 1 st	Every 4 years
5311 Grant Application	June 1 st	Annually
Single Audits (Required if agency receives \$750,000 or more in any kind of federal funds.)	Submit with Subrecipient Questionnaire submitted with funding application.	Annually
Statewide Coordination Plan- Agency Plan of Action Plan update (Update is not due in the year of the new plan.)	August 1 st	Annually
Capital Applications Due (apps will be sent out 6 weeks prior)	April 1 st	Annually, depending on funding

Program Reviews	Every 3 years	
Asset Inspections	Every 2 years	
RTAP Approval and Reimbursement Request	Prior to registration or attendance	<p>If submitted after the event 10% reduction will be applied to the allowable reimbursement amount.</p> <p>If the RTAP Reimbursement Request is not submitted within 90 days for the event the reimbursement will be denied.</p>

PLANNING

Planning is a crucial element in the overall success of the transit program for each agency. Regular planning discussions, while consulting with the agency's Board to expectations and updates from the transit agencies play a pivotal role in the ongoing progress of public transportation. Transit directors can assist Board members in utilizing the following information:

- Capital Improvement Plan (CIP): The transit director should involve all board members in the CIP process and seek board approval before submitting it to SDDOT.
- Architecture and Engineering planning for construction projects.
- Regular budget planning: Staff and board members must engage in consistent budget planning to ensure the operational aspects of public transportation, including staffing, funding, and services, are adequately addressed.

NOTE

SDDOT encourages subrecipients to have a minimum of six months of funds in reserves to cover incurred costs without receiving federal funds for reimbursement. It is also encouraged to raise revenue and local match to support the entity and not to rely on federal or state funding.

It is the responsibility of the entity to research funding opportunities. SDDOT has the 2019 Public Transit Funding Guide for guidance. Public awareness, advertising and fund raising are good options to raise funds.

STATEWIDE TRANSPORTATION IMPROVEMENT PLAN

The [Statewide Transportation Improvement Plan \(STIP\)](#) is a four-year program listing projects developed through the coordinated efforts of the Department of Transportation, Transportation Commission, state and federal agencies, local and tribal governments, metropolitan planning organizations, public agencies, transportation providers, citizens and other interested parties. The program identifies highway and intermodal improvements to preserve, renovate, and enhance South Dakota's transportation system.

Annually, SDDOT Transit staff provides the SDDOT office of Project Development Planning Transportation Analyst the transit funding, projects, and provider information for the transit portion of the STIP.

The state, as a recipient of Federal funds, must document and follow a public involvement process that provides opportunities for public review and comment during the development of the long-range statewide transportation plan and the STIP. The state must also have a separate and discrete process for cooperating with nonmetropolitan local government officials in the development of these plans.

Transit subrecipients are encouraged to participate in the development of the Department of Transportation STIP by participating in the public involvement opportunities. These opportunities are posted on the department's webpage.

TRANSPORTATION IMPROVEMENT PROJECTS

The Transportation Improvement Projects (TIP) are part of the STIP reporting for urban areas. The TIP submittal are requirements monitored by the SDDOT Planning office STIP Coordinator.

The Metropolitan Planning Organizations (MPO) are responsible to submit Transportation Improvement Project (TIP) to SDDOT as part of the STIP. The MPO can submit a request to the SDDOT transit staff to review funding information to complete the TIP information or to have an accurate account of the funding for the MPO. Such as amount awarded by section of funds to agencies in the MPO area, funds available to obligate, or status of the award.

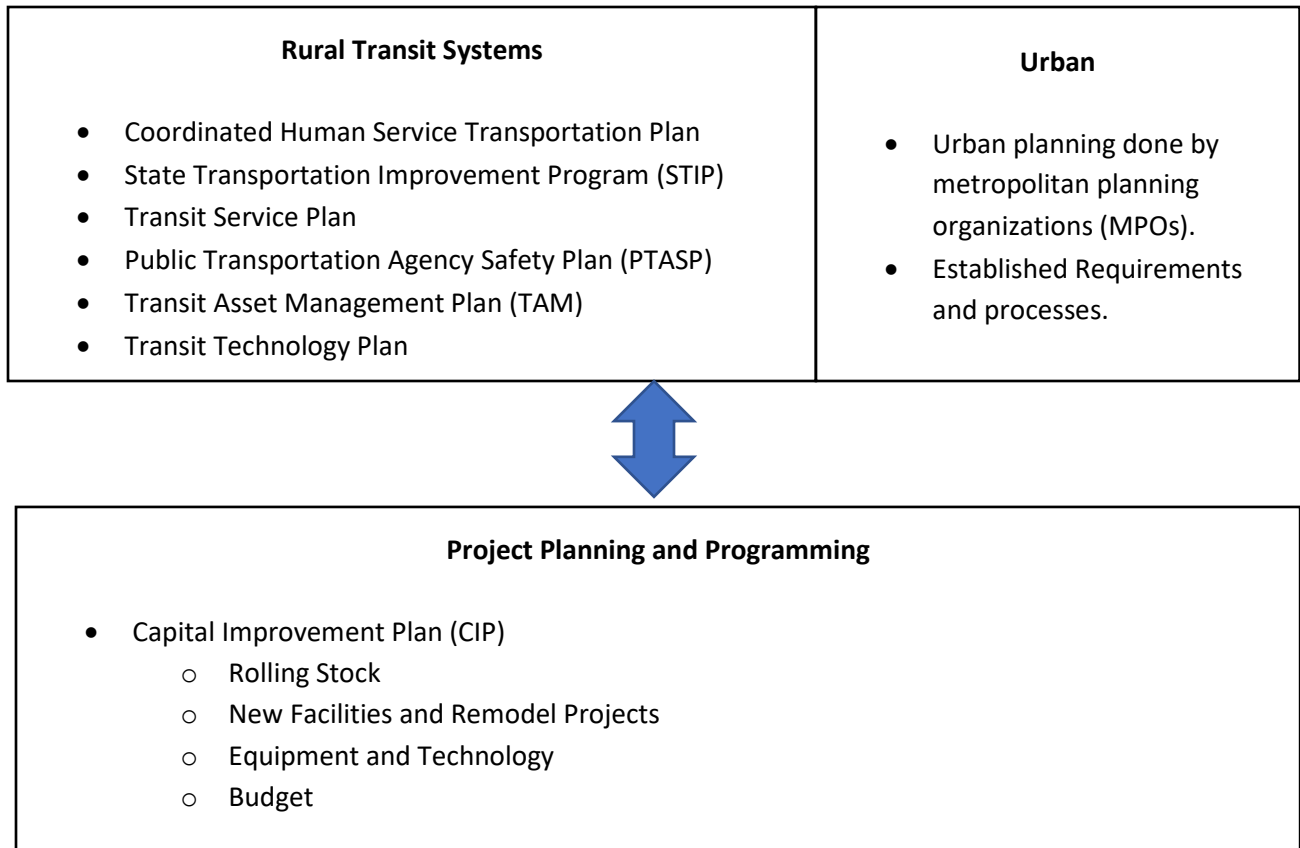
CAPITAL IMPROVEMENT PLANNING

INTRODUCTION

Capital Improvement Planning (CIP) is essential to operating a successful Transit Agency. The best CIP processes integrate human services and other community service needs. This manual is a workbook and guide for developing your CIP. Transit capital assets include three categories, as listed below:

1. Rolling stock such as buses and vans
2. Facilities
3. Equipment and Technology such as vehicle lifts, diagnostic equipment, and hardware/software.

Assets are funded through various local sources such as farebox revenues, state and federal grant programs, and donations. The basic documentation commonly used in creating a CIP is detailed in the diagram below.



Your finalized CIP contains three parts – identifying needs, creating a budget, and finalizing the plan. This manual will give you a step-by-step process for completing those three parts and a workspace to write notes and ideas to help create the final plan.

WHY IS A CIP IMPORTANT?

A sound and well-designed program of capital investments can provide a transit system with many benefits, including improved system reliability, reduced operating costs, and increased ridership and farebox revenues. A successful CIP results from a process that identifies needs, assesses funding availability and resources, and prioritizes investments.

Careful consideration of future investments will allow transit agencies to fund and sustain long-term capital investments. This plan should be based on the vision for transit within your community(s), knowledge of historical and current operating budget, system performance and awareness of the market forces and trends that will influence transit in the future.

The more your transit agency is visible and active in the community, the more successful it will be at garnering support and financial resources for its capital program. Combined with the proper planning tools, these best practices can help transit agencies develop a capital program that meets current and future needs.

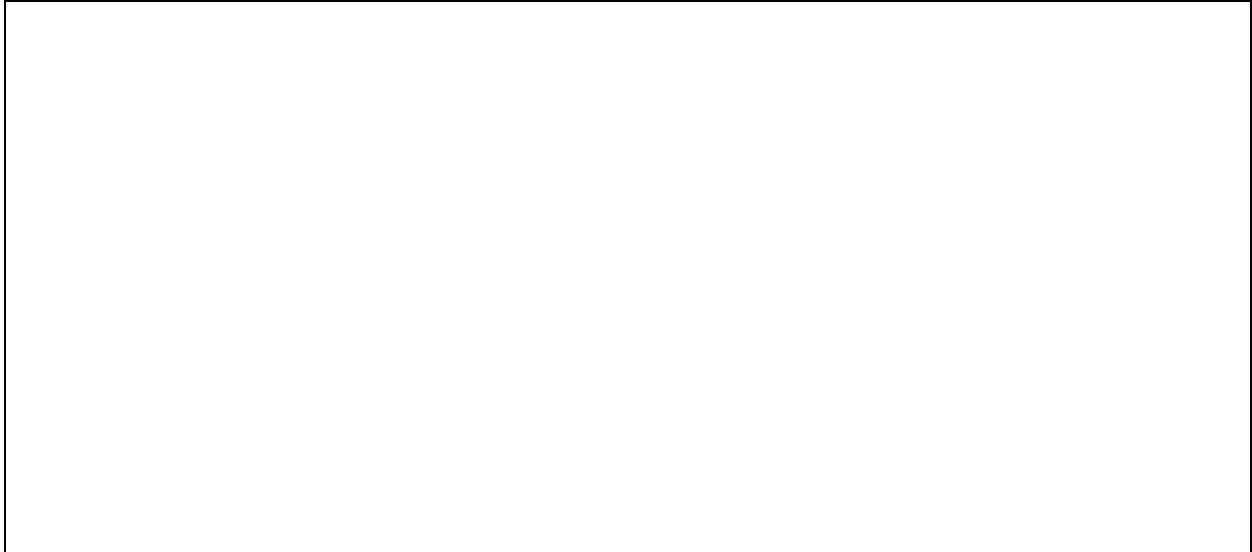
STEP 1: IDENTIFYING NEEDS

1. Create a list of capital needs - Focus on achieving and maintaining your assets' State of Good Repair for a safer and more reliable transit fleet.
2. Use asset management software to assist in identifying future needs. Information can be found in current SDDOT software by reviewing your assets' condition ratings calculated by your agency and SDDOT staff.
3. Rank capital needs based on priority. One is the highest priority.
4. Review capital needs to determine benefits, potential obstacles, and community support.

In the text boxes throughout the manual, describe and prioritize your agency's current and future needs. Detailed description and background knowledge will help fill out your current CIP and be a helpful reference when you complete your future CIPs. Remember to consider the benefits, obstacles, maintenance costs and community support your agency has for each need.

In the text box below, describe and prioritize your agency's current and future rolling stock needs. Detailed description and background knowledge will help fill out your current CIP and be a helpful reference when you complete your future CIPs. Remember to consider the benefits, obstacles, preventative maintenance costs, and community support your agency has for your rolling stock needs.

Rolling Stock Text Box



Rolling Stock Tab: The first tab of the CIP template is to identify your rolling stock needs. Enter the number of replacement vehicles– document the last six of the vehicles’ VIN numbers for the vehicles you are replacing and the priority ranking. enter the number of expansion vehicles and the corresponding priority ranking. Enter the total dollar amount for each vehicle category. Enter all associated preventative maintenance costs. You will notice different vehicle types on the spreadsheet’s left side, including ADA minivans, non-ADA minivans, passenger vans, sedans/SUVs, narrow-body buses, cutaway buses and rolling stock preventative maintenance. Please enter the vehicle information according to each vehicle type. The information from the rolling stock text box above will help with the details needed for the facility tab.

**Enter Transit Agency Name Here
Capital Improvement Plan (CIP)**

Identify Rolling Stock Needs

	2024	2025	2026	2027	2028
ADA Minivans					
# of Replacements	6	5	4	3	2
Last 6 VIN numbers of replacement vehicle (list in ranking order)	VIN - 002331 VIN - 002332 VIN - 002333 VIN - 002334 VIN - 002335 VIN - 002336	VIN - 002222 VIN - 002223 VIN - 002224 VIN - 002225 VIN - 002226	VIN - 001234 VIN - 001235 VIN - 001236 VIN - 001237	VIN - 123456 VIN - 123457 VIN - 123458	VIN - 111111 VIN - 111112
# of Expansion	3	1	1	0	1
(\$ Total amount for rolling stock	\$450,000.00	\$300,000.00	\$250,000.00	\$150,000.00	\$150,000.00
Non ADA Minivans					
# of Replacements	1	1	1	1	2
Last 6 VIN numbers of replacement vehicle (list in ranking order)	VIN - 000111	VIN - 000112	VIN - 000113	VIN - 000114	VIN - 000115 Vin - 000116
# of Expansion	0	0	0	1	0
(\$ Total amount for rolling stock	\$50,000.00	\$50,000.00	\$50,000.00	\$100,000.00	\$100,000.00
Passenger Vans					
# of Replacement	1	1	1	2	0
Last 6 VIN numbers of replacement vehicle (list in ranking order)	VIN - 001122	VIN - 001133	VIN - 001144	VIN - 001155 VIN - 001166	N/A
# of Expansion	1	0	0	0	1
(\$ Total amount for rolling stock	\$100,000.00	\$50,000.00	\$50,000.00	\$100,000.00	\$50,000.00

In the text box below, describe and prioritize your agency's current and future facility needs in the text box below. Detailed description and background knowledge will help fill out your current CIP and be a useful reference when you complete your future CIPs. Remember to consider the benefits, obstacles, maintenance costs and community support your agency has for each need.

Facility Text Box

Facility Tab: The second tab of your CIP template is for Identifying Facility Needs.

Please enter the project location, description, cost amount, facility preventative maintenance, and all associated preventative maintenance costs. The information from the facility text box above will help with the details needed for the facility tab.

**Enter Transit Agency Name Here
Capital Improvement Plan (CIP)**

Identify Facility Needs

	2024	2025	2026	2027	2028
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Facilities					
Project Location	Highmore, SD				
Project Description	New Construction for building bus storage as well as training area.				
(\$) Amount for project	\$1,200,000.00				
Facility Preventative Maintenance		Exterior, interior, electrical, windows, garage doors, fire	Exterior, interior, electrical, windows, garage doors, fire	Exterior, interior, electrical, windows, garage doors, fire	Exterior, interior, electrical, windows, garage doors, fire
(\$) Amount for preventative maintenance		\$15,000.00	\$20,000.00	\$25,000.00	\$30,000.00

Facilities					
Project Location	Pierre, SD				
Project Description		New construction for building bus storage			
(\$) Amount for project		\$1,700,000.00			
Facility Preventative Maintenance			Exterior, interior, electrical, windows, garage doors, fire	Exterior, interior, electrical, windows, garage doors, fire	Exterior, interior, electrical, windows, garage doors, fire
(\$) Amount for preventative maintenance			\$20,000.00	\$25,000.00	\$30,000.00

Facilities					
Project Location	Pierre, SD				
Project Description	Remodel facility to add additional offices, conference rooms and		Office Addition and Remodel		
(\$) Amount for project	\$30,000.00		\$1,900,000.00		
Facility Preventative Maintenance	Exterior, interior, electrical, windows, garage doors, fire	Exterior, interior, electrical, windows, garage doors, fire	Exterior, interior, electrical, windows, garage doors, fire	Exterior, interior, electrical, windows, garage doors, fire	Exterior, interior, electrical, windows, garage doors, fire
(\$) Amount for preventative maintenance	\$15,000.00	\$15,000.00	\$20,000.00	\$25,000.00	\$30,000.00

In the text box below, describe and prioritize your agency’s current and future equipment needs in the text box below. Detailed description and background knowledge will help fill out your current CIP and be a useful reference when you complete your future CIPs. Remember to consider the benefits, obstacles, maintenance costs and community support your agency has for each need.

Equipment Text Box

Equipment Tab: The third tab in your CIP will identify equipment needs. The spreadsheet is categorized along the left side of the spreadsheet by equipment, technology, and miscellaneous. Enter all associated preventative maintenance costs at the bottom of the spreadsheet. The information from the equipment text box above will help with the details needed for the facility tab.

**Enter Transit Agency Name Here
Capital Improvement Plan (CIP)**

Equipment Examples: Tires, Vehicle Wash, Furniture, Safety, Shop Tools, Non-Revenue Vehicles, Trailer, etc.

Technology Examples: Hardware, Software, Communication, Surveillance, etc.

Miscellaneous Examples: Safety Equipmen, AED Equipment, Signs, Office Furniture, etc.

Identify Equipment Needs

	2024	2025	2026	2027	2028
<u>Equipment</u>					
#1 Priority Equipment Description	Tires for 10 cutaway buses		Tires for 10 cutaway buses		Tires for 10 cutaway buses
(\$ Amount for project	\$15,000.00		\$18,000.00		\$22,000.00
<u>Equipment</u>					
#2 Priority Equipment Description	Shop tools	Shop tools	Shop tools	Shop tools	Shop tools
(\$ Amount for project	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
<u>Equipment</u>					
#3 Priority Equipment Description	Vehicle wash				
(\$ Amount for project	\$25,000.00				
<u>Equipment</u>					
#4 Priority Equipment Description	Skid steer for snow removal				
(\$ Amount for project	\$70,000.00				
<u>Equipment</u>					
#5 Priority Equipment Description	Trailer to haul skid steer				
(\$ Amount for project	\$45,000.00				

Identify Technology Needs

Identify Technology Needs					
Technology					
#1 Priority Technology Description	5 computers	5 computers		5 computers	5 computers
(\$ Amount for project)	\$4,000.00	\$4,000.00		\$4,000.00	\$4,000.00
Technology					
#2 Priority Technology Description	Software annual maintenance	Software annual maintenance	Software annual maintenance	Software annual maintenance	Software annual maintenance
(\$ Amount for project)	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
Technology					
#3 Priority Description	10 tablets	New phone system		10 tablets	
(\$ Amount for project)	\$3,000.00	\$10,000.00		\$4,000.00	
Technology					
#4 Priority Technology Description	10 routers	Surveillance camera system for 10 buses	10 two-way radios		
(\$ Amount for project)	\$10,000.00	\$80,000.00	\$40,000.00		
Technology					
#5 Priority Technology Description					
(\$ Amount for project)					

Miscellaneous Needs

Description	Safety equipment - 10 first aid kits, 15 fire extinguishers, 10 flashlights, 5 triangles, 2 sets of wheelchair securements	Safety Equipment - 5 sets of wheelchair securements	Building sign	Office furniture - 4 desks, 4 file cabinets, 4 desk chairs, 1 front counter	Safety equipment - 10 first aid kits, 10 spill kits, 5 triangles
(\$ Amount for project)	\$6,000.00	\$5,000.00	\$5,000.00	\$7,000.00	\$2,500.00

Equipment Preventive Maintenance

(\$ Amount for all equipment preventative maintenance)	\$2,500.00	\$2,300.00	\$2,300.00	\$2,500.00	\$2,600.00
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STEP 2: BUDGET

Comparing funds available with funds needed will enable you to identify funding overages or shortfalls and begin planning. Remember to consider the estimated overall cost of each project, estimated operational & maintenance costs for each project, total revenues from each project, and funding sources needed.

Summarize your agency's current and future budget in the text box below. You can accomplish this by asking yourself the following questions:

- How much 5339(a) funds are historically available for my transit agency?
- How much 5339(b) competitive funds are typically available for my transit agency? Which assets do I want to target using discretionary funds?
- How much funding from donations can I expect from the communities we serve? Can we use these donations for asset acquisition?
- What additional and innovative funding mechanisms can we target? When do these additional opportunities become available for application?

Budget: The fourth tab of the CIP template will create a budget. The budget tab will determine the financial requirements needed to support the CIP. The spreadsheet includes 5339/5310, 5304, and 5311 administrative and operating. The information from the budget text box above will help with the details needed for the budget tab.

**Enter Transit Agency Name Here
Capital Improvement Plan (CIP)**

Include

all agency's project budgets to determine the financial burden to support the operation and capital needs of the agency.
Enter the federal amount awarded or anticipated under each section of funding. The local match requirement will be calculated.

Budget										
Funding Source	2024 Amount	2024 Local Match Required	2025 Amount	2025 Local Match Required	2026 Amount	2026 Local Match Required	2027 Amount	2027 Local Match Required	2028 Amount	2028 Local Match Required
<u>Section 5304</u>	\$37,000.00	\$7,400.00	\$40,000.00	\$8,000.00	\$43,000.00	\$8,600.00	\$46,000.00	\$9,200.00	\$49,000.00	\$9,800.00
<u>Section 5311</u>										
Administration	\$545,654.79	\$93,743.49	\$572,937.53	\$98,430.67	\$590,125.66	\$101,383.59	\$607,829.43	\$104,425.10	\$626,064.31	\$107,557.85
Operating	\$1,476,224.81	\$712,130.85	\$1,550,036.05	\$747,737.39	\$1,536,537.13	\$770,169.51	\$1,644,433.25	\$793,274.60	\$1,693,766.25	\$817,072.84
<u>Section 5339/5310</u>										
Total Rolling Stock	\$1,930,000.00	\$289,500.00	\$1,320,000.00	\$198,000.00	\$860,000.00	\$129,000.00	\$580,000.00	\$87,000.00	\$1,060,000.00	\$159,000.00
Total Facilities	\$4,800,000.00	\$960,000.00	\$1,700,000.00	\$340,000.00	\$1,900,000.00	\$380,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Equipment	\$205,000.00	\$41,000.00	\$125,000.00	\$25,200.00	\$90,000.00	\$18,000.00	\$42,000.00	\$8,400.00	\$55,500.00	\$11,100.00
Totals	\$8,993,879.60	\$2,103,774.34	\$5,308,973.58	\$1,417,368.06	\$5,073,662.79	\$1,407,153.10	\$2,920,262.68	\$1,002,299.70	\$3,484,330.56	\$1,104,530.69
<u>Resources</u>										
Local Match (Earned or State)		\$2,000,000.00		\$1,500,000.00		\$1,200,000.00		\$1,000,000.00		\$1,400,000.00
Overage or Shortfall		-\$103,774.34		\$82,631.94		-\$207,153.10		-\$2,299.70		\$295,469.31

STEP 3: FINAL PLAN

The final tab will be auto formulated, summarizing the needs assessment, the project prioritization, the evaluation of funding options, and providing an annual schedule for implementing projects in the future.

[On the next page is an example of a Finalized Plan](#)

**Enter Transit Agency Name Here
Capital Improvement Plan (CIP)**

Finalized CIP plan to be submitted to SDDOT each year after completing all the tabs according to the CIP manual guidance.

Finalized Plan

CIP Fiscal Year	2024	2025	2026	2027	2028
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Rolling Stock

ADA Minivans

# of Replacement	6	5	4	3	2
# of Expansion	3	1	1	0	1
(\$) Amount for rolling stock	\$450,000.00	\$300,000.00	\$250,000.00	\$150,000.00	\$150,000.00

**Non ADA
Minivans**

# of Replacement	1	1	1	1	2
# of Expansion	0	0	0	1	0
(\$) Amount for rolling stock	\$50,000.00	\$50,000.00	\$50,000.00	\$100,000.00	\$100,000.00

**Passenger
Vans**

# of Replacement	1	1	1	2	0
# of Expansion	1	0	0	0	1
(\$) Amount for rolling stock	\$100,000.00	\$50,000.00	\$50,000.00	\$100,000.00	\$50,000.00

Sedan / SUV

# of Replacement	2	0	0	0	1
# of Expansion	1	0	1	0	1
(\$) Amount for rolling stock	\$150,000.00	\$0.00	\$50,000.00	\$0.00	\$100,000.00

Narrow Body Bus					
# of Replacement	3	3	2	1	3
# of Expansion	1	1	0	0	1
(\$)	\$400,000.00	\$400,000.00	\$200,000.00	\$100,000.00	\$400,000.00
Cutaway Bus					
# of Replacement	6	4	2	1	1
# of Expansion	0	0	0	0	1
(\$)	\$780,000.00	\$520,000.00	\$260,000.00	\$130,000.00	\$260,000.00
Large-Heavy Duty Bus					
# of Replacement	0	0	0	0	0
# of Expansion	0	0	0	0	0
(\$)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Preventative Maintenance Total Cost	\$180,000.00	\$240,000.00	\$264,000.00	\$288,000.00	\$300,000.00
Total Rolling Stock Cost	\$1,930,000.00	\$1,320,000.00	\$860,000.00	\$580,000.00	\$1,060,000.00
Facility Projects					
Project Location #1	Highmore, SD				
Project Description	New Construction for building bus storage as well as training area.	0	0	0	0
(\$)	\$1,200,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Facility Preventative Maintenance Location #1	0	Exterior, interior, electrical, windows, garage doors, fire extinguishers,	Exterior, interior, electrical, windows, garage doors,	Exterior, interior, electrical, windows, garage doors, fire extinguishers,	Exterior, interior, electrical, windows, garage doors, fire extinguishers,
(\$)	\$0.00	\$15,000.00	\$20,000.00	\$25,000.00	\$30,000.00

Project Location #2	Pierre, SD				
Project Description	0	New construction for building bus storage	0	0	0
(\$)	\$0.00	\$1,700,000.00	\$0.00	\$0.00	\$0.00
Facility Preventative Maintenance Location #2	0	0	Exterior, interior, electrical, windows, garage doors,	Exterior, interior, electrical, windows, garage doors, fire extinguishers,	Exterior, interior, electrical, windows, garage doors, fire extinguishers,
(\$)	\$0.00	\$0.00	\$20,000.00	\$25,000.00	\$30,000.00
Project Location #3	Pierre, SD				
Project Description	Remodel facility to add additional offices, conference rooms and dispatch area.	0	Office Addition and Remodel	0	0
(\$)	\$30,000.00	\$0.00	\$1,900,000.00	\$0.00	\$0.00
Facility Preventative Maintenance Location #3	Exterior, interior, electrical, windows, garage doors, fire extinguishers, HVAC	Exterior, interior, electrical, windows, garage doors, fire extinguishers,	Exterior, interior, electrical, windows, garage doors,	Exterior, interior, electrical, windows, garage doors, fire extinguishers,	Exterior, interior, electrical, windows, garage doors, fire extinguishers,
(\$)	\$15,000.00	\$15,000.00	\$20,000.00	\$25,000.00	\$30,000.00
Project Location #4	0				
Project Description	0	0	0	0	0
(\$)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Facility Preventative Maintenance Location #4	0	0	0	0	0
(\$)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Project Location #5	0					
Project Description	0	0	0	0	0	0
(\$)	Amount for project #5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Facility Preventative Maintenance Location #5	0	0	0	0	0	0
(\$)	Amount for preventative maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Project Location #6	0					
Project Description	0	0	0	0	0	0
(\$)	Amount for project #6	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Facility Preventative Maintenance Location #6	0	0	0	0	0	0
(\$)	Amount for preventative maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Project Location #7	0					
Project Description	0	0	0	0	0	0
(\$)	Amount for project #7	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Facility Preventative Maintenance Location #7	0	0	0	0	0	0
(\$)	Amount for preventative maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Preventative Maintenance Total Cost	\$15,000.00	\$30,000.00	\$60,000.00	\$75,000.00	\$90,000.00	
Total Project Costs	\$1,230,000.00	\$1,700,000.00	\$1,900,000.00	\$0.00	\$0.00	

Equipment					
Equipment #1 Description	Tires for 10 cutaway buses	0	Tires for 10 cutaway buses	0	Tires for 10 cutaway buses
(\$) Amount for project #1	\$15,000.00	\$0.00	\$18,000.00	\$0.00	\$22,000.00
Equipment #2 Description	Shop tools	Shop tools	Shop tools	Shop tools	Shop tools
(\$) Amount for project #2	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
Equipment #3 Description	Vehicle wash	0	0	0	0
(\$) Amount for project #3	\$25,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Equipment #4 Description	Skid steer for snow removal	0	0	0	0
(\$) Amount for project #4	\$70,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Equipment #5 Description	Trailer to haul skid steer	0	0	0	0
(\$) Amount for project #5	\$45,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$157,000.00	\$2,000.00	\$20,000.00	\$2,000.00	\$24,000.00

Technology					
Technology #1 Description	5 computers	5 computers	0	5 computers	5 computers
(\$ Amount for project #1)	\$4,000.00	\$4,000.00	\$0.00	\$4,000.00	\$4,000.00
Technology #2 Description	Software annual maintenance	Software annual maintenance	Software annual maintenance	Software annual maintenance	Software annual maintenance
(\$ Amount for project #2)	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
Technology #3 Description	10 tablets	New phone system	0	10 tablets	0
(\$ Amount for project #3)	\$3,000.00	\$10,000.00	\$0.00	\$4,000.00	\$0.00
Technology #4 Description	10 routers	Surveillance camera system for 10 buses	10 two-way radios	0	0
(\$ Amount for project #4)	\$10,000.00	\$80,000.00	\$40,000.00	\$0.00	\$0.00
Technology #5 Description	0	0	0	0	0
(\$ Amount for project #5)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$42,000.00	\$119,000.00	\$65,000.00	\$33,000.00	\$29,000.00
Miscellaneous					
Description	Safety equipment - 10 first aid kits, 15 fire extinguishers, 10 flashlights, 5 triangles, 2 sets of wheelchair securements	Safety Equipment - 5 sets of wheelchair securements	Building sign	Office furniture - 4 desks, 4 file cabinets, 4 desk chairs, 1 front counter	Safety equipment - 10 first aid kits, 10 spill kits, 5 triangles
(\$ Amount for miscellaneous project)	\$6,000.00	\$5,000.00	\$5,000.00	\$7,000.00	\$2,500.00
Total	\$6,000.00	\$5,000.00	\$5,000.00	\$7,000.00	\$2,500.00
Grand Total	\$3,560,000.00	\$3,416,000.00	\$3,174,000.00	\$985,000.00	\$1,505,500.00

Technology					
Technology #1 Description	5 computers	5 computers	0	5 computers	5 computers
(\$ Amount for project #1)	\$4,000.00	\$4,000.00	\$0.00	\$4,000.00	\$4,000.00
Technology #2 Description	Software annual maintenance	Software annual maintenance	Software annual maintenance	Software annual maintenance	Software annual maintenance
(\$ Amount for project #2)	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
Technology #3 Description	10 tablets	New phone system	0	10 tablets	0
(\$ Amount for project #3)	\$3,000.00	\$10,000.00	\$0.00	\$4,000.00	\$0.00
Technology #4 Description	10 routers	Surveillance camera system for 10 buses	10 two-way radios	0	0
(\$ Amount for project #4)	\$10,000.00	\$80,000.00	\$40,000.00	\$0.00	\$0.00
Technology #5 Description	0	0	0	0	0
(\$ Amount for project #5)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$42,000.00	\$119,000.00	\$65,000.00	\$33,000.00	\$29,000.00
Miscellaneous					
Description	Safety equipment - 10 first aid kits, 15 fire extinguishers, 10 flashlights, 5 triangles, 2 sets of wheelchair securements	Safety Equipment - 5 sets of wheelchair securements	Building sign	Office furniture - 4 desks, 4 file cabinets, 4 desk chairs, 1 front counter	Safety equipment - 10 first aid kits, 10 spill kits, 5 triangles
(\$ Amount for miscellaneous project)	\$6,000.00	\$5,000.00	\$5,000.00	\$7,000.00	\$2,500.00
Total	\$6,000.00	\$5,000.00	\$5,000.00	\$7,000.00	\$2,500.00
Grand Total	\$3,560,000.00	\$3,416,000.00	\$3,174,000.00	\$985,000.00	\$1,505,500.00

SDDOT has developed a CIP template to use to walk through the process outlined in the above guidance. The [5-year Capital Investment Plan Template](#) can be accessed on the SDDOT Transit webpage.

OPERATING BUDGETING

The operating budget is developed by subrecipients based on revenue and expense statements. The budget serves three basic and interrelated purposes:

- The project budget must fully describe estimated transit operating expenses, the identification of expenses, the application of state and local government funds and other sources of local match, and the resulting eligibility for Section 5311 assistance.
- To demonstrate the way the eligible expenses are covered by transit operating revenues, state/local government funds, other non-federal income sources, and Section 5311 operating assistance.
- To demonstrate the required matching of federal funds by a local match. (Throughout this section, the term "local match" is used synonymously with "non-federal share", and may include state funds, county funds, funds provided by regional bodies, certain non-fare box transit revenues, and unrestricted federal funds which are eligible as local match.) For operating assistance, the amount represented as local match must be equal to or greater than the amount of Section 5311 funds requested.

Appropriate documentation in support of the project budget may be provided to demonstrate the proper allocation of revenues to non-operating expenses and such other reconciliations as may be necessary to clarify estimates or projections of financial conditions during the project year. Certification of project budgets based on estimates or projections is not required.

Operating budgets are submitted with the Section 5311 application. Refer to the Section 5311 section of the manual.

APPLICATIONS - PREPARATION AND SUBMITTAL

As the CIP process, the subrecipients must also consider the operating budgets to get an overall analysis of resources need to operate a transit. This will be used as the bases of preparing the operating application.

Refer to the due date section for estimated funding application [release dates](#).

PLANNING FUNDING

Section 5305 is split between Metropolitan Transportation planning Section 5303 and Statewide Transportation Planning 5304. These funds provide funding and procedural requirements for multimodal

transportation planning in metropolitan areas and states that is cooperative, continuous, and comprehensive, resulting in long-range plans and short-range programs of transportation investment priorities. The planning programs are jointly administered by FTA and the Federal Highway Administration (FHWA), which provides additional funding.

SDDOT receives an Urban and Rural apportionment of planning funds. The Urban funds are used for planning in the urban area through the Departments planning office. The rural funds are administered through the departments transit office.

There are also some planning related activities that are eligible under Section 5339 funds.

Before Federal Transit Administration (FTA) approves grants, adequate planning must take place and it must be evident with information provided in the grant to support the project.

ELIGIBLE PROJECTS

5304

Develop transportation plans and programs, plan, design and evaluate a public transportation project, and conduct technical studies related to public transportation.

Example projects:

- A & E Consulting
- Efficiency study
- Strategic plans
- Technology enhancement study
- Coordination plans
- SDDOT studies
- Not all-inclusive list

5339

Costs associated with environmental compliance including engineering and design activities are eligible capital expenses. This includes the preparation of environmental documents.

Example projects:

- Completion of Environmental Reviews
- Design and plan

PLANNING FUNDING APPLICATION

Refer the Due Date section for the estimated application release dates. The applications are typically due within six weeks from the release date. Subrecipients are expected to develop a plan and put together a comprehensive application to support the funding requested.

PLANNING PROJECT TIME EXPECTATIONS

The funding for the project is for a two-year period. SDDOT strongly encourages subrecipients to start the project once the funding agreement is executed by all parties to allow ample time to complete the project.

PLANNING PROJECT EXPECTATIONS

It is imperative to follow the approved scope of work and be completed typically in a two-year period. Veering from the scope of work causes many issues with the grant and timeliness of the project completion.

COORDINATED PUBLIC TRANSIT HUMAN SERVICES TRANSPORTATION PLAN

All section 5310 transit subrecipients are required to develop or be part of a Coordinated Public Transit Human Services Transportation Plan (Coordination Plan). A Coordination Plan identifies the transportation needs of individuals with disabilities, seniors, and people with low incomes, and prioritizes transportation services for funding and implementation.

SDDOT is developing a statewide Human Service Public Coordination Plan which the subrecipients listed will be guided with this plan. It is required of the subrecipients to participate in the public meetings and plan input. This plan will be for a five-year period. The subrecipient and/or project must be included in the Coordination Plan before it can be funded with Section 5310 funds.

PLAN OF ACTION

The subrecipients are required to develop and submit a Plan of Action to address coordination from the statewide plan within their service area in conjunction with the Statewide Plan on the year of the plan development. The Plan of Action should include the following:

- Past Goals
- Successes
- Identify changes and coordination changes with other agencies.
- Newly set goals.
- Timeframes of these new goals.

Refer to the [Due Dates](#) section for Statewide Coordination Plan- Individual Agency Plan of Action.

ANNUAL UPDATE

Years 2-4, subrecipients will be required to submit an addendum to their annual plan of action. Updates will need to be submitted to be eligible for funding.

The update should address the individual agency's plan of action in conjunction with the statewide plan. The update should include measurable results for goals in the approved plan, new goals with timeframes along with any other major changes made to the individual agency's plan of action. Submit this information as a separate submission. For example:

- Goals completed from prior year.
- Goals not completed from prior year.
- Any new goals for application year.
- Timeframes of these new goals.
- Identify changes and coordination changes with other agencies.
- Explain if your service area changed.
- What previous year goals did not work and why?

While SDDOT will not set a page limit on the update, it is expected to submit more than a couple of paragraphs (2-3 pages minimum). SDDOT will review and verify plan of action update answers all the above-mentioned topics adequately.

Refer to the [Due Dates](#) section for Statewide Coordination Plan- Individual Agency Plan of Action.

FARE ANALYSIS (FARE STUDY METHODOLOGY)

Before a subrecipient adjusts fares, they must review the Fare Policy Framework outlined in the [SD Transit Fare Study Report](#). The SD Transit Fare Analysis is posted on the SDDOT Transit webpage under Forms & Publications. The Fare Policy Framework recommends the following action for South Dakota transit agencies.

- For agencies who have a farebox recovery ratio between 5-10%, review base fares, when fares were last changed, and determine if it is appropriate in the community to adjust fares. Some communities support a lower base fare to ensure service is available and have a policy in place to support that service. In other communities, it may be time to revisit fares, in which the Fare Policy Framework would be a good tool to begin the process. Other agencies may have a high level of contracted service, which may affect directly a lower farebox recovery ratio.
- For agencies who have not reviewed their fare structure in over seven years, it is recommended the agency use the Fare Policy Framework to begin the process of redeveloping their fare structure.
- For transit agencies who have partner contracts in place for service, it is recommended for agencies to negotiate the contract annually or every two years. When the contract is negotiated, the true costs of providing the service should be used to base the contract amount.
- The Fare Policy Framework was developed to guide SD transit agencies in the process of fare structure modification. During the survey process, agency performance data were identified, including farebox recovery ratio, base fare type, operating costs, etc. In addition, agencies were also asked about fare policies in place, partnerships, contracting costs, when fares were last changed and the process.

Another source to review when researching if a fare change should be made is the Federal Transit Administration [Ensuring Equity in Service and Fare Changes](#) website.

The fare equity analysis is required for providers that operate 50 or more fixed routes in peak service and located in urban areas. However, it a good tool to determine the impacts of a fare change.

Tip:

What is fare equity analysis FTA?

The fare equity analysis requirement applies to all fare changes regardless of the amount of increase or decrease. As with the service equity analysis, FTA requires transit providers to evaluate the effects of fare changes on low-income populations in addition to Title VI-protected populations.

If a fare change is determined as needed the subrecipient must provide a **60-day notice** to the passengers and/or public in-service area.

PROCUREMENT

INTRODUCTION

SDDOT and Subrecipients must comply with [2 CFR 200 Procurement Standards](#), [2 CFR Parts 1200](#) and [2 CFR Parts 1200](#) and [1201](#), along with federal and state requirements within links below. Recipients are prohibited from contracting for goods and services from individuals that have been suspended or debarred from receiving federally assisted contracts, which is verified using the sam.gov website.

To purchase goods and services using state and/or federal funds. Policies and procedures set forth follow the state and federal procurement requirements. Below is guidance for solicitation, award, and administration of formally advertised contracts, as well as the consultant selection, negotiation, award, and administration of competitively negotiated and A/E contracts. For more detailed information refer to the reference section of this section for details.

This document is additional guidance on procurement requirements, processes, checklists, and forms to be used along with the implemented Procurement Policy. The forms and/or checklists will be mentioned throughout the document. All the forms and checklist will be listed in Appendix A of this document and will be available on the SDDOT Transit webpage.

SDDOT has developed the [Procurement Fact Sheet](#) for a quick reference for procurement overview.

PROCUREMENT POLICY

Use the Agency's approved SDDOT Procurement Policy along with this manual and forms to conduct procurement tasks. SDDOT has available the recommended Procurement Policy Template to use to develop the agency's policy. The manual and Procurement Checklist work together to conduct a procurement. The forms will provide tools to complete tasks and document the procurement tasks. Using these tools will assist to compliant with the procurement requirements.

All sub recipients must have a written procurement procedure policy approved by the agency's board or commission. Refer to SDDOT Procurement Policy Template on the SDDOT webpage.

NOTE

Refer to the Provider Policy Template and SDDOT State Management Plan for the simplified acquisition procurement submittal to SDDOT requirements.

PROCUREMENT STANDARDS

- Instill public confidence in the procurement process of subrecipient.
- Ensure fair and equitable treatment for all vendors who seek to do business with a grant subrecipient.
- Ensure maximum open and free competition in the expenditure of public funds.
- Provide the safeguards to maintain a procurement system of quality and integrity.
- Conflict of Interest - no employee, officer, or agent can participate in the selection of contract if he or she has a conflict of interest. [2 CFR 200.319 \(b\)](#)
- Gratuities, kickbacks, and contingent fees: No member of the groups listed under conflict-of-interest section shall solicit, demand, or accept from any person, contractor, potential contractor, or potential subcontractors, anything of a monetary value, including gifts, gratuities, favors, etc.; except when the financial interest is not substantial, or the gift is an unsolicited item of nominal intrinsic value.
- Contracts must include procedures that avoid unnecessary work or unnecessary purchases of supplies.
- Subrecipients must have written procurement policies addressing requirements, standard of conduct, and processes. [2 CFR 300.318 \(c\)\(1\) & \(2\)](#)

CONSEQUENCES OF NONCOMPLIANCE

Any number of below enforcement remedies could occur.

- Temporarily withhold payments pending correction of the deficiency.
- Disallow all or part of the cost of the activity or action not in compliance.
- Suspend or terminate the Federal award.
- Withhold further awards for the program.
- Take other remedies that may be legally available.

STATE OF SOUTH DAKOTA PROCUREMENT REQUIREMENTS AND GUIDANCE

[SD Purchasing Statutes](#)

[South Dakota Procurement Manual](#)

[SD Purchasing Policies](#)

[Procedures for Competitive Sealed Bids](#)

[Procedures for competitive sealed proposals 5-18A-7 \(Includes results releasing results\)](#)

[SD Codified Law 5-18A-11 Small Purchase Limitation \(Simplified Acquisition\)](#)

[Public Improvement \\$100,000 SDCL 5-18A-14](#)

[Simplified Acquisition \\$50,000](#)

[SD Codified Law 5-18D-17](#)

[SD-18D-18 Architect and Engineering](#)

[Professional Services \\$50,000](#) – A&E services there is no threshold must use RFP process.

[SDLRC and Codified Law 5-18D-18 \(sdlegislature.gov\)](#)

[SD Codified Law Open and Free Competition](#)

[SD Secretary of State](#)

[DOT Construction Manual](#)

[SDDOT State Management](#)

[SDDOT Retainer List](#)

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS AND GUIDANCE

[Federal Transit Administration](#)

[FTA Pricing Guide](#)

[Cost and Payment FAQs FTA 3/13/23](#)

[FTA Circular 4220.1F Third Party Contracting](#)

[FTA Master Agreement](#)

[Uniform Guidance \(also referred to as the “Super Circular”, found at 2 C.F.R. part 200\)](#)

[Best Practices Procurement Manual](#)

[OMB memorandum M-18-18](#)

[National RTAP Transit Manager’s Toolkit](#)

[National RTAP ProcurementPRO web application](#)

[Federal Transit Administration Procurement Website](#)

[System for Award Management \(SAM\)](#)

[Unique Entity Identifier](#)

[Disadvantaged Business Enterprise Program \(DBE\) 49 C.F.R. Part 26:](#)

[Brooks Act](#)

[RTAP and Procurement Pro](#)

PROCUREMENT CHECKLIST

Use the Procurement Checklist to ensure all the required steps are completed. Refer to the manual for additional information for completing the procurement process. The checklist should be completed and kept in the procurement file.

In addition, pull the checklist from the appropriate procurement method tab from the Procurement Checklist to keep a record and ensure all the required steps and documents are retained. Within this form you can enter the completion date and notes with the tasks to document the status or process. It would be best to put the notes in another color, so they stand out from the tasks.

PLANNING

Planning is the first step in the procurement process. Entities must conduct the planning process of deciding what to buy, when, the procurement method, and from what sources. To plan effectively, an entity must have the internal organizational capability with the proper checks and balances to facilitate the procurement process with the highest degree of integrity.

EVALUATE PROJECT

- Analyze the existing transportation system to determine the need for improvement.
- Evaluate alternatives in terms of design and operational criteria, costs, benefits, and impacts.
- After analyzing and evaluating your project add the project to Capital Improvement Plan
- Determine the project and review procurement request to determine if the product or service is essential, quantities needed and estimate total cost.
- Determine the funding source and whether the funds are available or to be raised; and whether the procurement will be informal or formal.
- Develop preliminary specifications to assist in determining the procurement method, costs, and final specifications.
- Once a realistic estimated budget has been determined, a procurement method can be selected.
- Decide if the procurement will qualify as a price comparison, micro-purchase, or simplified acquisition purchase.

INDEPENDENT COST ESTIMATE (ICE)

[2 CFR 200.324](#)

Establishment of a cost estimate using a method independent from the prospective offers in advance of the offer. Prepare ICE form, remember to sign, and date the ICE form. Best practice is to also obtain Management approval. The ICE form should include supporting documentation to support the determined estimated cost. Submit the supporting documents along with the ICE to SDDOT for approval. Retain in the procurement file. It is important for the integrity of the ICE that it be prepared and dated before you receive bids or proposals.

The independent cost estimate is a tool to assist in determining the reasonableness or unreasonableness of the bid or proposal being evaluated and is required for all procurements regardless of dollar amount.

It is important for the integrity of the ICE that it be prepared before you receive bids or proposals. An ICE is not completed using quotes; it is completed prior to reviewing responses using estimates from independent sources not associated with potential respondents. To develop an ICE, Independent sources may include outreach to other transit agencies referring to past costs for the same or similar services. Appropriate steps must be taken to avoid any real or apparent conflict of interests preventing any parties from obtaining a competitive advantage. The standard for independence is someone not expected to be a respondent.

FTA Circular 4220.1F, Ch. VI, Para. 6, advises grantees to "perform a cost or price analysis in connection with every procurement action, including contract modifications . . . the starting point for these cost/price analyses is an independent cost estimate which is made before receiving bids or proposals." The ICE is a "should cost" estimate based on current market prices for the item or service being procured."

The Best Practices Procurement Manual (BPPM), Section 4.6 - Cost and Price Analysis, suggests that the independent estimate can range from a simple budgetary estimate to a complex estimate based on inspection of the product itself and review of items like drawings, specifications, and prior procurement data.

The word "independent" does not imply that it is performed by someone other than the grantee. This could be the case, however, if the grantee does not have the expertise for a large complex procurement.

The independent estimate is especially critical whenever there is no price competition (e.g., for architect-engineer procurements or where only one price proposal is received), or where offerors are submitting price proposals for goods or services that are not exactly comparable (e.g., for procurements of high-technology items or professional services). It is also useful in competitive procurements to alert the agency when all competitors are submitting unreasonably high-cost proposals. (**Revised: May 2017**). To enable a confident decision on the proposals and to establish a credible review record, an ICE should be prepared based on the tasks requested in the scope of work. The estimate should be in writing, be dated, and contain a description of the basis of how the estimated cost was determined. A standard guideline for the value of A&E services is six to 10 percent of the estimated construction budget in the grant application. The estimate should be prepared prior to receiving a price quotation from the highest ranked firm. This document should be retained in the procurement file.

More information about conducting an ICE can be found on the “Independent Cost Estimate” page on the FTA website or the exhibit A of this document. National RTAP’s ProcurementPRO web app includes an ICE spreadsheet that can be used to organize the data used to develop the ICE.

TIP:

An ICE is not completed using quotes; it is completed before reviewing responses using estimates from independent sources not associated with potential respondents.

SELECT PROCUREMENT METHOD

The procurement method option depends on the dollar value of the project. Conduct market research and determine method of procurement.

Use the below threshold table and scope of work to determine the procurement method to used. Document with justification the procurement file with the method selection.

SD THRESHOLDS

Price Comparison	Purchases less than \$4,000	Obtain prices to determine price can be proven as fair and reasonable.
Micro Purchases	Purchases between \$4,000 and \$49,999	Require three quotes from three different vendors, when possible, to determine the best value and price.
Simplified Acquisition	Purchases that exceed \$50,000	Contracts or purchases for supplies or services must be advertised for bids. Requires an ICE prior to solicitation.
Simplified Acquisition	Professional Services \$50,000 (Consultants, CPA, Insurance Broker\Agent, etc.)	Contracts or purchases for supplies or services must be advertised for proposals. Requires an ICE prior to solicitation.

PRICE COMPARISON PURCHASES LESS THAN \$4,000

These purchases may be made without obtaining competitive quotes if the recipient determines the price to be paid is fair and reasonable. These purchases should be distributed equitably among qualified suppliers in the local area and purchases should not be split to avoid the requirements for competition above the \$3,999 price comparison threshold. Davis-Bacon prevailing wage requirements will apply to construction contracts

exceeding \$2,000, even if the recipient uses micro-purchase procurement procedures. Refer to the checklist for all required steps. Document criteria used to determine that your quotes were fair and reasonable. Use [FTA Clause Matrix September 2023](#) from the Third Party Procurement FAQ page or [RTAP ProcurementPro](#) to select necessary Federal clauses or certifications. Verify all submitters are active with good standing on the System for Award Management (SAM) website <https://sam.gov/content/home>. Check the South Dakota Secretary of State website <https://sdsos.gov/> to verify the submitter is in good standing with the State of South Dakota if a SD business. **Documentation of this verification should be retained in the procurement file.**

The process for fuel, vehicle maintenance and parts should be obtained from several vendors for prices or quotes even if there is only one entity in their town. With the specifications they would have to request mileage cost if vendor coming to their location or as part of the justification mileage should be a deciding factor in determine the best price. If calling to obtaining prices document that is how the prices were obtained. The important thing is documenting the timing with dates, process and keep documentation in the procurement file (one for each type).

- Fuel
 - Annually providers should develop specification for fuel purchases such as, does entity allow charging, discounts, can get vehicle in fueling stages or under canopy, etc. These specifications should be sent to several entities to obtain prices. Written justification of which entity(s) selected. All this documentation must be in their procurement file.
 - Annually, if they are under a contract where another entity did the procurement this all has to be documented in their procurement file.
- Vehicle maintenance
 - Annually providers should put together a list of routine vehicle maintenance tasks and contact or send to various vendors to obtain prices. Written justification of which entity(s) selected. All this documentation must be in their procurement file.
- Parts
 - Annually providers should put together a list of routine parts and send to various vendors or do their own research with flyers, internet, calls, etc. to obtain prices. Written justification of which entity(s) selected. All this documentation must be in their procurement file.
- Insurance, Dispatch software and Audit Services

- Annually providers should determine if quotes for insurance are fair and reasonable, vendor is not suspended or debarred. All documentation must be in their procurement file.

MICRO PURCHASES BETWEEN \$4,000 AND \$49,999

For micro purchases, agencies must obtain quotes from an adequate number of qualified sources. Recipients are not allowed to divide or split the procurement to avoid additional procurement requirements that apply to the larger acquisitions. FTA C 4220.1F, VI,3. A. (2) (b) Davis-Bacon prevailing wage requirements will apply to construction contracts exceeding \$2,000, even if the recipient uses micro-purchase procurement procedures. 40 U.S.C. 3142 (a) (1). Refer to the checklist for all required steps. Use [FTA Clause Matrix September 2023](#) from the Third Party Procurement FAQ page or ProcurementPro to select necessary Federal clauses or certifications. SDCL 5-18A.11 Verify all bidders are active on the System for Award Management (SAM) website <https://sam.gov/content/home> and South Dakota Secretary of State website <https://sdsos.gov/> to verify the bidders in good standing with the State of South Dakota. **Documentation of this verification should be retained in the procurement file.** [2 CFR 200.320 \(a\) \(1\) and \(2\)](#)

SIMPLIFIED ACQUISITION PURCHASES THAT EXCEED \$50,000

Pull the Simplified Acquisition checklist. The preferred procurement methods are either Invitation for Bid (IFB) or Request for Proposal (RFP). Other procurement methods such as Joint and Piggyback procurements are not recommended and shall only be used in extreme cases after consulting with the SDDOT Office of Air, Rail, and Transit. [SDCL 5-18D-17](#). A request for proposal is required if exceeding \$50,000 for Professional services. [SDCL 5-18D-18](#).

- Contracts or purchases for construction, supplies or services \$50,000 or more must be advertised for bids or proposals. Additionally, procurement actions exceeding \$50,000 applicants must perform a price or cost analysis. The Independent Cost Estimate can be used as a good starting point is to make an estimate of what the work may be before receiving bids or proposals. Applicants must also negotiate profit as a separate element when cost analysis' is performed. For these types of projects applicants must also ensure the project is adequately protected through bonding.
- Public improvement contracts of \$100,000 or more must be advertised for bids or proposals. (Public Improvement – the process of building, altering, repairing, improving, or demolishing any public infrastructure facility, including any structure, building, or other improvements of any kind to real property, the cost of which is payable from taxes or other funds under the control of the purchasing

agency, and includes any local improvement for which a special assessment is to be levied; (as per the \$50,000 bid limit)) SDCL 5-18A-14

- Professional services are required to be procured as a simplified acquisition if over \$50,000. If below \$50,000 then follow the appropriate threshold requirements.
 - For Architect and Engineering Services there is no threshold, and all services must be procured using the RFP process.
 - The services of attorneys, physicians, architects, engineers, consultants, auditors, specialized printers, or other individuals or organizations possessing a high degree of professional, unique specialized technical skill or expertise, not adaptable to competitive bidding, or where the service involves a contract for special activities, negotiations for the acquisition of land, trash services, insurance bonds or any other service similar to the above, engaged for a particular project or series of projects.

SDDOT Retainer List

The SDDOT has an established program to create a retainer list consisting of several firms for the various professional fields of expertise, such as architectural, engineering, design, etc. This retainer list is renewed on a rotating basis every two years. If a professional from the retainer can be utilized, this is our first choice. If no qualified candidate is on the retainer list, then procurement of the professional services by means of an RFP must be used. For procuring A&E consultants using qualifications-based process in accordance with the Brooks Act will be utilized. Firms will then be selected based only on their qualifications. Price is then negotiated with the most qualified firm.

NOTE

An Independent Cost Estimate is required to be completed as directed under the Independent Cost Estimate section.

Refer to [the South Dakota Department of Transportation Consultant Services Manual](#) for guidance to use the retainer list. This applies to SDDOT and subrecipients.

There is more information regarding the retainer [consultant services](#) on the SDDOT website.

Link to [SDDOT retainer list](#).

HOW SUBRECIPIENTS USE

To use a vendor off the retainer list, the subrecipient must develop a scope of work for the project and an independent cost estimate. Contact a minimum of 3 firms on the list within the category of service that is the primary work type for the project. When contacting them:

- a) determine their interest in working on the project,
- b) Determine if they have the time available,
- c) Request a proposal that states their qualifications.

These qualifications are to be reviewed and ranked. Select the top scoring firm to perform the work. Negotiate the number of hours required to perform the task then sign the contract.

Vendor must receive and sign the applicable Federal Certifications and clauses. Subrecipient is to maintain the signed documents in the procurement file.

The subrecipient does not need to have an agreement between them and SDDOT to use the Retainer List. Any work done between the subrecipient and the company on the retainer list is between them with no SDDOT involvement. That agreement will have to include federal certifications and clauses. Please refer to the procurement checklist for steps to using the retainer list.

FEDERAL SURPLUS

SDDOT encourages subrecipients to purchase excess and surplus assets in lieu of purchasing new assets, whenever such use is feasible and reduces project costs. Transit agencies must have a written procurement history, ensure all federal clauses and certifications are followed and included in procurement. Three quotes must be received, and the federal price must be found to be fair and reasonable. An inspection of the asset must be completed.

Note

No purchases may be artificially divided to avoid the levels of purchase rules.

PROCUREMENT METHOD EVALUATION AND DETERMINATION

DOCUMENT THE PROCUREMENT METHOD DETERMINATION AND FILE IN PROCUREMENT FILE.

EFFICIENT AND ECONOMIC PURCHASES

The agency's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

PREPARE CHECKLIST

Pull the checklist from the appropriate tab from the Procurement Checklist file to keep record; and to ensure all the required steps and documents are retained. Within this form you can enter the date of completion and notes with the tasks to document the status or process. It would be best to put the notes in another color, so they stand out from the tasks.

JOINT PROCUREMENT AND PIGGYBACKING

In some situations, more than one agency will simultaneously go through this process and produce a solicitation that addresses the needs of all the agencies involved. These are joint procurements, and a great deal of advance planning is needed to do this type of procurement. There are also situations that an agency unintentionally acquires more than needed through a contract. In those cases, if the original contract includes an assignability clause, it is permissible for another agency to take on the contract rights for the additional goods or services after ensuring the price is fair and it can abide by the original contract's rights to the purchase supplies, equipment, or services. This method is not encouraged by FTA and SDDOT does not allow it. [FTA C 4220, 1F, IV. 2.b.\(6\)\(b\) 1](#)

When circumstances warrant, SDDOT may attempt to fill requirements through a cooperative purchasing agreement (without independent bids or quotations) with the SDDOT, or with other appropriate public agencies.

PREPARING PROCUREMENT

SDDOT procures vehicles, but if there is a need to procure vehicles other than those procured by SDDOT contact SDDOT for guidance.

Tip:

Research similar procurements online to get ideas for writing the procurement and developing specification.

DEVELOPING SPECIFICATIONS IN DETAIL

Develop a complete technical specification for the product(s) to be procured without unnecessary qualifications, bonds, and experience describing in detail the professional services the procurement is requesting. You may work with vendors while developing specifications and when the specifications are complete, you may send specs to vendors before issuing them for review to see if there should be any changes. Be careful that it doesn't get geared towards one vendor. [2 CFR part 200.319\(d\)\(1\) and 200.319\(b\)](#)

- Example of A & E objectives:
 - conceptual design
 - schematic design
 - design development
 - geotechnical engineering
 - construction documents
 - permit applications
 - advertise bidding and construction applications.
- Examples of General Contractor objectives
 - Pre-construction meeting
 - Construction Schedule
 - Construction schedule updating report.
 - Material location- security
 - Unusual event report

ARCHITECTURAL ENGINEERING (A/E) SERVICES AND OTHER SERVICES

Procurement of professional consultants for engineering, architectural, land surveying or other support services, such as program management, construction management, feasibility studies, preliminary engineering and design which require performance by a registered or licensed architect or engineer.

Professional services can be procured by whichever method is determined required based on the ICE. Except for A&E consultants must be procured using the RFP method.

PROCURING FOR ARCHITECTURAL AND ENGINEERING SERVICES

With architectural and engineering services procurements, recipients must use competitive proposal procedures based on the Brooks Act. The process is nearly identical to a normal RFP except that price is prohibited from being an evaluation criterion. Obtain and evaluate the price proposal from ONLY the most qualified firm. Conduct negotiations with only the most qualified firm. If an agreement cannot be reached on a fair and reasonable price, stop negotiations with that firm. Attempt to negotiate a fair and reasonable price with the next most qualified firm.

A complete discussion of the Federal requirements can be found under [6.5 Architect - Engineer Services](#).

Qualifications-Based Procurements for Architectural and Engineering Services (A&E) – FTA’s enabling legislation at 49 U.S.C. § 5325(b)(1) requires the use of the qualifications-based procurement procedures contained in the Brooks Act, 40 U.S.C. §§ 1101-1104, to acquire program management, architectural engineering, construction management, feasibility studies, preliminary engineering, design, architectural, engineering, surveying, mapping, or related services for an FTA-funded project. Refer to the resource section for reference to obtain more information. [2 CFR 200.320 \(b\) \(2\) \(iv\)](#)

UNREASONABLE QUALIFICATION

All procurement transactions for the acquisition of property or services required under a federal award must be conducted in a manner that provides full and open competition.

To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. [2 CFR 200.319 \(b\)](#)

A&E GEOGRAPHIC PREFERENCE

Agencies must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. [2 CFR 226.22 \(c\)](#)

A&E SCOPE

Good information to include in an A&E RFP is to address the scope and deliverables associated to the following. The SDDOT Facility Construction Project Guidance provides additional information for procuring A&E services.

PRELIMINARY DESIGN PHASE

The preliminary design phase documents the basic facility requirements as well as establishing general specifications in connection with construction materials and equipment. This phase should also include a requirement to prepare a 30% facility design as well as an initial facility cost estimate and construction schedule. NEPA requirements are completed at this phase along with the grant application and approval. The preliminary design is typically completed during project planning with the assistance of a planning grant.

DESIGN DEVELOPMENT PHASE

Once the preliminary design phase is approved, the prospective consultant should be directed to enter the design development phase. During this phase, the facility design should become more detailed. Final determinations are made regarding construction materials and equipment specifications. More detailed drawings are produced that include elevations, utility layouts, and site work. This phase will include an updated construction cost estimate and any necessary refinement to the project schedule.

CONSTRUCTION DOCUMENT PHASE

After approval of the design development phase, the A&E firm will be authorized to begin the construction document phase. This phase will result in construction quality drawings as well as detailed specifications.

Construction documents should also include requirements for contractor safety plans, and the provision of staff training and facility maintenance documentation from the prospective contractor.

CONSTRUCTION AWARD SERVICES

The A&E firm will be responsible for construction administration. They will evaluate contractor bids and make a recommendation for award of construction contracts. These services normally include a determination of bidder responsiveness. Be mindful that A&E awards are based on qualifications not cost.

Develop a complete technical specification for the product(s) to be procured without unnecessary qualifications, bonds, and experience. [2 CFR 200.319 \(b\)](#)

Determine the quantity of units to be purchased plus options on additional units to be purchased later.

You may work with vendors while developing specifications and when the vehicle specifications are complete, you may send specs to vendors before issuing them for review to see if there should be any changes. Be careful that it doesn't get geared towards one vendor.

Tip:

Below is an example of information to include in the remaining purpose section. Use as a guide to write this section pertaining to the specific RFP.

The coordinated transportation plan should be prepared through a process that is consistent with the applicable metropolitan or statewide planning process, as described below. Transit service and demographic information developed and used in the broader metropolitan and statewide processes may provide a useful starting point for the more detailed review that will take place in preparing the coordinated plan. Similarly, the extensive public participation and stakeholder consultation provisions of metropolitan and statewide planning can provide a useful context and basis for the more focused local public involvement involved in preparing the coordinated plan. It is encouraged to have coordination and consistency between the local coordinated public transit-human service transportation plan and metropolitan or statewide transportation planning processes, as described in [23 CFR part 450](#) and [49 CFR part 613](#).

The purpose of this RFP is to develop a plan to ensure South Dakota has a coordinated plan that serves as the foundation for the program of projects and should be integrated into the metropolitan and statewide transportation planning processes and documents to demonstrate local policy support and federal fund eligibility.

Federal transit law requires that projects selected for funding under Section 5310 program be "included in a locally developed, coordinated public transit-human services transportation plan" and that the plan be "developed and approved through a process that included participation by

seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human services providers and other members of the public.” [FTA Section 5310 Circular](#)

This study will guide SDDOT Transit staff in their continuing effort to improve the state’s coordination efforts and will provide thorough service and policy analysis for interested stakeholders, including service providers and the public. The Scope of Work Section describes these planned goals and objective in detail.

In addition, SDDOT seeks to award a contract to provide customer research services related to South Dakota public transit current and potential customer perception by telephone surveys and focus groups, with optional services to include online surveys, intercepts, and human centered design (human experience study). The survey aimed to objectively assess SDDOT’s performance to identify opportunities to improve programs and services for South Dakota residents.

SDDOT is issuing this RFP to solicit Proposals from qualified firms and individuals who can satisfy the requirements included in this RFP within below stated budget and period of performance.

DAVIS BACON ACT

Davis Bacon is trigger when the project is \$2,000 or more and includes labor costs. **If Davis Bacon applies the wage rate must be included in the specifications.** [40 U.S.C. 3142 \(a\) \(1\)](#)

Davis Bacon Act: The Davis Bacon Act is a federal law that mandates on-site workers be paid certain wages, benefits, and overtime (also known as "prevailing wage") on all government-funded construction, alteration, and repair projects.

The Davis Bacon Act applies to all on-site employees working on government-funded construction, alteration, and repair projects that exceed \$2,000. According to the Davis Bacon Act, "workers" are further defined by their trade and classification as not only "laborers" and "mechanics" but also as carpenters, electricians, plumbers, ironworkers, flaggers, craftsmen, welders, concrete finishers, longshoremen, power equipment operators, and helpers.

The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by

Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

If a recipient receives federal government funds, they have the responsibility to be compliant with the labor provisions in Federal-aid construction contracts \$2,000 or more. funds Davis Bacon is required for any labor contract of \$2,000 or more. **If Davis Bacon applies the wage rate must be included in the specifications.** This applies to all procurement methods. Purchase agreements and contracts must also include the Davis Bacon requirements. Such as the wage rates, reporting, etc.

[Davis Bacon Code of Federal Regulations](#)

[Davis Bacon Wage FAQ](#)

[Davis Bacon and Related Acts](#)

GEOGRAPHIC PREFERENCE

No geographic preferences permitted. [2 CFR 200.319 \(c\)](#)

BRAND NAMES

Avoid using brand names in procurements instead use a description of the salient characteristics. If a brand name product is used in the specifications to describe your needs the clause “brand name or equal” must be included after each reference to a brand name.

Recipients are permitted to use brand names in specifications when it is impractical or uneconomical to provide a clear and accurate description of the technical requirements of the property being acquired. Where brand names are included in the specifications, FTA requires that an “or equal” provision be included as well. In these instances, the specifications must also include the salient characteristics of each named brand that offerors must provide. See [FTA Circular 4220.1F, Chapter VI, paragraph 2.a. \(3\)](#) – Brand Name or Equal and [2 CFR 200.319 \(b\)](#).

FTA recognizes that there are situations in which a recipient is locked into a specific named brand product, and, therefore, not able to accept “an equal” substitute. Not all these situations result in a non-competitive procurement. It is conceivable that multiple offerors can provide the same brand name product. Where competition exists, the recipient is permitted to proceed without processing the procurement as a sole source. In instances where the naming of brand products results in a restraint on competition, the recipient must process the procurement as a sole source (non-competitive) procurement action through the proper approving officials within the recipient’s organization prior to release of the solicitation.

DBE PROJECT PARTICIPATION

SDDOT aspires construction projects to have DBE participation through race neutral measures. This means there is no goal on the project. For the DBE contracted work to be counted towards the transit overall DBE goal the entity must be a SDDOT certified DBE.

Through race neutral measures on a contract, entities are required to solicitate DBEs, and each bidder is encouraged to use DBE Contractors; however, no bidder will be required to furnish Good Faith Efforts (GFE) documentation.

REQUEST OF PROPOSAL EVALUATION

Develop evaluation criteria and weights. [2 CFR 200.320 \(b\)](#) Include the specific method established and used to conduct the technical evaluation of each proposal. Technical expertise and past performance considerations play a dominant role in source selection and supersede low price criteria.

Note for A&E price cannot be a deciding factor, the selection is based on qualifications.

Prepare RFP Evaluation Form based on the RFP requirements. Part of the preparation would be to update the RFP number and make form specific to the current RFP.

FEDERAL CLAUSES AND CERTIFICATIONS

Verify with [FTA Master Agreement](#) , [FTA Clause Matrix September 2023](#) from the Third Party Procurement FAQ page or ProcurementPro all the required federal certifications and clauses are included in packet.

BUY AMERICA

FTA requires that all rolling stock purchased for more than \$150,000 of Federal funds must contain a required 70% domestic components minimum by cost and final assembly is in the United States. FTA requires that all iron, steel, construction materials, and manufactured products used in FTA-funded projects must be made in the United States. It is possible under the law to apply for and receive waivers for this requirement; it is rare that a waiver is granted.

BUY AMERICA-CONSTRUCTION

A Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

A Buy America preference only applies to the iron and steel, manufactured products, and construction materials incorporated into an infrastructure project receiving a federal award. If an agency has determined that no funds from a particular project receiving a federal award will be used for infrastructure, a Buy America preference does not apply to that project. A Buy America preference does not apply to non-infrastructure components or expenditures under an infrastructure project receiving a federal award.

A Buy America preference applies to an entire infrastructure project, even if it is funded by both Federal and non-Federal funds under one or more awards. In other words, if an infrastructure project receives a Federal award, the Buy America preferences applies to both the Federal funds and non-Federal funds used for the infrastructure project. Federal award, the Buy America preferences applies to both the Federal funds and non-Federal funds used for the infrastructure project.

SDDOT strongly encourages checking FTA's Build America Buy America website to ensure there is no new waiver, regulations, or information before starting a project.

Agency will ensure that all the construction materials the contractor or sub-contractor selected are compliant with this requirement by including the appropriate Buy America Certificate in the bid packet to be signed by

the bidder. Refer to the South Dakota Department of Transportation (SDDOT) for guidance on procurement for Rolling Stock and Architectural and Engineering Services.

EVALUATION TEAM\ PANEL

Formulate the evaluation team, which will review and rank all proposals received in accordance with the proposal specifications. Document the evaluation team and keep in procurement file. For evaluation guidance refer to FTA Best Practices Procurement and Procurement Manual. Below is a list of expectations for the evaluation team members. In addition, refer to the Evaluation Team or Technical Panel Expectation Notification sample document.

Allow for and dedicate adequate time to thoroughly review and evaluate all proposal responses.

- Review and evaluate all proposal responses and supplemental presentations or demonstrations in a fair, impartial, and equitable manner.
- Adhere to established timelines and evaluation guidelines.
- As applicable, attend all vendor presentations or demonstrations.
- Attend and participate in all evaluation meetings.

PREPARE PROCUREMENT PACKET FOR SOLICITATION

Procurement packet to prepared to be put out for solicitation include information listed in the RFP and IFB template.

Prepare your proposal package, finalize the proposal specifications and method and criteria to be used to evaluate the proposals, include approved vendor exception, and clarification forms, official proposal forms, addenda process, DBE requirements, proposal package delivery instructions, liquidated damages (if applicable) [FTA C 4220.1F IV.2.b.\(6\)\(b\) 1](#), advance or progress payments (if applicable) [FTA C 4220.1F IV.2.b.\(5\)\(c\)](#), general conditions, special provisions\conditions, contract drawings, if applicable and all Federal clauses and certifications. No geographic preferences permitted.

PROCUREMENT SOLICITATION AND ADVERTISING

FTA requires agencies to ensure full and open competition is achieved when obtaining procurement submittals. South Dakota codified law provides requirements of the required notice and [2 CFR 200.320 \(b\)](#).

Prepare the public notice stating the nature of the procurement, description of the project, the funding source, party's name performing the procurement, timetables, location of proposal opening where the procurement proposal package can be obtained and other valid information. It is a good practice to allow for a location or locations where prospective bidders can come and review the documents. Solicitation samples for an RFP and IFB Procurement are listed in Appendix A Procurement Forms. [2 CFR 200.320 \(b\)](#)

The size and realistic complexity of the project should be considered when setting the advertisement period. The procurement period must provide adequate time for bidders\proposers to prepare proper submission. For non-complex projects, a 30-day period is typical.

Submit procurement packet per the Provider Procurement Policy and State Management Plan to SDDOT for approval prior to soliciting.

Place ads in at least two newspapers, trade magazines, post on agency website, and send announcements letters or email to all potential proposers.

The first publication must be made at least 10 days prior to the date for the opening of bids or the deadline for submission of proposals. (SDCL 5-18A-14) The invitation for bids shall include a purchase description, all contractual terms, and conditions applicable to the procurement. The invitation for bids for supplies shall include the length of 12 time, not to exceed forty-five days, between the bid opening and the award of the bid. (SDCL 5- 18A-5). Refer to local laws to determine if more restrictive.

On the public notice and advertisement of invitations for submittals the ad cost can be left blank. The paper will put the amount in when they return the affidavit of print and invoice.

Retain proof of public notice in procurement folder.

A&E SOLICITATION

It is normally the duty of the A&E firm to distribute procurement documents to prospective submitters once the advertisement is published. A deposit can be required before distribution of the procurement documents. This deposit is refundable if the documents are returned in fair condition. A listing of firms obtaining the procurement documents should be kept. This listing is referred to as the "submitters of record."

POSTING PROCUREMENT SOLICITATION

Post the Procurement Package on the agency website in a PDF format.

Email all known potential vendors notification of the procurement release.

Keep proof of notification in procurement file.

DOCUMENTATION OF CORRESPONDENCE

It is imperative to keep documentation in the procurement file of correspondence to potential submitters, submitters, and awarded submitter throughout the procurement process.

PRE-BID CONFERENCE

Holding a pre-procurement conference is not an FTA requirement. However, the pre-procurement conference is highly recommended. If a pre-procurement conference will be held, the time and location of the conference should be included in the invitation for procurement notice.

If call-in participation is acceptable, the call-in number needs to be included, and the meeting location needs to be able to accept telephone participation.

The primary purpose of the pre-bid conference is to answer any questions prospective contractors may have, to describe the DBE program and its requirements, and allow for a project site inspection, if applicable.

The following project personnel should attend the pre-bid conference:

- Agency's project manager
- Agency's DBELO
- Representatives from the A&E firm
- Representatives from the construction management firm (if applicable)
- A record of attendance list should be kept. A record of any questions or clarifications should be made and placed in the project folder.
- After completion of the pre-bid conference, it may be determined that questions or clarifications may need to be included in a formal bid addendum. Any clarifications or changes to the specifications or drawings that may materially change the project need to be documented in a

formal bid addendum. The bid addendum should be serially numbered and prepared by the A&E firm. The project manager and the construction manager should review the addendum document and provide their approval. Once approved, the addendum must be sent to any bidder of record.

PROCUREMENT CLARIFICATIONS, CHANGES, EQUALS, EXCEPTIONS

Address all inquiries and post a response on the webpages and notify the potential submitters that were notified of the procurement before proposal closing deadline. All pre-proposals changes/exceptions/approved equal forms must be posted on the agency website.

Keep this document in the procurement folder. Some of the inquiries that do not provide clarification to the RFP only require a simple response by email.

The date to request responses and the Agency response proposed date is included in the RFP under schedule proposal.

Document each clarification from all bidders or proposer and the agencies responses on one document to ensure that no vendors names are used in the document. Post clarification response document to agency's website.

PREPARATION PRIOR TO PROCUREMENT OPENING

Prepare all the procurement related documents by using sample forms or create them to address the procurement requirements.

Below is a list of documents required.

- Standard of Conduct (RFP/IFB) - Must be signed prior to opening submittals by all parties involved in the procurement process. This can be documented by using the sample form Procurement Standard of Conduct.
- Attendee List (RFP/IFB) – All individuals attending the public reading of the proposal opening must complete the attendance sheet.
- Opening Agenda (optional) – Prepare this to assist on addressing all topics during the opening and to stay on track during the opening. The tasks and topics will vary based on if opening is for IFB or RFP.
- Proposal Opening Completeness Form – Prepare form to be completed to be completed for each proposal received.

- IFB Opening Completeness Form - Prepare form to be completed to be completed for each bid received.
- Vehicle Bid Tabulation (IFB) - Must be completed with each bidder information and an analysis of bids.
- Construction Bid Tabulation (IFB) - Must be completed with each bidder information and an analysis of bids Completeness Review (RFP/IFB) - Must be completed, signed, and dated for each proposer/bidder.
- RFP Evaluation Form (RFP) - Each member of evaluation team must complete evaluation for each proposer.
- RFP Evaluation and Summary Form (RFP) - Summarizes all proposals scores from evaluation team.
- Responsive and Responsible (RFP/IFB) - Must be completed for winning proposer/bidder.
- Final the RFP Evaluation and Summary Form (RFP) - Combines technical and cost scores from evaluation team. High score from the evaluation team will be offered the contract.

Schedule and invite evaluation team to the proposal opening.

Prepare the Completeness Review form and develop a plan to complete the two review steps identified within the form. The procurement lead should determine who will do the initial completeness review to be conducted at the proposal opening utilizing the Proposal Opening-Completeness Form. Since most openings are a hybrid of onsite and virtual there may be limited team members onsite during the opening available to conduct the review.

PROCUREMENT RECEIPT AND OPENING

Procurement opening is a function that is open to the public. Therefore, the agency must allow anyone to attend and witness the opening of procurements. Refer to [2CFR Part 200.319\(d\)\(2\)](#) and [2 CFR 200.320 \(b\)](#) for all the requirements the offers must fulfill.

The opening of procurements is held at the time and location specified in the procurement solicitation notice and procurement packet.

Submitted procurements should be marked with a date stamp to signify the time/date of the accepted delivery and not opened. No packets should be opened (hard copy or electronic) and no information should be shared regarding the submissions prior to the opening.

The agency should maintain an official clock that is used to determine when the time for submission of procurements has expired. Once the time has expired, no additional submissions can be accepted, and formal submittal opening can begin.

Open procurements, read aloud by lead, and record all vital information using the following forms as applicable for either IFB or RFP.

- Proposal opening agenda (optional)
- Attendee list
- Completeness Form
- Code of Conduct
- Bid Tabulation Opening Form
- Proposal Record – To record, the completeness form can be used.

Any submittals arriving after the stated date and time will be returned to the sender unopened.

INVITATION FOR BID

Read aloud, the name of the bidders, the amount of the bid, and the amount of the bid security (if necessary). An individual designated by the agency should enter this information into a Bid Tabulation form, also referred to a Bid Abstract form, and place this information in the project folder.

During opening announce that bids will be reviewed thoroughly for completeness and will be evaluated to determine the low responsive and responsible bidder. If any individual requests to view a bid or bids, it is a local determination to allow such a viewing. If viewing of the bids is allowed, care should be taken to closely observe this function to preserve the actual documents received. Once the formal bid opening has been completed the responsible person will conduct the completeness verification for each bidder. Use the Bid Opening Completeness form to document your results.

REQUEST FOR PROPOSAL

Read aloud, the name of the proposer. During proposal opening announce that proposals will be reviewed thoroughly for completeness and will be evaluated by an evaluation team to determine the highest scoring proposal.

A Completeness Checklist is completed for each proposal received by due date. Conduct the initial completeness check using the Proposal Opening-Completeness Form. The completeness form can be documentation of the proposals received. The initial review is to determine if the team should move forward with all the proposals to conduct the second step of the completeness review. Note the second step of the completeness check identified in the completeness form are completed after the opening, usually by the lead person of conducting the procurement. The team will need to decide if the proposals were completed in a manner congruent with the proposal instructions. This process is conducted to determine which proposals to move along in the procurement review process.

COMPLETENESS REVIEW

RFP

Utilize the sample Proposal Opening-Completeness Form to complete and document this task. This is a two-step process the form will guide you through. Once the second step is completed notify the evaluation\technical panel the results.

IFB

Utilize the Bid Opening Completeness Form to complete and document this task.

FEDERAL CERTIFICATIONS

Verify all the required federal certifications are signed and submitted, per the procurement packet.

NOTE

It should never be assumed by the agency that either the A&E firm or the construction manager are aware of FTA requirements in connection with the documents. It is normally the responsibility of the procurement manager to ensure required FTA clauses and certifications are contained in the bid documents. Refer to the agency's adopted policy and RTAP Procurement Pro for guidance.

RESPONSIVE AND RESPONSIBLE DETERMINATION

Once received, submission should be reviewed to determine if they are responsive, and the submitter has provided the necessary information. Use the Responsive and Responsible Checklist to make determination and document. Sealed bids [2 CFR 200.319 \(1\)\(i\)\(B\)](#) Proposals [2 CFR 200.319 \(2\)\(iii\)](#)

To be determined responsive there must be receipt of 2 or more responsible submittals. Sealed Bids [2 CFR 200.320 \(b\)\(i\)\(B\)](#)

If only 1 submittal received, steps are required to be taken to proceed. Survey suppliers to determine cause, document reasons for no-submittals. Refer to the noncompetitive section to review the process and requirements to prepare justification.

Submittals must be reviewed to determine responsive and responsible; in addition, the submitters have provided the necessary information. Use the Responsive and Responsible checklist to determine and document. This must be retained in the procurement file.

Responsiveness - This is determined by reviewing the submittal for inclusion of all required procurement forms. In addition, it should be determined if the submitted bid is conditioned upon situations not allowed for in the procurement documents. A conditional submittal or one that takes exception to any material requirement must be deemed as being non-responsive.

Responsibility - A responsibility determination is made to ensure the submitter has the technical and financial capability to perform the requested work.

1. An agency may also choose to look at the contractor's financial statements and past projects completed to assist in determining contractor responsibility. In most cases, a contractor can be determined responsible if it can obtain proper insurance and bonding and is not on the Federal debarred or suspended list. A formal determination of responsiveness and responsibility should be made and retained in the project procurement file.
2. It is required to decide that the contract price is reasonable before awarding the contract. In situations where there are two or more responsive and responsible bids, a price analysis will be sufficient to determine price reasonableness. If the price is for a service a cost proposal should be conducted.

3. All responsive and responsible proposals should be reviewed to determine if they are within a competitive cost range. Proposals that are within a competitive cost range will not have significant price variances from one another.

Provide the evaluation team any concerns with the responsiveness and responsibility review.

OTHER THAN FULL AND OPEN COMPETITION

Use the Other than Full and Open Competition Justification form to work through the determination, document, and justify.

- This type of procurement can only be used if one of the following circumstances apply:
- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the ono-Federal entity;
- After solicitation of a number of sources, competition is determined inadequate. [2 CFR 200.320 \(b\)](#)
- Methods of procurement to be followed, and FTA Circular 4220.F, Chapter VI, Other Than Full and Open Competition [2 CFR 200.320](#)
- The Other than Full and Open Competition Justification form must be completed and submitted to SDDOT for approval.

ADEQUATE COMPETITION

Recipient should review specifications to determine if they are unduly restrictive or if changes can be made to encourage more bids or proposals. If it is determined that the specifications are not unduly restrictive and changes cannot be made to encourage more competition, it may be determined that the competition is adequate. A If competition is considered adequate, a price analysis is sufficient. [2 CFR 200.320 \(b\)](#)

SOLE SOURCE

When the recipient requires supplies or services available form only one responsible source, and no other supplies or services will satisfy its requirements the recipient may make a sole source award.

TIP:

The Best Practices Procurement Manual (BPPM), Chapter 4, Section 4.6.1, contains a good discussion of the justification for use of non-competitive (sole source) procurements. (Revised: June 2010)

Example justification narrative for Sole Source

Only a particular brand or "make" is compatible with existing equipment or inventory. Only one source is known for a specialized item of equipment or material.

When subrecipient requires existing contractor to make a change to its contract that is beyond the scope of the contract, this is considered a sole source award that must be justified under one of the sole source bases. [2 CFR 200.320 \(c\)](#)

- **Unique Capability or Availability** - The property or services are available from one source if one of the conditions described below is present:
 - a. Unique or Innovative Concept: The offeror demonstrates a unique or innovative concept or capability not available from another source. 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. ·
 - b. Patents or Restricted Data Rights: Patent or data rights restrictions preclude competition.
 - c. 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.
 - d. 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 the recipient's needs.
- **Single Source** - If only a single bid or proposal was received, the recipient must determine if competition was adequate. This may also include a survey of the potential sources to obtain information as to why no submission was made. [FTA 4220.1F.VI. 3.i\(1\)\(b\)](#)

a. Adequate Competition: FTA acknowledges competition to be adequate when the reasons for few responses were caused by conditions beyond the recipient's control. Many unrelated factors beyond the recipient's control might cause potential sources not to submit a bid or proposal. If the competition can be determined adequate, FTA's competition requirements will be fulfilled, and the procurement will qualify as a valid competitive award.

b. Inadequate Competition: FTA acknowledges competition to be inadequate when, caused by conditions within the recipient's control. For example, if the specifications used were within the recipient's control and those specifications were unduly restrictive, competition will be inadequate.

➤ **Unusual and Compelling Urgency** - A recipient is permitted to limit the number of sources from which it solicits bids or proposals when the recipient has such an unusual and urgent need for the goods or services that the recipient would be seriously injured unless it were permitted to limit the solicitation. The recipient may also limit the solicitation when the public exigency or emergency will not permit a delay that would result from competitive solicitation for the property or services.

➤ **Authorized by FTA** - Recipients are permitted to use noncompetitive proposals under the following circumstances:

a. 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 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 the recipient to use competition, as feasible, to select other participants in the project.

b. Federal Acquisition Regulation (FAR) Standards: to ensure the recipient has flexibility equal to that of Federal contracting officers, FTA authorized procurement by noncompetitive proposals in all the following circumstances authorized by the FAR part 6.3:

- i. Statutory Authorization or Requirement – To comply with Department of Transportation appropriation laws that include specific statutory requirements, with the result that only a single contractor can perform certain project work.
- ii. National Emergency – 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.

- iii. Research – To establish or maintain an educational or other nonprofit institution or a federally funded research and development center that has or will have an essential engineering, research, or development capability.
- iv. Protests, Disputes, Claims, Litigation – To acquire the services of an expert or neutral person for any current or anticipated protest dispute, claim, or litigation.
- v. International Arrangements – When precluded by the terms of an international agreement, or a treaty between the US 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.
- vi. National Security – When the disclosure of the recipient’s needs would compromise the national security.
- vii. Public Interest – When the recipient determines that full and open competition is connection with a particular acquisition is not in the public interest.

[2 CFR 200.319\(d\)](#)

TIP:

How do you justify single sourcing?

Single Source Purchase Justification

- Experience with a particular issue and this vendor has the historical knowledge or was the original installer.
- Experience with similar projects at other agencies or at other levels of government.
- Demonstrated expertise.

VERIFY IN GOOD STANDING (SAM, SECRETARY OF STATES, & UNIQUE NUMBER)

After conclusion of opening, it should be verified all submitters to deemed to move along in the review process must be active and not debarred on the [System for Award Management \(SAM\)](#) and in good standing with the [South Dakota Secretary of State](#) websites. [2 CFR 180.200](#)

UNIQUE NUMBER

A UEI number is the authoritative identification number provided by the U.S. government, used to identify businesses awarded federal grants, awards and contracts. Agencies must keep documentation of these verifications and should be retained in the procurement file.

CONDUCT PRE-AWARD BUY AMERICA REVIEW OR OBTAIN WAIVER (IF APPLICABLE).

For applicable vehicle procurements vendors must complete a Buy America Certification and FMVSS Certification.

PROCUREMENT SUBMISSION REVIEWS

IFB

- Tabulate bid documents and complete selection process. Review the bid against the specifications to avoid duplicative or unnecessary purchases.
- It is imperative to document a situation that results in the award to a contractor that was not the low bidder. Such documentation will include the determinations of responsiveness, responsibility, and price reasonableness.
- Submit to the SDDOT all procurement forms and required attachments per the State Management Plan.

The Bid Tabulation forms are used to document all the bids to determine the winner(s) of the contract and a brief bid analysis statement needs to be completed explaining the reasons behind the selection of the winner and placed in the procurement file.

RFP

EVALUATION RATING AND SUMMARY

The evaluation\technical team can start the evaluation process while the second stage of the completeness review is being completed along with the verifications. The evaluation process is documented using the RFP Evaluation document.

The evaluation team must evaluate and rank all proposals received using the established method and criteria. All proposals that have a reasonable chance of being selected shall be included in the competitive range list. Review the proposal against the specifications to avoid duplicative or unnecessary purchases. Refer to FTA Best Practices Procurement and Procurement Manual. Share with the evaluation team the results of the responsive and responsibility review and the completeness review. Review the proposal against the specifications to avoid duplicative or unnecessary purchases. Refer to FTA Best Practices Procurement and Procurement Manual.

Procurement lead will provide evaluation team the results of the completeness review by sending them the completed forms for reference to complete the completeness portion of the evaluation.

If there is requirement in the RFP to submit a cost proposal, do not open until the technical portion of the evaluations are complete. The lead in the procurement then can open the cost proposals and complete the cost proposal section of the RFP Evaluation and Award Summary form and send the cost proposals to the evaluation team to reference and complete that section of the evaluation.

The procurement lead will compile the cost analysis information into the RFP Evaluation and Award Summary document once the proposals have been evaluated by the evaluation team.

The procurement lead will meet with the evaluation team to present evaluation and cost proposal results. The team will use the results to determine the highest proposal and the entity to offer the contract if the verifications are good, and cost is reasonable. The determinations are documented in the RFP Evaluation and Award Summary document.

A brief proposal analysis statement needs to be completed explaining the reasons behind the selection of the winner and placed in the procurement file.

A&E EVALUATION SOLICITATION & AWARD PROCESS

Requires selection to be based on qualifications and specifically excludes price as an evaluation factor, provided the price is fair and reasonable. The proposals must be evaluated for contract for award. A cost analysis is required to determine that the price is fair and reasonable because there is no price competition.

[\(49 USC 5325 \(b\), 40 USC 1101-1104 \(b\), \(Brooks Act\)](#)

PRICE OR COST ANALYSIS

Analysis is required to determine the contract price\cost is reasonable before awarding the contract. In situations where there are two or more responsive and responsible submittals, a price analysis will be sufficient to determine price reasonableness. Refer to Fair and Reasonable Determination or Price Analysis or Cost Analysis forms. The FTA pricing guide can be used for guidance to determine Fair and Reasonable, Price and Cost analysis and provides pricing. FTA Helpline Price GUIDE: [Guide](#)

PRICE ANALYSIS

The comparative process of evaluating total price without regard to the individual elements that make up the total price. Use for commercial items/services. Objective is to determine what current market prices.

COST ANALYSIS

The evaluation of each cost element which makes up a total price. Use for professional services or where cost elements must be evaluated to negotiate a fair and reasonable price. The objective is to estimate what costs the vendor will incur to perform the contract and then to negotiate a fair profit. [2 CFR 200.324 \(b\)](#)

All responsive and responsible submittals should be reviewed to determine if they are within a competitive cost range. Submittals that are within a competitive cost range will not have significant price variances from one another.

The low bidder or highest proposer responsive and responsible submitter should also be compared to the pre-procurement ICE. If the low bid or highest proposal is within an acceptable range of the ICE and all submissions are within a competitive range, the low bid or highest proposal can be determined to be reasonable. However, care needs to be taken so that the apparent low bid or highest proposer is not provided with an advantage until after the full criteria have been evaluated.

If the ICE is a difference of 10% or greater from the price analysis the reviewer must conduct a further analysis. The ICE estimates may need to be adjusted if justifiable. Talk to the low bidder if necessary to get information that might explain why the bid is higher than expected.

Note

The Best Practices Procurement Manual (BPPM), Section 4.6 – Cost and Price Analysis, suggests that the independent estimate can range from a simple budgetary estimate to a complex estimate based on inspection of the product itself and review of items like drawings, specifications, and prior procurement data.

A cost analysis must be completed for A&E to determine that the price is fair and reasonable because there is no price competition. A formal price reasonableness analysis containing the above elements should be prepared and retained in the procurement file.

Tip:

As stated, it is not sufficient to simply declare the price of the low bidder as reasonable. In some cases, the low bid could be far below the ICE and out of the competitive range of the other bidders. In such a situation, the bidder may have left something significant out of the bid. In this situation, the agency is advised to hold a post-bid conference with the low bidder and get a determination from the bidder that they are satisfied with their bid. In no event can the low bid be negotiated at this point. If the low bidder does not want to continue with the award, the agency can determine if it wants the bidder to forfeit their bid security.

Or

If the low proposal is within an acceptable range of the ICE and all proposals are within a competitive range, the low proposal can be determined to be reasonable. However, care needs to be taken so that the apparent low proposal is not provided with an advantage until after the full criteria have been evaluated.

PRICE ANALYSIS VERSUS COST ANALYSIS

- Price analysis is used if it is determined that the competition was adequate, and the price was within the expected range established by the ICE.
- Cost analysis is used if it is determined that competition is inadequate, or price is inconsistent with the expected range established by ICE and in all cases where cost elements were required in the proposal.

Procurement Type	Analysis Type
Small Purchase	Price and/or Cost
IFB	Price and/or Cost
RFP	Price and/or Cost/qualifications
Single Source	Cost
Sole Source	Cost
Contract Modifications	Cost

REFERENCE CHECKS

For RFP procurements there is a tab in the RFP Evaluation and Award Summary document to record the reference check entities, questions, and responses.

For IFB procurements track and document your references include documentation in your procurement packet.

ARBITRARY ACTION

It is prohibited from taking arbitrary action when awarding contracts. Arbitrary actions include lack of adhering to the requirements contained in the procurement solicitation when awarding contracts. An arbitrary action can also be found when there is lack of documentation for awarding a contract to other than the low responsive and responsible bidder or the most qualified proposal when price and other factors are considered. [2 CFR 200.319 \(b\)](#)

- (a) “All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section.
- (b) To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:
 - Placing unreasonable requirements on firms in order for them to qualify to do business;
 - Requiring unnecessary experience and excessive bonding;
 - Noncompetitive pricing practices between firms or between affiliated companies;
 - Noncompetitive contracts to consultants that are on retainer contracts;

- Organizational conflicts of interest;
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.”

(c) The non-federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(d) The non-federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should 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 equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
- Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(e) The Non-federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-federal entity must not preclude potential bidders from qualifying during the solicitation period.

(f) Noncompetitive procurements can only be awarded in accordance with [200.320\(c\)](#).

COMPETITION

All procurement transactions for the acquisition of property or services required under a federal award must be conducted in a manner providing full and open competition consistent with the standards of 2 CFR.

[2 CFR 200.319 \(b\)](#), [2 CFR 200.320, Procedures for Competitive Sealed Bids](#) and [Procedures for competitive sealed proposals 5-18A-7 \(Includes results releasing results\)](#)

Complete award selection and justification and explain why submitter was awarded. [2 CFR 200.319 \(d\)\(2\)](#)

IFB

Specifications and deliverables specified in procurement documents, in addition to factors included in procurement such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is to be awarded. Document the bid results award selection in the Bid Tabulation form. Include justification to support the decision using the sample justification document provided. This is particularly important to document in the bid tabulation and justification if the accepted bid was not the lowest.

[2 CFR 200.320 \(b\)](#)

RFP

Specifications and deliverables specified in procurement documents, in addition to factors included in procurement such as discounts, transportation cost, and life cycle costs must be considered in determining which proposal is to be awarded. Document the proposal results award selection in the RFP evaluation and award summary to justify the award selection. The evaluation should also have justification on the submitters not selected. [2 CFR 200.320 \(b\)](#)

AWARD SELECTION JUSTIFICATION

For RFP use the RFP Evaluation and Award Summary form to document the justification. The evaluation team should be part of determining and developing the justification of an award.

For IFB use the appropriate sample bid tabulation form to justify award selection.

RFP and IFB procurement Once approval from SDDOT is received proceed to the next steps.

SUBMIT AWARD SELECTION AND JUSTIFICATION TO AUTHORIZED PERSONAL FOR APPROVAL

After the review and justification is complete of the submittals, must follow the agency's procurement process regarding the approval process. Such as director, board, council, etc. The proposal analysis and justification must be presented to management for proposal award approval. This is required for any simplified acquisition procurement.

Include the approval documentation in the procurement file.

Once the agency approval has been obtained, Submit to SDDOT staff the pre-award required documents for approval to proceed with the procurement process. Refer to the Note under Introduction or State Management Plan.

REGISTER OF SUBMITTERS

Create a Register of Proposals for history retention – using the Procurement History Form. [2 CFR 200.318\(i\)](#)

DEVELOP CONTRACT

Ensure to include all required federal certifications that apply to the project in the contract. Refer to the FTA Best Practices Procurement & Procurement Manual for contract types. The agencies are to maintain a contract administration system to ensure that their contractors comply with the terms, conditions, and specifications of their contracts or purchase orders and applicable Federal, State, and local requirements.

Regardless of an agency's organizational structure, the procurement personnel must be free from undue influence or pressure in the award and administration of contracts. For contract types refer to 2 CFR 200 and [FTA Best Practices Procurement & Lessons Learned Manual](#)

Contract terms Contract Term Limitation Vehicle 49 USC 5325 (e); Contract Term Limitation for Non rolling Stock. [FTA C 4220.1F. IV. 2.b.\(3\)\(b\)](#)

An agency may enter a multi-year contract to buy rolling stock, with an option not exceeding five (5) years to buy additional rolling stock or replacement parts. The agency may not exercise that option later than five (5) years after the date of its original contract. Prepare purchase orders or contract documents. Ensure sound and complete agreement which includes required contract clauses.

The resulting construction contract must also comply with US Department of Transportation (USDOT) requirements set forth for the utilization of DBEs.

Tip:

It should never be assumed by the agency that either the A&E firm or the construction manager are aware of FTA requirements in connection with the documents. It is normally the responsibility of the procurement manager to ensure required FTA clauses and certifications are contained in the bid documents. Refer to the agency's adopted policy and RTAP Procurement Pro for guidance.

NOTICE OF AWARD

Send an email/letter to the proposer/bidder selected to notify them that they have been selected and a contract will be coming for review.

Send emails/letters to proposers/bidders that were not selected. For a RFP, do not send denial letters to the top two ranked submitters. The letter of unselected will go to the second ranked after it has been determined the selected proposer will enter a contract. **Remember to do this step.**

Note

Notify submitters not selected. For RFP do not send this letter to the top two proposers. The final letter to the one not awarded will be sent after the one selected is gone through the negotiation and is signing contract.

BONDING

For construction projects, it is recommended that performance and payment bonds be required in the amount of 100 percent of the construction cost to be awarded. Refer to the below CFR references for more information on bonding.

[2 C.F.R. § 200.325](#) and [31 C.F.R. part 223](#)

NEGOTIATIONS

Start the negotiation process with the top ranked proposer. If you hold a negotiation session with one offeror in a procurement for other than A&E, you must negotiate with all the offers in the competitive range. Once the negotiations are complete, all the details, including cost are finalized, and the proposal is selected, then the contract can be completed. Refer to FTA Best Practices and Procurement Manual.

The Price Analysis form can be used to document negotiations if the price analysis determination indicates that steps beyond one are required. Also, the following forms can be used to document negotiations for the procurement method.

IFB - Bid Tabulation Form

RFP – RFP Evaluation and Award Summary document.

A&E

Serial Price Negotiations Basic Requirement

[\(49 USC 5325 \(b\)\)](#), [40 USC 1101-1104 \(b\)](#), [\(Brooks Act\)](#)

- Negotiations are conducted with only the most qualified offeror.
- Failing agreement on price, negotiations with the next most qualified offeror may be conducted until a contract award can be made to the most qualified offeror whose price is fair and reasonable to the recipient.
- Document the negotiation results.

EXECUTED CONTRACT\AGREEMENT

Ensure contract is signed by all parties and submit to award entity.

Ensure that all the required federal certifications are also signed as part of the contract.

Complete a notice to proceed.

Notify the other proposers that were not sent award denial notification letters.

POSTING AWARD

For IFB's use the Bid Tabulation Form to post bid results and awards on agency website. For an RFP use the Register of Proposal Form to post the proposer and award on the agency website.

ADDRESS AND PROTESTS AND RESOLUTIONS

Follow the agencies protest procedures identified in the agency's procurement policy. [2 CFR 200.318\(k\)](#)

Document and retain any correspondence and actions related to protest and resolutions in the procurement file.

CHANGE ORDER PROCESS

Agencies are required to perform a cost or price analysis, as appropriate, for every procurement action more than the simplified acquisition Threshold. Agencies must submit the change, price, or cost analysis to the DOT for approval.

FTA Circular 4220.1F, Ch. VI, Para. 6, advises grantees to "perform a cost or price analysis in connection with every procurement action, including contract modifications. The starting point for these cost/price analyses is an independent cost estimate which is made before receiving bids or proposals." The ICE is a "should cost" estimate based on current market prices for the item or service being procured."

Third Party Contracting [FTA Circular 4260.1F IV. 2b \(5\)\(c\)](#)

Independent Cost Estimate [2 CFR 200.324](#)

PROCUREMENT FILE

The procurement file and checklists should be maintained throughout the process.

The Procurement Checklist file has tabs for procurement methods to use to ensure all the required information is retained in the procurement file. The procurement file can be kept hard copy or electronic. Whichever way is preferred if it is easy to locate and is retained per the file retention requirements.

All correspondence with potential and submitters should be kept in the file.

The project file should contain all documents and written or electronic correspondence in addition, to copies of payment vouchers etc. If your procurement has multiple delivery shipments (for example rolling stock), all the documents for each delivery must be included in the original project file. Once the procurement has expired these documents are filed in the project folder for the retention period. All electronic documents and email correspondences are saved and retained for 3 years after project is complete. For procurement project closed means when the procurement expires.

CONTRACT ADMINISTRATION

Monitor that the contract is adhered to by awarded entity. Maintain any related documents, and/or actions pertaining to contract administration in the procurement file throughout the life of the project.

[2 CFR 200.318\(b\).](#)

GENERAL

Once the award is made add the award expiration dates to calendar with reminders throughout the life of the procurement to monitor for deliverables, payment schedules, price adjustments, expirations, contract obligations, and remaining options available or any other pertain agreed upon terms.

PRICE INDEX

For multi-year vehicle procurements, the price index can be used to determine prices in years beyond year one. If the price index method is going to be used it must be defined in the procurement and contract. The price index calculation is usually this is conducted annually. Below is a example scenario.

Producer Price Index (PPI) Truck and Bus Bodies (WPU 1413)

Check Index:

Producer Price Index by Commodity: Transportation Equipment: Truck and Bus Bodies:
<https://fred.stlouisfed.org/series/WPU1413>

Sample Procurement Ordering off:

November 2018 Rolling Stock Procurement

- 12+2, 14+2 and 16+2 buses awarded Dec 2018
- Dec 2018 PPI = 250.5 Base Price 1st Year
- Nov 2019 PPI = 259.9 2nd Year Increase

Calculated increase for 2nd year:

259.9 (2nd year increase) / 250.5 (base price) = 1.04

Example price adjustment:

January 2020 a 12+2 transit bus is ordered.

- Base Price \$68,000.00
- Options \$ 3,332.00
- Total Bus \$71,332.00
- Increase X 1.04
- New Price \$74,185.28

Steps:

1. Provide written notification to vendors regarding the price adjustment. Save adjustment methodology and notifications and add to procurement documentation.
2. Keep the procurement file updated with pertinent information.
3. Once procurement expires, remove the vehicle order and reference documentation and file in the vehicle project files and retain for retention period.

VEHICLE ORDERS

1. Final order forms with alternate options and costs are to be completed. Work with the vendor to complete this task.
2. Final other required order forms, PO, notice to proceed, etc. If NON-ADA vehicles are being ordered a Certification of Equivalent Service” must be filled out and signed by the agency and sent to SDDOT. Save order information in procurement binder. Conduct post-award Buy America audit during manufacturing (if applicable) If buying rolling stock (revenue vehicles) Pre-Award and Post Delivery Buy America audits are required. Refer to the FTA Handbook, [Conducting Pre-Award and Post Delivery Audits for Rolling Stock Procurements](#).
3. Review the order form and obtain management signature.
4. Send the signed order form and notice to proceed via email to the vendor and provider.
5. Send SDDOT a copy of order form with grant information.
6. Monitor contractor\vendor’s progress and setup delivery and inspection time and location.
7. Upon completion of inspection and acceptance of products, obtain all warranty and service arrangements. Vehicles - complete post-award audits, if you are receiving multiple deliveries, you must complete multiple post-award audits forms. If there are issues, determine if the issues can be fixed before accepting. Such as a cost adjustment based on the bid costs or reject.

- a. Fix the issues – inspect to verify all issues are fixed before accepting and scheduling delivery and payment is made.
 - b. Accept with cost adjustments – work with vendor to justify the cost adjustment. If it is determined that all items cannot be supplied or met as specified in the bid, a reduction of the cost for the missing items will be applied and a penalty for not meeting the bid specs will be applied. This decision is at the discretion of the SDDOT.
 - c. Write rejection letter and email to vendor.
 - d. Write up a Deficiency Report & justification document. Save in procurement binder and provide the same information with the specific vehicle information.
8. Finalize the payment/reimbursement vouchers.
 9. Once the payment is made keep a copy of the reimbursement\payment information with the vehicle documentation in the procurement file.
 10. Review the project file for completeness. The project file should contain all documents and written or electronic correspondence; in addition, to copies of payment vouchers etc. If your procurement has multiple delivery shipments (for example rolling stock), all the documents for each delivery must be included in the original project file.

DBE MONITORING

DBE forms links on SDDOT website: https://dot.sd.gov/doing-business/contractors/dbe#listItemLink_1550

- Form DOT-289R/N is used by the prime contractor when they utilize DBEs, and this is at bid letting time. This form will determine at the time of the letting the overall DBE participation. This form is required to be submitted to SDDOT transit staff in the procurement packet review prior to award.
- Form DOT-289B – this is used after the project has been let and it goes into detail on what bid items the DBE is working on. This form is required to be submitted to SDDOT Transit staff in the procurement packet review prior to award.
- Form DOT-289 Certification of DBE Payments – this is used by the prime to verify what the prime actually paid the DBE during the project. This form is required to be submitted to SDDOT transit staff throughout the project. This information will be used in documenting DBE activity in the semiannual DBE report.

DOCUMENTATION OF PROCUREMENT HISTORY AND RETENTION

- Agency must maintain and retain a procurement history log –including all submitters and awards.
- Refer to the Excel Procurement Checklist for the procurement method tab and the Procurement History form for the list of items to retain in the procurement file. The procurement files are to be kept three years after the disposal of the asset or project is closed.

APPENDIX A PROCUREMENT FORMS

Award Letter Template

Bid Tabulation Form

Construction Bid Tabulation

Cost Analysis

Evaluation Team or Technical Panel Expectation Notification

Fair and Reasonable Price Determination Form

IFB Bid Opening Completeness Form

IFB General Procurement Template

IFB Procurement Advertisement

IFB Vehicle Procurement Template

Independent Cost Estimate (ICE)

Invitation for Bid (IFB) Provider

Justification Letter - Template

Other than Full and Open Competition Justification

Price Analysis

Price Comparison Sample

Procurement Checklist

Procurement File History Checklist

Procurement Opening Attendee List

Procurement Policy Template

Procurement Standards of Conduct

Proposal Opening Completeness Form

Proposal Team-Panel meeting & Opening Agenda

Quote Comparison Form (Detailed)

Quote Comparison Form (Simple)

Responsive and Responsible Checklist

Responsive and Responsible Vender Determination

RFP Evaluation and Award Summary

RFP Evaluation Sample

RFP Procurement Advertisement

RFP Provider Template General

RFP Register of Proposals

Simple Price Analysis Form

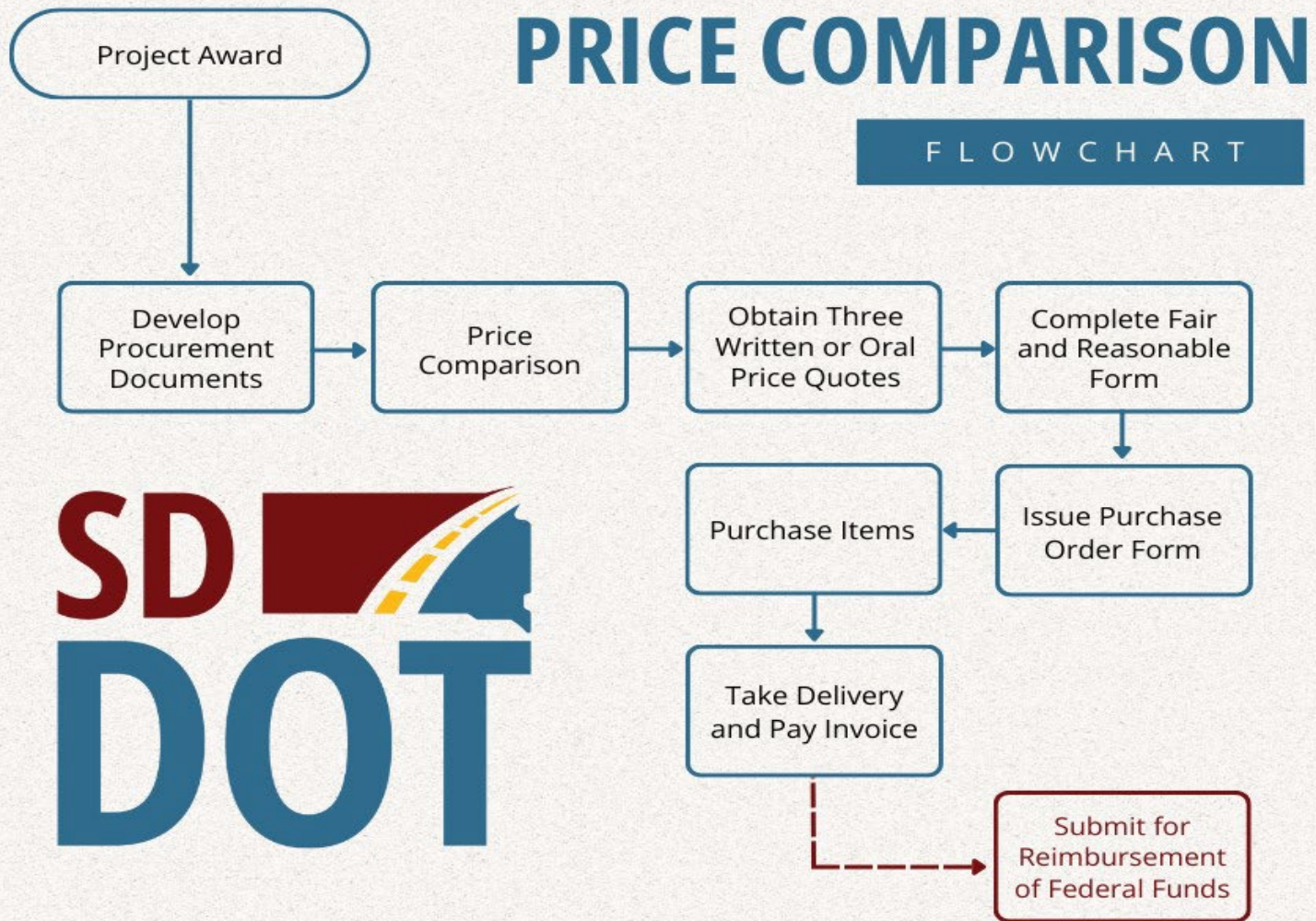
Vehicle IFB Opening Completeness Form

APPENDIX B PROCUREMENT GLOSSARY

<u>A&E Services</u>	Projects, which require Architectural or Engineering consultation, are required to use competitive proposal procedures based on the Brooks Act.
<u>Acceptance</u>	Agreement to the terms of an offer. In most jurisdictions “award” by a public agency can constitute acceptance and may create an enforceable contract.
<u>Brooks Act</u>	Federal law that all architecture/engineering services being paid for with Federal funds to be obtained through Request for Proposal.
<u>Buy America Act</u>	Federal legislation that requires all rolling stock, facility, or equipment purchases in excess of \$150,000.00 of Federal funds must contain 70% domestic components minimum by cost and final assembly is in the United States.
<u>Construction</u>	Is any building, remodeling, expansion, or alternations to a facility, included is painting, roofing, or replacing facility equipment, such as water heaters, phone systems etc.
<u>Davis-Bacon Act</u>	Federal law, which needs to be followed for any hired expenses in excess of \$2,000.00 when incurred in any federally funded construction, remodeling, and/or repair work.
<u>Disadvantaged Business Enterprises (DBE)</u>	For-profit small business concerns where socially and economically disadvantaged individuals own at least 51% interests and control management and daily business operations.
<u>Federal Certifications</u>	Specific documents referencing Federal Laws, Acts or Provisions, which parties participating in the procurement must agree to and sign.
<u>Federal Clauses</u>	Federal Laws, Acts and Provisions which must be included in all procurement documents and required of all parties participating in the procurement of goods, services, or products.
<u>FMVSS</u>	Federal legislation entitled Federal Motor Vehicle Safety Standard 49 CFR Part 571.
<u>Grant Funding Agreements</u>	Legal document between grantor and grantee/subrecipients, which defines the type and amount of grant award and all requirements, which the grantee/subrecipients must comply with to qualify for the grant award.
<u>Invitation for Bids (IFB)</u>	Competitive procurement procedure used to procure products or goods based on price and ability to meet

	the bid specifications. This method is also referred to as a Sealed Bid.
<u>Independent Cost Estimate (ICE)</u>	An ICE is not completed using quotes; it is completed prior to reviewing responses using estimates from independent sources not associated with potential respondents. Independent sources may include outreach to other transit agencies referring to past costs for the same or similar services. Appropriate steps must be taken to avoid any real or apparent conflict of interests preventing any parties from obtaining a competitive advantage. The standard for independence is someone not expected to be a respondent.
<u>Joint Procurement</u>	Procurement method of contracting in which two or more grantees agree from the outset to use a single solicitation document.
<u>Master Agreement</u>	Federal Transportation Administration (FTA) document, which states all the requirements, and regulations, which apply to FTA, grants awards.
<u>Offer</u>	A promise to provide goods or services according to specified terms and conditions in exchange for material compensation.
<u>Piggybacking</u>	The assignment of another recipient's contract rights as a substitute for a stand-alone procurement. Not encouraged by FTA or SDDOT.
<u>Pre-award Audit</u>	Verification and completing Federal certificates before awarding vehicle awards to ensure vehicles meet FTA Rolling Stock requirements.
<u>Price Comparison</u>	Price comparison is a method of procuring goods and services with a total value less than \$4,000. Requires price or cost analysis to determine the best value.
<u>Price Estimate</u>	Determining reasonable price of goods or services by collecting competing offers, catalog prices, internet prices, or local competitor's prices.
<u>Post-Award Audit</u>	Verification and completing Federal certificates after awarding vehicle awards to ensure vehicles meet FTA Rolling Stock requirements.
<u>ProcurementPro</u>	An on-line procurement tool that assists parties in developing procurement packages.
<u>Procurement File</u>	Each procurement project is required to have a permanent file, which contains all the documents and correspondence pertaining to the procurement.
<u>Purchasing Levels</u>	Several different methods of procurement are available based on the total dollar value of the procurement. Splitting large purchases into smaller purchases to avoid the competitive proposal process shall not be permitted per Transit agency policy.

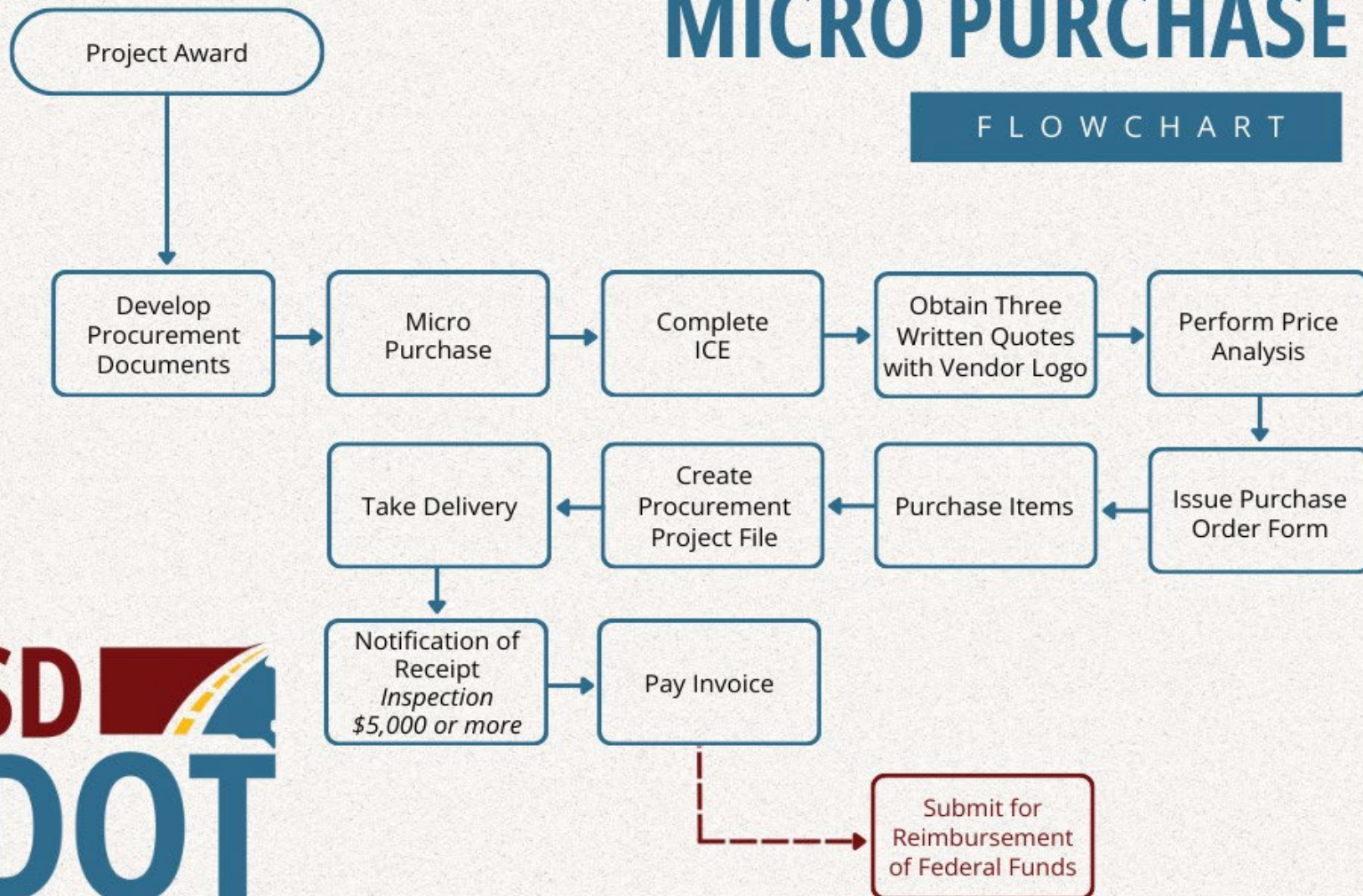
<u>Micro Purchases</u>	A micro purchase is a method of procuring services, goods, or real property with a total value between \$4,000 and \$24,999*. Require three (3) written quotes on vendor's letterhead or bid form. * Per South Dakota Codified Law.
<u>Real Property</u>	Real property consists of land and any existing buildings and/or structures on the parcel of land.
<u>Request for Proposals (RFP)</u>	A competitive procurement method used when the nature of the procurement does not lend itself to sealed bidding and the recipient expects more than one source is willing and able to submit an offer or proposal. This method is often used when the award is based on pre-determined technical criteria instead of price. This method is also referred to as a Competitive Proposal.
<u>Simplified Acquisition Purchases</u>	A simplified acquisition is a method of procuring services, goods, or real property with a value exceeding \$25,000.00. Requires invitation of bids, request for proposal or sole source.
<u>Sole Justification</u>	If only one bidder is received per IFB or available due to limited local businesses. A letter of explanation must be written explaining the reasons for awarding the bid and placed in the procurement file.
<u>Solicitation</u>	A purchasing entity's request for offers, including a telephone request for price quotations, an invitation for bids, or a request for proposals.
<u>System for Award Management (SAM)</u>	Federal website to check for debarment and suspension from Federal projects.
<u>Useful Life</u>	Standards established for the expected amount of time that a properly maintained piece of equipment or facility could be used before needing to be replaced.



**High Level Overview Checklist*

MICRO PURCHASE

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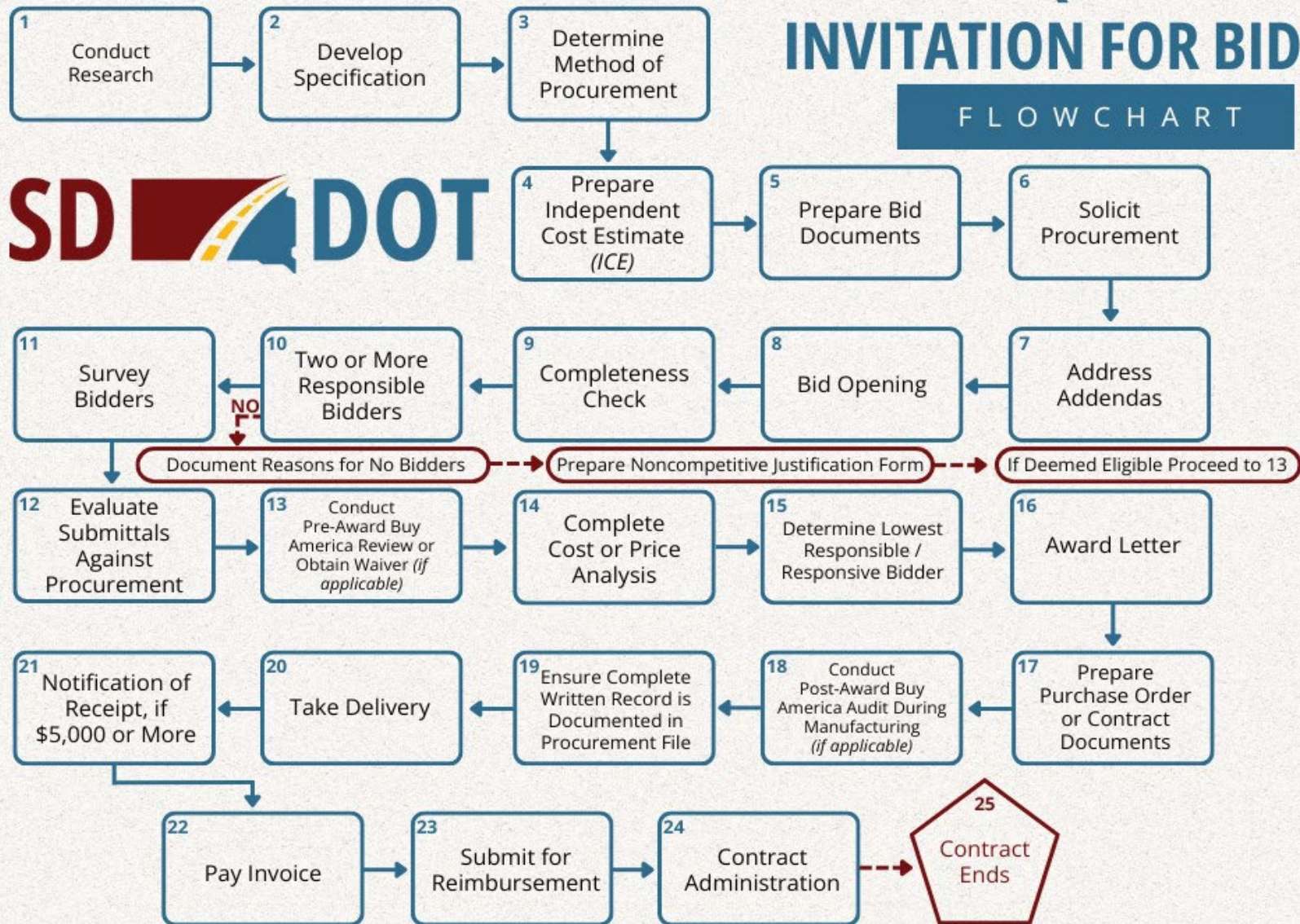


**High Level Overview Checklist*

*High Level Overview Checklist

SIMPLIFIED ACQUISITION INVITATION FOR BID

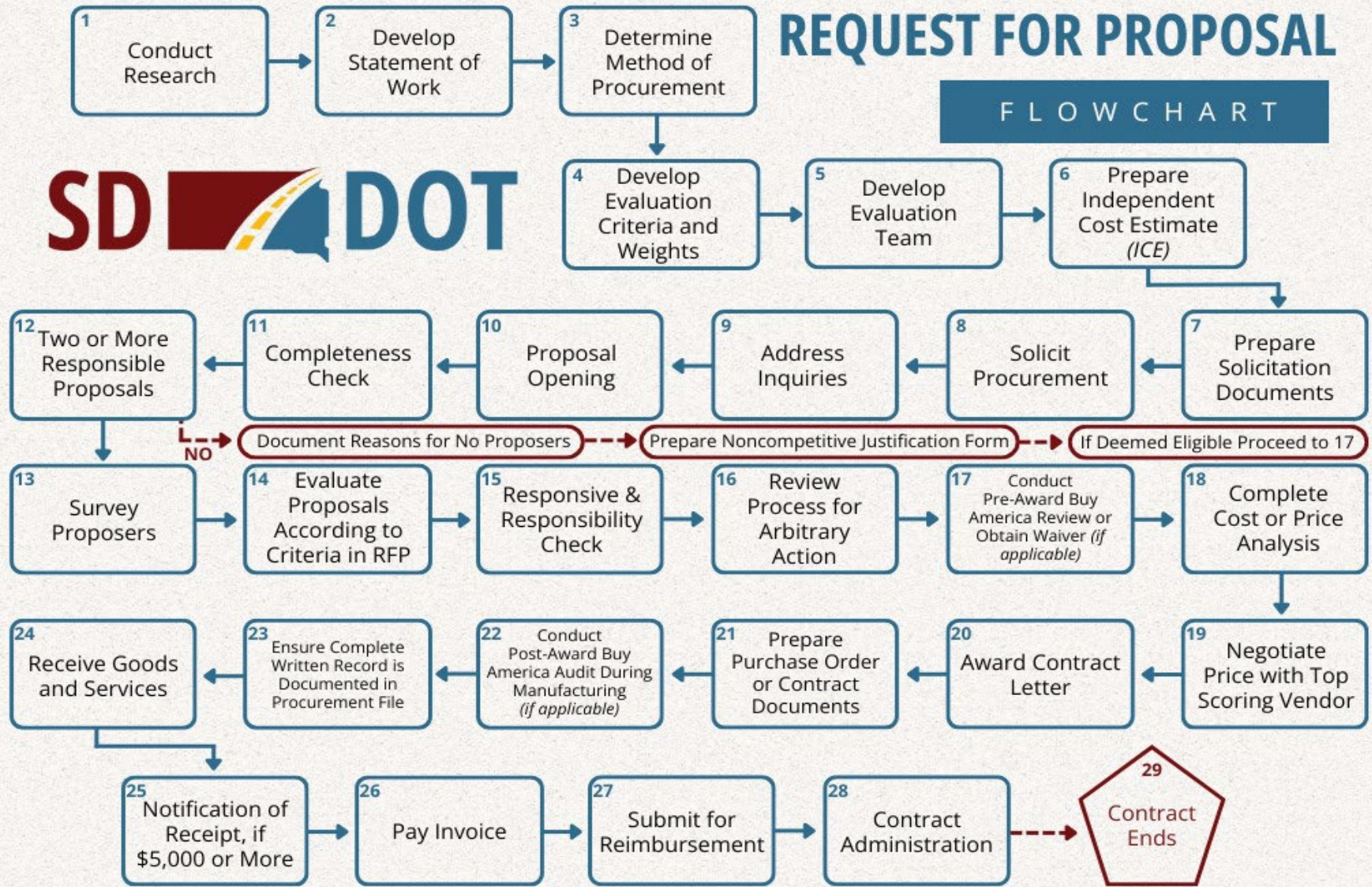
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*High Level Overview Checklist

SIMPLIFIED ACQUISITION REQUEST FOR PROPOSAL

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The South Dakota Department of Transportation gives public notice of its' policy to uphold and assure full compliance with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964 and related Nondiscrimination authorities. Title VI and related Nondiscrimination authorities stipulate that no person in the United States of America shall on the grounds of race, color, national origin, religion, sex, age, disability, income level or Limited English Proficiency be excluded from the participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance.

Any person who has questions concerning this policy or wishes to file a discrimination complaint should contact the Department's Civil Rights Office at 605-773-3540.

**South Dakota Department of Transportation
Division of Finance & Management
Office of Air, Rail and Transit
700 East Broadway Avenue
Pierre, SD 57501-2586
605-773-3574**



**DEPARTMENT OF
TRANSPORTATION**