

# Procurement and Purchase Procedures Manual

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## Walla Walla Valley Metropolitan Planning Organization/ Sub-Regional Transportation Planning Organization

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Signed:



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WWVMPO/SRTPO Policy Board

Attest:



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## PURPOSE

This document describes the policies and procedures by which goods and services will be procured for the Walla Walla Valley Metropolitan Planning Organization and Sub-Regional Transportation Planning Organization (WWVMPO/SRTPO.) These procedures are designed to ensure that goods and services are procured at the best available price consistent with high quality, that sound business and ethical practices are adhered to in all WWVMPO/SRTPO business transactions, and that all transactions are completed in a manner that provides for open and free competition.

## POLICIES

### 1. Responsibilities.

The Director bears primary responsibility for purchasing activities of the WWVMPO/SRTPO, and has the authority to delegate purchasing responsibilities as appropriate. The Director will review and evaluate the procurement procedures to ensure the best internal controls possible and will recommend changes as necessary.

### 2. Controlling Laws.

All purchases shall comply with appropriate and relevant federal, state, and local laws, as well as with WWVMPO/SRTPO policies. In the event that federal, state, or local laws, regulations, or grant requirements are more restrictive than this procedures manual, such laws, regulations, or grant requirements shall be followed.

### 3. Code of Ethics.

No employee, officer, or agent of the WWVMPO/SRTPO shall participate in selection, award, or administration of a contract or authorization of a purchase if a conflict of interest, real or apparent, would be involved.

### 4. Open and Free Competition.

To ensure open and free competition:

- Unreasonable requirements shall not be placed on firms and/or individuals in order for them to qualify to do business.
- No geographical preferences shall be used in the evaluation of bids or proposals unless state/federal statutes expressly mandate or encourage geographic preference.
- Contract specifications or statements of work may not unduly restrict competition, and must identify the requirements that proposing firms and/or individuals must fulfill, and the factors to be used in evaluating bids or proposals.
- Splitting purchases or contracts to avoid competition is prohibited.

### 5. Debriefing Procedure.

Unsuccessful proposers may request a debriefing conference. The request for a debriefing conference must be made within three business days of receipt of the written notification indicating that their proposal was not selected. Discussions will be informal and limited to a critique of the requesting consultant's proposal. WWVMPO/SRTPO representatives will explain the scoring of a consultant's proposal. Debriefings may be conducted in person or by telephone and may be limited to a specific time period.

### 6. Appeal Procedure.

Any bidder or contractor who is aggrieved in connection with the solicitation or award of a bid or contracted product or service may file an appeal with the WWVMPO/SRTPO. Bidders or contractors may submit an appeal through the Director in accordance with the following procedure:

- a. Bidder or contractor shall submit an appeal no later than five business days after notification of the bid award.
- b. All appeals must be in writing and signed by the bidder or an authorized agent of the bidder.

- c. The appeal shall include the name and address of the bidder or contractor, and a detailed description of the facts and disagreement that form the basis of the appeal. Supporting documentation and the specific decision requested shall also be included. (Upon request by the Director, the bidder or contractor shall promptly provide any additional documentation related to the appeal.)
- d. The Director or authorized representative of the WWVMPO/SRTPO will provide the allegedly aggrieved bidder or contractor with a written decision within 20 business days after receipt of the appeal. Decisions by the Director of the WWVMPO/SRTPO are final. If additional time is mutually agreed on, the Director shall notify the bidder or contractor of any delay.
- e. Failure to comply with the appeal procedure shall render an appeal untimely or inadequate and result in rejection by the WWVMPO/SRTPO.

In the case of WSDOT-grant funded award or contract, the bidder or contractor may further file a protest of the appeal decision to WSDOT. The protest to WSDOT shall include a detailed description of the facts and disagreement that form the basis of the bidder's or contractor's protest and supporting documentation and the specific decision requested.

The WWVMPO/SRTPO will handle and resolve disputes relating to procurements and will disclose information regarding the protest to the federal or state granting agency. A protester must exhaust all administrative remedies with the WWVMPO/SRTPO before pursuing a protest with the federal granting agency. Reviews of protests by the federal granting agency will be limited to:

- Violations of federal law or regulations and the standards of this section (violations of state or local law will be under the jurisdiction of State or local authorities); and
- Violations of the WWVMPO/SRTPO's protest procedures for failure to review a complaint or protest.

Protests received by the federal granting agency other than those specified above will be referred to WWVMPO/SRTPO.

#### 6. Staff Responsibilities

Any employee making an unauthorized purchase may be held responsible for that purchase and may be asked to reimburse the WWVMPO/SRTPO for the cost of the unauthorized expenditure(s).

The person requesting the purchase may be asked to provide additional documentation or to use a different method of procurement depending on the outcome of the review.

## PROCEDURES

### Step 1 Determine Purchase Cost

The anticipated need for a good or service shall be used to determine the total cost of that good or service and which procurement method and requirements shall apply. In the determination of anticipated cost, the following principles apply

- No Cost-Splitting
  - Procurements shall not be divided in an attempt to create a lower total cost to avoid procurement method or competition requirements. If one item being purchased requires another item to “make a whole”, the total cost of the two items together should be considered to determine which procurement method applies, unless the two items cannot be obtained from a single supplier.
- Additional Costs Included
  - Include costs such as taxes, freight, and installation charges when determining total cost and applicable procurement method. Do not include the value of a trade-in. (Trade-in value should be considered, however, to determine the lowest price.)
- Quantity
  - The total quantity of a needed item should be considered when determining the total cost and applicable procurement method.
- Multiphase Programs
  - If a project is to be completed in phases, the combined cost for all phases should be considered when determining total cost and applicable procurement method.

### Step 2 Determine Method of Procurement and Documentation Needs

Important note: The WWVMPO/SRTPO will seek preapproval by the Technical Advisory Committee (TAC) and Policy Board for all contracts and all contract amendments over \$10,000. In addition, all Oregon or Washington State Departments of Transportation (ODOT or WSDOT) funded contracts must be approved by WSDOT or ODOT respectively before signing.

#### A. Procurement by Micro Purchase (Under \$3,000, With or Without a Contract):

- Competition is not required - however, when competition is not obtained, similar purchases should be distributed equitably among qualified suppliers.
- Documentation of fair and reasonable price comparison is required.

#### B. Procurement by Small Purchase (\$3,000 - \$50,000, With or Without a Contract):

- Competition is required - price or rate quotes must be obtained from at least three qualified sources to establish a competitive price. For recurring purchases, this can be done every two to three years.
- If three price or rate quotes cannot be obtained, the competition attempt must be documented.

#### C. Procurement by Competitive Proposal (Over \$50,000, With or Without a Contract):

- Requests for Proposals (RFP) or Requests for Qualifications (RFQ) are required for all procurement with a cost of over \$50,000, unless procurement by noncompetitive proposal is deemed appropriate. If only one proposal is received, the procurement may also qualify for noncompetitive proposal (sole source) procedures, which would require review by the Director. (Refer to Section D.)
- All qualified sources must submit formal written bids, proposals, or qualifications.
- A TAC member will be invited to participate on the consultant evaluation team.
- WSDOT and ODOT will be invited to participate in the consultant selection process, as well as approve the final contract prior to signing of any WSDOT- or ODOT-funded contracts.

D. Procurement by Noncompetitive Proposal (Over \$3,000, With or Without Contract):

- When the award of a contract using small purchase or competitive proposal methods is infeasible, and at least one of the following applies, procurement through solicitation of only one source (sole source) may be used if:
  - The item or service is available only from one source.
  - A public urgency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
  - The granting agency authorizes noncompetitive negotiations.
  - After solicitation of a number of sources, competition is determined inadequate.
- Sole source procurement requires a cost analysis and an explanation of why sole source procurement was necessary.

E. Other (including IT or Benefit Procurement):

- When it is either economically advantageous for the agency or the agency requires external expertise, the following purchase options may be considered:
  - A State purchasing contract may be used for procurement of products or services. (State procurement method will be reviewed at least every two years.)
  - A Broker may be used to solicit the best rates. (These rates will be documented.)
  - Services may also be provided by qualified public-sector agencies through intergovernmental agreements with any governmental entity, whether federal, state or local and any department, division, or subdivision.

F. Requirements for all Consultant Contracts:

- When using an RFP or RFQ:
  - WWVMPO/SRTPO staff must ensure that all documentation complete and requirements are met.
  - The RFP/RFQ must be publicized and identify the evaluation factors and their relative importance.
  - Proposals or qualifications must be solicited from at least three qualified sources.
- Documentation in the contract file must include:
  - All formal written bids, proposals, or qualifications received from all qualified sources.
  - The method of procurement.
  - The evaluation and selection process.
  - The basis for the contract price.
  - Final labor, overhead rates.
- Regarding contract text:
  - All consultant contracts will be a sound and complete agreement.
  - Consultant contracts over \$10,000 must include provisions for termination for cause and termination for convenience.
  - Consultant contracts over \$50,000 must contain remedies for breach of contract.
  - All consultant contracts and contract modifications require cost or price analysis. This should include an analysis of labor hours, overhead, materials, etc.
- Restrictions on contract types:
  - Contracts based on "cost plus percentage of cost" are prohibited.
  - Contracts based on "time and materials" may only be used after the determination that no other type of contract is suitable, and only if the contract specifies a ceiling price that the contractor shall not exceed, except at its own risk.

Contracts funded under state/federal grants are required to adhere to state/federal statutory and regulatory requirements.

### **Step 3 Have Materials Reviewed**

The following basic principles apply to all purchase request reviews and approvals:

- Individuals should have first-hand knowledge of transactions they approve, or they should review supporting information to understand and verify the propriety of the transactions.
- All purchase requests must include a UPWP category and an estimated cost BEFORE being signed.

#### A. For All Purchases:

- Purchases of supplies, products, or services with a cost less than \$500.00, the Director may designate authorized staff to sign purchase requests.
- Prior to purchase, the Director must sign all purchase requests for products and services with a cost of \$500.00 or more.

#### B. For All RFPs/RFQs:

- All RFPs/RFQs must be reviewed and approved by the Director before being issued.

#### C. For All Noncompetitive Proposals:

- Prior to purchase, the Director must review all noncompetitive requests. Noncompetitive contracts over \$100,000 may require prior approval from the granting agency.

#### D. For All Consultant Contracts:

- The General Counsel must review all contracts, regardless of content or cost, before they are signed.
- In addition, contracts should be reviewed and approved by the Director.
- WSDOT or ODOT will approve any respective WSDOT or ODOT funded contracts prior to signing.
- The Director must sign all contracts.

### **Step 4 After All Previous Steps are Complete, Purchase Goods and/or Services**

#### **Step 5 Adjust or Add to Documentation as Needed**

In any of the following situations, a justification or explanation must be documented:

- The final cost exceeds the estimated cost by 10% (including shipping and taxes).
- The invoice date is earlier than the date of the approval signature. (This does not apply to invoices for established Purchase Orders.)
- Other instances deemed necessary by the Director.

#### **Step 6 Submit to Accounting**

The Director will review all purchases to ensure compliance with:

- WWVMPO/SRTPO procurement and accounting procedures.
- Grant requirements.
- Any applicable state and federal regulations.

## PAYMENT AND RECEIPT OF GOODS AND SERVICES

Regarding payment and receipt of goods and services, the following applies:

- All purchase requests and other commitment documents must be forwarded directly from the Director and promptly to the WWVMPO/SRTPO accountant.
- No payments may be made prior to receipt of goods or services, unless prior written concurrence is obtained from the Director.
- Progress payments may only be made on the basis of costs incurred, and the granting agency must obtain title to property for which progress payments are made. Provision for progress payments must be included in the original contract.
- Any employee who is in a position to know if the goods or services have been received may sign for receipt. Documents must not be signed to verify receipt until the WWVMPO/SRTPO has taken possession of satisfactory goods or service has been satisfactorily completed.
- All receipt documents should be forwarded to the Director.

## USE OF FEDERAL FUNDS

All contracts executed with federal funds are subject to the requirements of fundamental procurement principles and applicable laws and regulations. All contracts executed with federal funds shall include all contractual clauses required by federal statute and regulation. Specifically, FTA Circular 4220.1F, third party contracting requirements as detailed in the Best Practices Procurement Manual are hereby adopted and made a part of this manual by this reference. Careful review of said circular is required prior to the execution of any contract dealing with federal funds.

## QUESTIONS

All questions should be directed to the WWVMPO/SRTPO Director.