

MICRO PURCHASE PROCEDURES

Purpose: Explain to a subrecipient (1) what a micro purchase is and (2) how to request DRMT review of an FTA-funded micro purchase.

1. MICRO-PURCHASE

Subrecipient purchases under \$3,500.00 are classified by the FTA as micro purchases and the following procedures may be used. A subrecipient may set a lower purchasing threshold as long as it is justifiable and complies with State and local requirements.

A micro purchase may be made without obtaining competitive quotations if a subrecipient determines that the price is fair and reasonable, based on recent research, experience, or purchases. A subrecipient must distribute micro-purchases equitably among qualified vendors.

A subrecipient must not break down a purchase that exceeds the micro purchase threshold into multiple micro purchases—commonly referred to as “bid splitting” or “unbundling”—merely to permit use of micro purchase procedures, that is, to avoid the requirements that apply to purchases above the micro-purchase threshold.

2. PROCEDURES FOR MICRO PURCHASE APPROVAL

- (1) Subrecipient determines the item and quantity to be purchased based on the grant award.
- (2) Subrecipient identifies and contacts the vendor to complete the purchase. Agency may also obtain oral or written competitive quotes, but is not required by the FTA to do so. Subrecipient must determine the price to be reasonable. Price reasonableness typically is based on a comparison with historical prices paid, commercial catalog prices, or some other reasonable basis.
- (3) Subrecipient completes the DRMT Micro Purchase Documentation Form Sections 1, 2, 3 and 4, and submits it to the DRMT program liaison.
 - a. This form is available on the Procurement Management webpage, <http://www.dot.ca.gov/hq/MassTrans/Procurement-Mgmt.html>.
 - b. An independent cost estimate (ICE) is not required, but may be submitted, with the form and may be as simple as a statement that the price is reasonable, based on past purchases of the same or similar product or service, vendor survey, or market (online or print advertising) research.
- (4) Upon receipt of the Micro Purchase Documentation Form, the DRMT program liaison verifies the information, completes and signs Section 5 (Caltrans Internal Use Only), and notifies the subrecipient of approval.

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- (5) The DRMT program liaison provides a copy of the DRMT Micro Purchase Documentation Form to the Federal Procurement Management Branch and maintains the original within the project.
- (6) Subrecipient must maintain documentation to support the micro purchase, basis for vendor selection, and price reasonableness. If competitive quotations were solicited and award was made to other than the low quote, documentation must identify the solicited vendors and reason for award.

3. PROCEDURES FOR PURCHASE ORDERS

A purchase order does not, by itself, constitute a contract. The purchase order (PO) is only an offer to buy the supplies or services under the order's specified terms and conditions. When a vendor accepts a PO, a contract is established. Vendor acceptance of the PO may be in the form of:

- Vendor proceeds to provide substantial performance as specified in the order,
- Vendor delivers the supplies or completes the service as ordered; or
- Vendor signs and returns the signed PO to the subrecipient.

A PO must specify clearly the goods or services purchased and the terms and conditions of that purchase. A copy of the PO with the federally required clauses must be included in the request for reimbursement (RFR) package submitted to the grant liaison.

4. RESOURCES

Division of Rail and Mass Transportation (DRMT) Procurement management webpage: <http://www.dot.ca.gov/hq/MassTrans/Procurement-Mgmt.html>.

Federal Transit Administration (FTA): <https://www.transit.dot.gov/>.

Federal Acquisition Regulation (FAR): <https://www.acquisition.gov/>.