
Table of Contents

CHAPTER 2:	2-1
I. INTRODUCTION	2-1
II. GOVERNING LAWS AND REGULATIONS	2-1
III. DEFINITIONS	2-2
IV. OVERVIEW OF THE PROCUREMENT PROCESS	2-3
A. INFORMAL SOLICITATIONS	2-3
B. FORMAL SOLICITATIONS	2-3
C. OTHER PROCUREMENTS	2-4
D. OVERVIEW OF PROCUREMENT PROCEDURES	2-4
V. DISADVANTAGED BUSINESS ENTERPRISE PROGRAM REVIEW	2-6
A. DBE POLICY	2-6
B. DBE PROGRAM ADMINISTRATION	2-7
C. DBE GOALS	ERROR! BOOKMARK NOT DEFINED.
D. DBE CERTIFICATION	ERROR! BOOKMARK NOT DEFINED.
E. PRE-AWARD REQUIREMENTS	ERROR! BOOKMARK NOT DEFINED.
F. POST-AWARD REQUIREMENTS	ERROR! BOOKMARK NOT DEFINED.





List of Tables

TABLE 2.01: GOVERNING LAWS AND REGULATIONS	2-1
TABLE 2.02: METRO PROCUREMENT PROCESS	2-5



CHAPTER 2:

I. INTRODUCTION

This chapter presents an overview of the procurement standards governing the purchase of construction, architecture and engineering, goods and other services, and miscellaneous and other professional services funded in whole or part by the United States Department of Transportation (USDOT). The analysis is limited to the standards governing federally assisted procurement during the January 1, 2008 through December 31, 2010 study period.

As a recipient of USDOT federal funds, the Los Angeles County Metropolitan Transportation Authority (Metro) is required to implement a Disadvantaged Business Enterprise Program pursuant to 49 CFR Part 26. Therefore, Metro's Disadvantaged Business Enterprise Program is also summarized in this chapter.

II. GOVERNING LAWS AND REGULATIONS

A partial list of the applicable federal and state laws governing USDOT-assisted procurements are outlined in Table 2.01 below:

Table 2.01: Governing Laws and Regulations

STATE OF CALIFORNIA LAWS
Public Utilities Code §30531 & 30532
Public Utilities Code §130051.9
Public Utilities Code §130051.21
Public Utilities Code §130232 through 130238
Public Utilities Code §130242
Public Utilities Code §30600
Public Contract Code §1100 – 1104
Public Contract Code §3300 & 3400
Public Contract Code §4100 et seq
Public Contract Code §5100 et seq
Public Contract Code §6109
Public Contract Code §6610
Public Contract Code §20216 & 20217



STATE OF CALIFORNIA LAWS

Public Contract Code § 20209.5 et seq
Public Contract Code §20230 et seq.
Public Contract Code § 20360 et seq
Public Contract Code § 22101 et seq
Government Code § 4525 et seq
Title 8, California Code of Regulations

FEDERAL LAWS

49 CFR Part 26
Subpart 31.2 of the Federal Acquisition Regulations (FAR)
Federal Transit Administration Circular 4220.1F
Transportation Equity Act for the 21st Century (TEA-21)

III. DEFINITIONS

Metro's contracts analyzed in the Study have been classified into the following four industries:

- **Construction** includes the construction, reconstruction, or improvement of any facility.
- **Architecture and Engineering** includes the professional services that are required by law to be performed by a California registered engineer, land surveyor, or licensed architect. These services encompass architectural, landscape architecture, engineering, environmental land surveying, and construction project management services.
- **Goods and Other Services** include rolling stock, petroleum products, industrial equipment and machinery, hydraulic equipment.
- **Miscellaneous and Other Professional Services** include services not defined as architecture and engineering-related services.



IV. OVERVIEW OF THE PROCUREMENT PROCESS

The procurement methods utilized by Metro include micro purchases, competitive sealed bids, and competitive negotiated proposals. The solicitation method can be informal or formal in nature depending on the industry and estimated dollar threshold. Emergency and sole source methods are also available for Metro to procure construction, architectural and engineering, goods and other services, or miscellaneous and other professional services. The authority to act as purchasing agent and to contract on behalf of the agency has been delegated to Metro contracting officers.

A. Micro purchases

Micro purchases are used for goods and services valued at \$3,000 or less. Competition is not required.

B. Informal Solicitations

Informal solicitations are used to procure small purchases that do not require advertising. Informal solicitations may be used for construction up to \$25,000 and for goods and services up to \$100,000 (Threshold may increase to \$150,000 pending FTA approval).

C. Formal Solicitations

Solicitations that exceed the informal threshold require advertising except for sole source and emergency purchases, which are exempt from competition. Formal solicitations must be advertised for at least one day in a newspaper of general circulation at least ten days before the due date of the bid or proposal. There are three methods used for formal solicitations:

1. Competitive Sealed Bidding

An Invitation for Bid (IFB) is used to initiate a competitive sealed bid and must minimally include the following information: (1) description of the supplies or services required; (2) statement of business and financial qualifications, when applicable; and (3) statement indicating whether award will be made on the basis of the lowest bid price or the lowest evaluated bid price. Small or Disadvantaged Business program requirements may be included. Bids are opened publicly at a designated time and place.

2. Competitive Negotiated Proposals

A Request for Proposal (RFP) is used to initiate a competitive negotiated proposal. The RFP must minimally include the following information: (1) description of the goods or services to be purchased; (2) Any special standards of responsibility or minimum



business or financial qualifications required; and (3) evaluations factors and their relative importance. (4) contract terms and conditions. Small or Disadvantaged Business program requirements may be included and a statement of business and financial qualifications may be required, Proposals are kept confidential in a manner that avoids disclosure of contents to competing proposers, the public and the Board of Directors.

3. Request for Information and Qualifications

A Request for Information and Qualification (RFIQ) must minimally include the same information as required in an RFP. An evaluation is conducted to determine the most highly qualified offeror. Price negotiations are conducted with the most highly qualified. A contract award is made to the most qualified proposer with a fair and reasonable price.

D. Other Procurements

1. Sole Source Purchases

Sole source procurements are awarded for the acquisition of goods or services from the only contractor, vendor, or consultant capable, authorized, or available to provide the goods or services.

2. Emergency Purchases

Purchases of goods and services can be procured without competitive solicitation or prior notice if the procurement is essential to a Metro requirement to deal with an existing emergency condition or exigent circumstance. Emergency procurements are permitted when normal procurement methods cannot meet the immediate need in the following situations:

- Health or safety of any person
- Preservation or protection of property
- The continuation of a necessary Metro function

For contract price thresholds that exceed the authority of delegated procurement staff, a two-thirds finding by the Board is required to enter into a contract without adherence to the applicable procurement provisions regarding contracts, bids, advertisements, or notices.

E. Overview of Procurement Procedures

Table 2.02 summarizes Metro's procurement procedures for construction, architecture and engineering, goods and other services, and miscellaneous and other professional services. Table 2.02 also describes the solicitation methods and advertising requirements for the procurements.



Table 2.02: Metro Procurement Process

PROCUREMENT CATEGORY	DOLLAR THRESHOLD	ADVERTISING REQUIREMENT	SOLICITATION METHOD	SELECTION PROCESS	PROCUREMENT APPROVAL
MICRO PURCHASES					
Goods and Other Services	\$3,000 and Less	No	Single quotation	Reasonable price	Delegated to Contracting Officer
INFORMAL PROCUREMENT					
Goods and Other Services	\$3,000 to \$100,000	No	A minimum of three written or oral quotations must be obtained	Informal	Delegated to Contracting Officer
Miscellaneous and Other Professional Services	\$3,000 to \$100,000	No	A minimum of three written or oral quotations must be obtained	Informal	Delegated to Contracting Officer
Construction	\$3,000 to \$25,000	No	A minimum of three written or oral quotations must be obtained	Informal	Delegated to Contracting Officer
FORMAL PROCUREMENT					
Goods and Other Services	\$100,000 and Over	Placement in a newspaper of general circulation at least 10 calendar days before bids are due	Competitive Sealed Bid or Request for Proposal	Issued to lowest responsible bidder or proposer (Invitation for Bid) or best value to Metro (Request for Proposal)	Delegated to Contracting Officer [Up to \$1,000,000; Invitation for Bid; \$500,000 Request for Proposal]
Miscellaneous and Other Professional Services	Greater than \$100,000	Placement in a newspaper of general circulation at least 10 calendar days before bids are due	Competitive Sealed Bid or Request for Proposal	Issued to lowest responsible bidder or proposer (Invitation for Bid) or best value to Metro (Request for Proposal)	Delegated to Contracting Officer [Up to \$1,000,000; Invitation for Bid; \$500,000 Request for Proposal]
Construction	Greater than \$25,000	Placement in a newspaper of general circulation at least 10 calendar days before bids are due	Competitive Sealed Bid or Submission of Sealed Prime Bid	Issued to lowest responsible bidder	Delegated to Contracting Officer [Up to \$1,000,000; Invitation for Bid] Chief Executive Officer over \$1,000,000



PROCUREMENT CATEGORY	DOLLAR THRESHOLD	ADVERTISING REQUIREMENT	SOLICITATION METHOD	SELECTION PROCESS	PROCUREMENT APPROVAL
Architecture and Engineering	None	If over \$100,000, in a newspaper of general circulation at least 10 calendar days before proposals are due	Request for Information and Qualifications	Qualifications based selection, excluding price as a factor	Delegated to Contracting Officer [Up to \$500,000]
OTHER PROCUREMENTS					
Emergency	None	No	None	Lowest responsible bidder or proposer	Delegated to Contracting Officer / Board of Directors
Sole Source	None	No	None	Acceptance of a proposal from one source, or after solicitation of a number sources and competition is determined inadequate	Delegated to Contracting Officer / Board of Directors

V. DISADVANTAGED BUSINESS ENTERPRISE PROGRAM REVIEW

Metro's Disadvantaged Business Enterprise Program (DBE Program) was established pursuant to 49 CFR Part 26 and was last modified in May 2011.

A. DBE Policy

The DBE Program is designed to promote the utilization of businesses certified as DBEs. It is Metro's policy to promote the utilization of DBEs by ensuring its DBE Program is narrowly tailored in accordance with applicable law and that only firms that meet 49 CFR Part 26 Subpart D eligibility standards are permitted to participate as DBEs. The DBE Program is administered by the Diversity & Economic Opportunity Department (DEOD) and managed by the Executive Officer/DBE Liaison Officer.



B. DBE Program Administration

The DBE Liaison Officer is charged with the responsibility of implementing all aspects of the DBE Program. The DBE Liaison Officer develops the program requirements and monitors its implementation. Minimally, this responsibility involves the following duties:

