

# City of Phoenix Public Transit Department

## Subrecipient Procurement Review Training

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OCTOBER 27, 2021

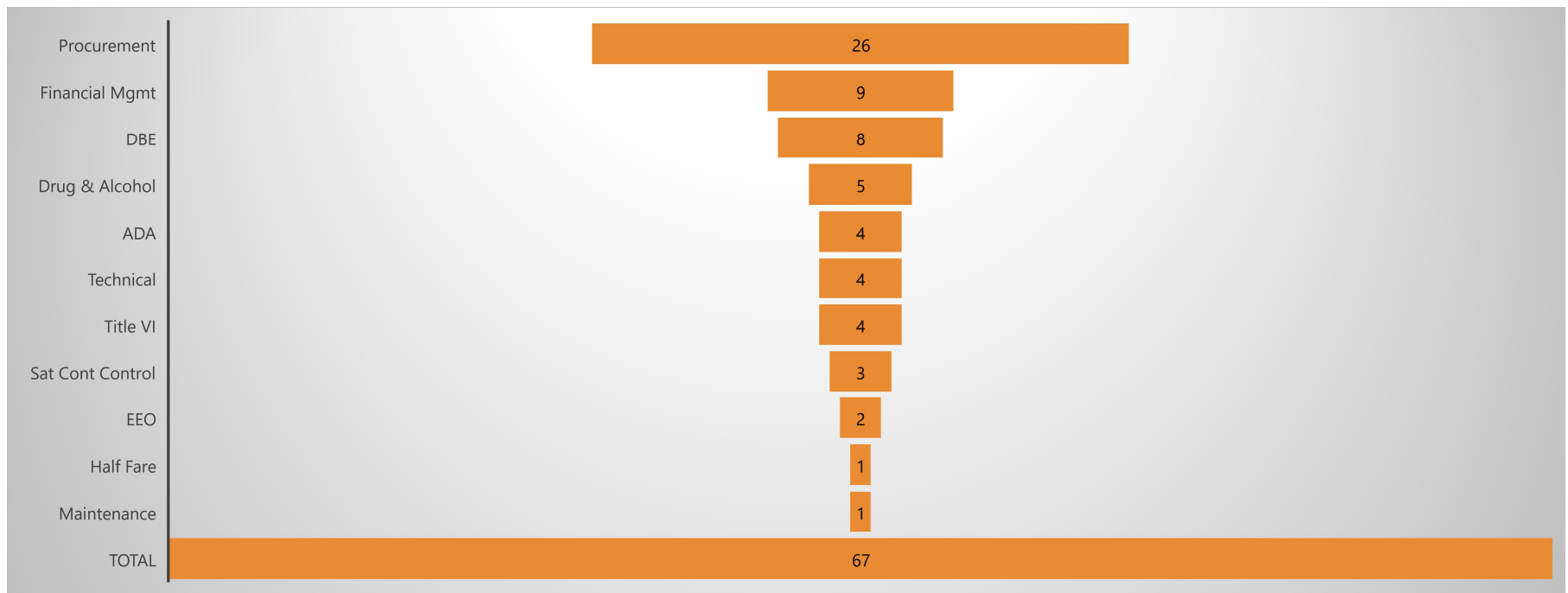
Presented by:  
Shelley Reimann, Transit Compliance  
Administrator

## Background

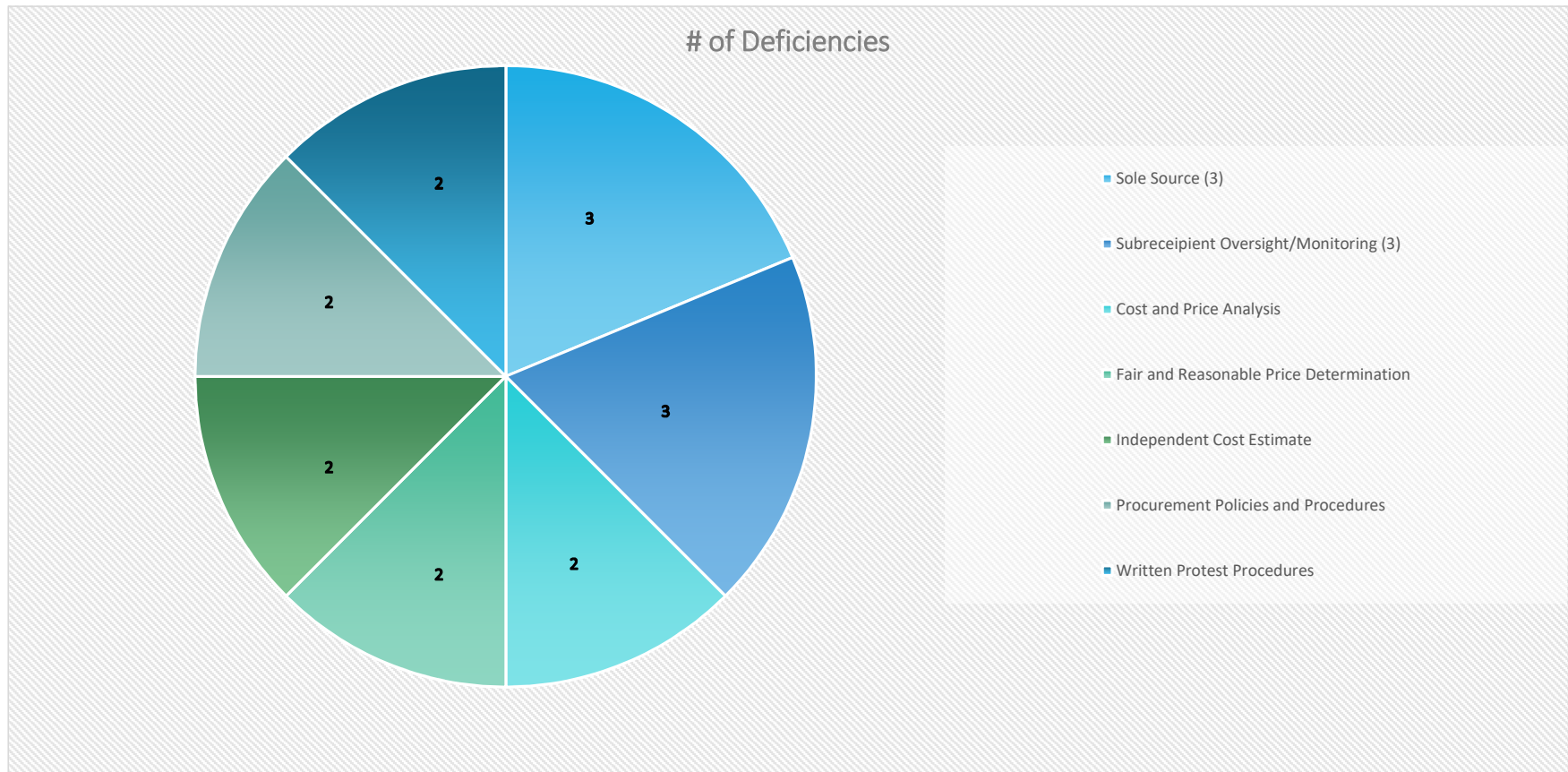
Reviews repeatedly identified “material weaknesses and significant deficiencies over monitoring and oversight;” and “Insufficient oversight of subrecipient procurements”

# FTA Subrecipient Review Deficiency Areas

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# Repeat Procurement Deficiencies



# Compliance Focus Areas

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PROCUREMENT  
& DBE



FINANCIAL MGMT  
(COVID Funds)



TITLE VI / ADA



DRUG & ALCOHOL

# Training Approach

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- Develop a standard review process for subrecipient reviews
- Develop tools, templates and resources for subrecipients
- Clarify roles and responsibilities
- Communicate timing

# FTA Procurement Reviews Training Overview

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- Just thinking about it?
- Phase I – Pre-Solicitation (before you issue)
- Phase II – Pre-Award (before you execute)

# Phase I – Pre-Solicitation

Submit to [ptdcompliance@phoenix.gov](mailto:ptdcompliance@phoenix.gov):

- *Subrecipient Pre-Solicitation Checklist*
- Subrecipient Procurement Procedures\*
- *Solicitation Milestone Tracking Spreadsheet\**
- Draft solicitation documents
- Rationale - Method of Procurement
- Rationale - Contract Type
- Rationale - Period of Performance
- Independent Cost Estimate
- Liquidated Damages Determination (if applicable)



# Phase I – Pre-Solicitation

## *Subrecipient Pre-Solicitation Review Form*

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- Name and primary contact information
- Procurement Procedures on file with PTD and when last updated\*
- Solicitation Number and Title
- Procurement Type
- Contract term/options
- FAIN Number, Federal funding percentage, grant type and grant funding amount

# Phase I – Pre-Solicitation

*Future State*

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Subrecipient Procurement Procedures

Solicitation Milestone Tracking Spreadsheet

# Phase I – Pre-Solicitation

## *Draft Solicitation Documents*

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Final draft prior to issuance

Include all exhibits and attachments

# Phase I -

## *Templates and Resources*

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- “Other than Full and Open Competition”
- Rationale - Method of Procurement
- Rationale - Contract Type
- Rationale - Period of Performance
- Independent Cost Estimate
- Liquidated Damages Determination

## Phase I –

### *“Other than Full and Open Competition”*

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A subrecipient may conduct procurements without providing for full and open competition.

There must be a justification as to why such competition was not obtained and a basis for determining that the price quoted is fair and reasonable.

# Phase I – Pre-Solicitation

## *Rationale - Method of Procurement*

### Method of Procurement Justification Template

Method	Justification
<b>Micro Purchase</b> (Select all that apply)	<input type="checkbox"/> Amount is less than \$5,000 <input type="checkbox"/> Reviewed for cumulative threshold and split purchases
<b>Small Purchase</b> (Select all that apply)	<input type="checkbox"/> Amount is less than \$50,000 <input type="checkbox"/> Complete and adequate scope of work <input type="checkbox"/> Two or more quotes available
<b>Sole Source</b> (Select only one)	<input type="checkbox"/> Approved by FTA; or <input type="checkbox"/> OEM, Custom item; or <input type="checkbox"/> Only one source; or <input type="checkbox"/> Competition inadequate after solicitation; or <input type="checkbox"/> Competition impracticable (locally funded only); or <input type="checkbox"/> Emergency
<b>Invitation for Bid</b> (Select all that apply)	<input type="checkbox"/> Amount is greater than \$50,000 <input type="checkbox"/> Clear, complete and adequate scope of work <input type="checkbox"/> Selection can be made based on price alone <input type="checkbox"/> Firm fixed price contract is used <input type="checkbox"/> No discussion with bidders is required after receipt of bids. <input type="checkbox"/> Known competition and risk is predictable
<b>Request for Proposals</b>  Or  <b>Other Competitive Negotiated Procurement</b> (Select all that apply)	<input type="checkbox"/> Complete specifications not feasible <input type="checkbox"/> Offeror input needed <input type="checkbox"/> Two or more responsible offerors willing to compete <input type="checkbox"/> Discussion or negotiation needed with offerors

<b>Explanation of Selection</b>	[Insert additional details describing the circumstances of the solicitation that justify the method of procurement]
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# Phase I – Pre-Solicitation

## *Rationale – Contract Type*

### Contract Type Justification Template

Identify and document the justification for selection of contract type:

Contract Type	Justification
<input type="checkbox"/> Firm Fixed Price	This contract type is most advantageous because it includes a price that remains fixed irrespective of the contractor's cost experience in performing the contract.
<input type="checkbox"/> Firm Fixed Price w/ Economic Adjustment	This contract type is most advantageous because it includes a price that remains fixed irrespective of the contractor's cost experience in performing the contract but allows for necessary economic adjustments.
<input type="checkbox"/> Cost Reimbursement	This contract type is most advantageous because it is preferable to permit a contractor to be reimbursed for costs which are allowed and allocated in accordance with the terms provided in the contract.
<input type="checkbox"/> Indefinite Delivery or Quantity	This contract type is most advantageous because the Subrecipient does not know the total amount of goods or services that will be needed during the contract term but needs a vendor under contract that can provide the good or service as needed.
<input type="checkbox"/> Incentive Contract	This contract type is most advantageous because it is in the best interest of the Subrecipient to provide incentives for performance or delivery as defined in contract terms.
<input type="checkbox"/> Time and Materials	This contract type is advantageous when no other type of contract is suitable and the contract will identify a total contract amount that the contractor cannot exceed.
<input type="checkbox"/> Other (Identify below):	This contract type is most advantageous because:

<b>Explanation of Selection</b>	[Insert additional details describing the circumstances of the solicitation that justify the contract type]
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# Phase I – Pre-Solicitation

## *Rationale – Period of Performance*

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### Contract Term Justification Template

Identify and provide justification for the contract term below:

Contract Term	Justification
<input type="checkbox"/> 5 year base and no renewals	This contract term is most advantageous because a five year base contract term provides stability to meet the needs of the Subrecipient.
<input type="checkbox"/> ___ year base and ___ renewal(s) for ___ years	This contract term is most advantageous because a base contract with the identified renewals provides flexibility to meet the needs of the Subrecipient.
<input type="checkbox"/> Other (Identify below):	This contract term is most advantageous because:

<b>Explanation of Selection</b>	[Insert additional details describing the circumstances of the solicitation that justify the contract term]
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# Phase I – Pre-Solicitation

## *Rationale – Independent Cost Estimate*

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An independent cost estimate (ICE) is a required component for all new procurements using FTA funds.

The ICE serves as a benchmark for evaluating the reasonableness of the contractor's proposed costs or prices and can range from a simple budgetary estimate to a complex estimate, based on the type of procurement.

Common estimate methods:

- Public published price lists
- Recently invoiced price
- Outreach/Market Survey

# Phase I – Pre-Solicitation

## *Rationale – Liquidated Damages Determination*

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### **Liquidated Damages Justification Template**

Identify the liquidated damages amount and justification for the calculation below:

<b>Liquidated Damages Amount</b>	<b>Justification</b>
[Dollars or Percentage]	The liquidated damages amount is reasonable because:  [provide detailed mathematical computations as part of the rationale along with written explanation]

# Phase I – Pre-Solicitation Review

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PTD will review the submission and provide notice whether the solicitation is “**approved**” or “**denied**”.

Results will be communicated:

- on the *Subrecipient Pre-Solicitation Review Form*
- within **ten-business-days**
- from the [ptdcompliance@phoenix.gov](mailto:ptdcompliance@phoenix.gov) mailbox

# Phase I – Pre-Solicitation

## *Denial*

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If a solicitation is denied, the reasons for the denial will be provided to the subrecipient on the *Pre-Solicitation Subrecipient Procurement Review Form*.

Subrecipients are encouraged to contact a member of the Compliance team for assistance on resubmission.

# Phase I – Pre-Solicitation

## *Approval*

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Approval will be provided to the subrecipient on the *Pre-Solicitation Subrecipient Procurement Review Form*.

PTD will provide:

- Federal Terms and Conditions
- FTA Certifications
- DBE Requirements

Please note that these documents are standard provisions that may not be modified or otherwise altered absent consultation with PTD Compliance

# DBE Requirements

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- Attach DBE Clause
- Invite the EOS to Pre-Bid
- Submit EO1s
- Awarding/Posting of the award recommendation
  - EO2 & EO3 Forms
- Pre-Construction/Kick-Off Mtg
  - DBE Assurances
  - Program specifics and education

# Phase I – Pre-Solicitation

*Approval cont.*

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## Subrecipient will:

- include the Federal Terms and Conditions, FTA Certifications and DBE Requirements into the solicitation;
- issue the solicitation;
- invite the City of Phoenix PTD Equal Opportunity Specialist (EOS) to the Pre-Bid/Pre-Offer Conferences;
- receive proposals
- conduct an evaluation; and
- provide DBE documents to PTD Equal Opportunity Specialist as outlined in the DBE Clause

# Phase II – Pre-Award Review

Submit to [ptdcompliance@phoenix.gov](mailto:ptdcompliance@phoenix.gov):

- *Subrecipient Pre-Award Procurement Review Checklist*
- Cost/Price Analysis
- Adverse Responsiveness/Responsibility Determinations (if applicable)
- Evaluation Summary (if applicable)
- Conflict of Interest Forms from Panel (if applicable)
- Record of Interviews with Offerors (if applicable)
- Record of Negotiations with Offerors (if applicable)
- Final Contract Documents (if Direct Contract)
- Final Solicitation Documents, with any Addenda and Associated Contract Documents (if Solicited Contract)



## Phase II – Pre-Award

### *Subrecipient Pre-Award Review Form*

- Name and primary contact information
- Solicitation Number and Title
- Procurement Type
- Contract term/options
- FAIN Number, Federal funding percentage, grant type and grant funding amount.

## Phase II – Pre-Award *Cost/Price Analysis*

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A detailed review of the Cost/Price analysis will be conducted to ensure the analysis documents the reasonableness of the proposed pricing.

Pricing must be deemed fair and reasonable based on the Procurement Officer's analysis.

## Phase II – Pre-Award

*“If Applicable” submissions*

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- Adverse Responsiveness/Responsibility Determinations
- Evaluation Summary
- Conflict of Interest Forms from Panel
- Record of Interviews with Offerors
- Record of Negotiations with Offerors

## Phase II – Pre-Award

### *Final Contract Documents*

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- Final Contract Documents (if Direct Contract)
- Final Solicitation Documents, with any Addenda and Associated Contract Documents (if Solicited Contract)

## Phase II – Pre-Award Review

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PTD will review:

- review the submission
- provide notice whether the solicitation is “**approved**” or “**denied**”.

Results will be communicated:

- within **ten-business-days**. *Please work this into your solicitation schedule.*
- from the [ptdcompliance@phoenix.gov](mailto:ptdcompliance@phoenix.gov) mailbox

## Important things to remember...

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- All compliance inquiries need to come through [ptdcompliance@phoenix.gov](mailto:ptdcompliance@phoenix.gov)
- Review TAT is 10 business days (plan accordingly)
- **Please note that FT&C's, certifications and DBE requirements are standard provisions that may not be modified or otherwise altered absent consultation with PTD Compliance.**
- Questions – contact a member of the Compliance team.

# PTD Compliance Announcements

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- Triennial Review

# Questions



City of Phoenix  
PUBLIC TRANSIT DEPARTMENT



## City of Phoenix Public Transit Department Compliance Contacts

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