

MICRO PURCHASE DOCUMENTATION PROCEDURES

Purpose: This guidance is to help explain to a subrecipient agency what qualifies as a Micro-Purchase and the procedures necessary to complete for the DMT review of an FTA funded Micro-Purchase procurement.

MICRO-PURCHASE

Purchases under \$3,000 may be completed using the Micro-Purchase procedures below. This threshold is established by the Federal Transit Administration (FTA); however, agencies may utilize their own established threshold based on local requirements as long as it does not exceed the federal limit. Micro-purchase may be made without obtaining competitive quotations if the agency determines that the price to be paid is fair and reasonable (e.g., based on recent research, experience, or purchases). To the extent practicable, Agency shall distribute micro purchases equitably among qualified vendors.

The Agency shall not break down requirements aggregating more than the micro-purchase threshold into multiple purchases (commonly called “bid splitting” or unbundling”) merely to permit use of the micro-purchase procedures or to avoid the requirements that apply to purchases above the micro-purchase threshold (small purchase).

Procedures

1. Agency determines the item and quantity to be purchased based on the grant award.
2. Agency identifies and contacts the vendor/supplier to complete the purchase. Agency may also obtain quotes (orally or written), but it is not required. Agency must determine the price paid is reasonable. Price reasonableness normally will be based on a comparison with historical prices paid for the item, commercial catalog prices, or other offers.
3. Agency will complete the DMT Micro-Purchase Documentation Form Section 1, 2, 3 and 4 and submit it to appropriate DMT program liaison. An independent cost estimate (ICE) is not required, but may be submitted with the form and can be as simple as a statement that the ICE is based on past purchases of the same or similar product, vendor survey, or market (internet) research.
4. Upon receipt of the Micro-Purchase Documentation Form the DMT program liaison will verify the information, complete and sign Section 5, Caltrans Internal Use Only and respond to the agency with approval to proceed with the purchase.
5. The DMT Program Liaison will provide a copy of the DMT Micro-Purchase Documentation Form to the Procurement Management Branch and maintain the original within the project file for audit purposes.
6. Subrecipient agency must keep documentation to support the method of purchase, basis for vendor selection and reasonableness of price. If competitive quotations were solicited and award was made to other than the low quote, documentation should include identification of solicited vendors and the reason for award decision.

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Procedure for Purchase Orders

The issuance of a Purchase Order (PO) by the agency and its acceptance by the vendor (either through performance or signature on the PO) constitute a contract. For this reason it is crucial the PO clearly specify the item(s) or service(s) being purchased and the terms and conditions of the purchase.

All federally funded contracts must contain the required federal clauses and certifications. Incorporation of required contract clauses can be in the form of reference or as an attachment to the contract. The issuance of a PO for a micro-purchase should include the one-page FTA Contract Clauses for Micro-Purchase.

FEDERAL TRANSIT ADMINISTRATION (FTA) CONTRACT CLAUSES FOR MICRO-PURCHASE

1. **FLY AMERICA REQUIREMENTS (49 USC 40118, 41 CFR Part 301-10)**
Requires use of U.S. Flag air carriers for U.S. Government-financed international air travel and transportation.
2. **CARGO PREFERENCE REQUIREMENTS (46 USC 1241, 46 CFR Part 381)**
Requires use of privately-owned United States-Flag commercial vessels to ship at least 50 percent of the gross tonnage involved for equipment, material, or commodities.
3. **ENERGY CONSERVATION REQUIREMENTS (42 USC 6321 et seq., 49 CFR Part 18)**
Requires compliance with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.
4. **ACCESS TO RECORDS AND REPORTS (49 USC 5325, 18 CFR Part 18.36[i], 49 CFR Part 633.17)**
Requires the Contractor to provide access to books, documents, papers and records for the purpose of making audits, examinations, excerpts and transactions as it relates to this procurement.
5. **FEDERAL CHANGES (49 CFR Part 18)**
Requires compliance with FTA regulations, policies, procedures and directives, as they may be amended or promulgated during the term of the contract.
6. **NO GOVERNMENT OBLIGATION TO THIRD PARTIES**
Specifies that the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Purchaser, the Contractor, or any other party.
7. **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS (31 USC 3801 et seq., 49 CFR Part 31, 18 USC 1001, 49 USC 5307)**
Specifies that the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to this purchase or contract and reserves to the Federal Government the right to impose penalties on the Contractor.
8. **CIVIL RIGHTS REQUIREMENTS (29 USC 623, 42 USC 2000, 42 USC 6102, 42 USC 12112, 42 USC 12132, 49 USC 5332, 49 USC 5332, 29 CFR Part 1630, 41 CFR Parts 60 et seq.)**
Requires non-discrimination and equal employment opportunity, and prohibits discrimination on the basis of race, color, creed, national origin, sex, age, or disabilities.
9. **DISADVANTAGED BUSINESS ENTERPRISE (DBE) (49 CFR Part 26)**
Requires compliance with U.S. Department of Transportation regulations, "Participation by Disadvantaged Enterprises in Department of Transportation Financial Assistance Programs", cooperation with regard to maximum utilization of disadvantaged business enterprises, and best efforts to ensure opportunity for disadvantaged business enterprises to compete for subcontractual work.
10. **INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS (FTA Circular 4220.1F)**
Incorporates FTA terms set forth in FTA Circular 4220.1F by reference, and specifies that all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions in this contract.
11. **DAVIS-BACON AND COPELAND ANTI-KICKBACK ACTS (Construction Contracts in excess of \$2,000)**
In accordance with 40 USC 3145(a), 29 CFR 5.2(h) and 49 CFR 18.36(i)(5) as it applies to construction contract over \$2,000, all laborers and mechanics must be paid the full amount of wages and bona fide fringe benefits due at rates not less than those contained in the wage determination of the Secretary of Labor.