



Capital Area Transit System Purchasing /Procurement Summary

2250 Florida Blvd. Baton Rouge, LA 70802

<http://www.brcats.com/procurements>

The Capital Area Transit System (CATS) Procurement department supports the purchase of goods and services that are essential to providing transportation services for the citizens of East Baton Rouge Parish. CATS Procurement is dedicated to providing efficient and responsive service, in full compliance with CATS legal requirements, while upholding the highest ethical and professional standards.

CATS has multiple funding sources such as Federal Transit Authority, State and local funds. All purchases are made in accordance with the requirements of these funding sources some of which are more stringent than others. CATS policy is to follow the more stringent requirements.

Goods and Services are purchased through various procedures depending on the cost and type of item. The Procurement staff develops and issues Invitations to Bids (ITB), Requests for Proposals (RFP) and Requests for Quotes (RFQ) from costs estimates, specifications and scopes of work provided by the user department. Bid/Proposal responses are evaluated to ensure applicable ethical standards are followed and recommend award of contracts. **Board approval is required prior to award of any contracts greater than \$50,000** (unless otherwise authorized by board approval). CATS CEO is authorized by CATS board to make awards under \$50,000.

SOURCES OF PROCUREMENT REQUIREMENTS

All procurements are regulated by the following:

- 1. Federal Transit Administration (FTA):** There are numerous federal statutes, regulations, and administrative guidelines which apply to CATS procurements. These rules are referenced in the Master Agreement, the annual FTA agreement to which CATS agrees in order to secure federal funds. They are also incorporated in substantial part in the **FTA 4220.1.F Circular - Third Party Contracting**. (Q&A - http://www.fta.dot.gov/grants/13054_6039.html). This circular serves as CATS basic reference for FTA procurement procedures. The **FTA Best Practices Procurement Manual** also provides useful guidance - http://www.fta.dot.gov/grants/13054_6037.html.
- 2. Louisiana Public Bid Law:** State law imposes certain procurement requirements for state agencies and political subdivisions. CATS is a political subdivision and, moreover, the special statute authorizing CATS creation, R.S. 12:201.1C, specifically states that CATS is subject to the "requirements and provisions of the Louisiana Public Bid Law - selected portions of Louisiana Revised Statute - R.S. 38:2181-2319 <http://www.legis.la.gov/Legis/Law.aspx?d=94893>. Also, federal law requires federal grantees adhere to certain ethical codes governing their procurement transactions and the Louisiana Code of Governmental Ethics.

PROCUREMENT PROCEDURES

Invitation To Bid (ITB) – An ITB “competitive sealed bidding” is initiated by the issuance of an invitation to bid containing a description of the supplies, services, or major repairs to be procured and all contractual terms and conditions applicable to the procurement.

1. A formal bid document is prepared from detailed specifications and scope of work given to Procurement by the user department. CATS publically advertises ITB solicitations exceeding \$30,000 on CATS website, the Baton Rouge Advocate (the official newspaper journal) and in the Weekly Press twice in thirty (30) days with the bids being opened soon thereafter.
2. The bids are publically opened and the amounts are read out loud. It is then reviewed by the procurement department to ensure all documents have been included and the bid is signed. In accordance with LA Public Bid Law the award must be made to the lowest most responsive and responsible bid. A recommendation is made to the CATS CEO for an award and/or CATS board if above \$50,000.
3. If the item requires a contract / purchase order, it is written and issued after CEO or board approval.

Request for Proposal (RFP) – Competitive sealed bidding is initiated by the issuance of a request for proposers to provide a response to a desired outcome and/or problem resolution considering price and predetermined weighted factors for selection.

Steps 1-3 above are similar for an RFP except an RFP contains evaluation weighted criteria. An RFP involves a Proposal Evaluation Committee (PEC) who will review proposals and make a recommendation for the award based on price and other factors considered.

All procurement invitations, whether an ITB or RFP, should specify the manner in which an award will be made. For example, an ITB award is made to the lowest responsive and responsible vendor meeting or exceeding the specifications. An RFP award is made to the vendor meeting evaluation criteria utilizing the relative weights upon recommendation of the decision-maker or decision-making body.

In general, CATS follows the summary of procurement thresholds and procedures as reflected below. This summary incorporates both state and federal requirements.

PURCHASING THRESHOLDS

Materials & Supplies Thresholds:

- **Under \$2,500** – Per FTA determine the price is fair and reasonable (actual quotes are not required). Documentation should include a note to the file the price is fair and reasonable and how this was determined.
- **\$2,500 - \$9,999** – Per FTA price or rate quotes from an adequate number of sources (at least (2) two - although (3) three is preferable (according to the FTA Grants Management Workbook). Request telephone, fax or email quotes, or another alternative would be comparing the price to catalog price lists which are contained in the file. For items purchased regularly, reference could be made to earlier quotes or price comparisons; however, quotes or comparisons should be sought at least twice (2) a year for such items. Federal rule applies for all purchases between \$2,500 - \$100,000.
- **\$10,000 - \$30,000** – Per state statute three (3) telephone, fax or email quotes are required. A written confirmation (copy) of the accepted offer must be kept on file.
- **Over \$30,000** – Per state statute public advertising and bidding requirements apply. The federal threshold for public advertising and bidding is \$100,000. However, typically, the more restrictive rule is followed.

Service Contracts Thresholds:

There are no state statutes regulating the procurement of services. However, federal requirements do apply:

- **Under \$2,500** – Same as Materials and Supplies
- **\$2,500 - \$100,000** – Same as Materials and Supplies
- **Over \$100,000** - Must be advertised and sealed bids or competitive proposals solicited.

Public Works Projects Thresholds:

- **Under \$150,000** – Same as Materials and Supplies
- **Over \$150,000** – Same as Materials and Supplies

GENERAL INFORMATION

FTA (federal funding source) imposes a five (5) year limitation on contracts for rolling stock (buses and vans) and replacement parts including base and options. The duration of all other types of contracts (supply, service, leases of real property, revenue, construction, etc.) should be based on sound business judgment. CATS normally follows these limitations for all contracts.

Upon mutual consent, the City-Parish Purchasing Division may conduct procurements on CATS behalf but should insure all federal requirements are complied with. CATS is authorized to purchase from City-Parish contracts.

As a Political Subdivision of the State of Louisiana, CATS is registered as an approved and qualified public entity with the Office of State Purchasing (OSP) and may utilize State Contracts established by OSP.

Vendor Registration – Local vendors, as well as vendors in other parts of the state or states, are encouraged to do business with CATS by providing information via a Vendor Data Profile form on the website. Any procurement requiring public advertisement is posted on the website and available for download by a vendor. An extensive database of vendors who have either registered with CATS and/or done previous business with CATS is maintained by the Procurement Department.

CONCLUSION

This document contains a brief summary of procurement procedures followed to acquire goods and services essential to providing transportation services for the citizens of East Baton Rouge Parish.

Frequently, exceptions to these procedures do arise. At that time a determination is made as to the best solution for procuring the item needed.

Please contact CATS Procurement Department with any questions.

Email Contact: catsprocurement@brcats.com

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