

Transportation Alternatives Set-Aside Grantee Procurement Requirements Overview

Project Background

The Transportation Alternatives (TA) Set-Aside Program provides federal funds for a variety of smaller-scale, non-traditional, community-based transportation projects that improve safety, expand travel choices, and enhance the transportation experience. Eligible grantees include local government agencies, Tribal governments, schools, and non-profit organizations. The grant funds awarded must be managed in accordance with Title 2 Code of Federal Regulations (CFR) 200, which defines administrative requirements for federal awards. Procurements for construction, environmental, or engineering must also follow the process administered by the [NDOT Local Public Agency process](#).

Why is procurement important and what are the requirements?

The majority of TA Set-Aside grant funds will be used to purchase goods or services, such as project construction, professional planning or engineering services, or Safe Routes to School (SRTS) educational materials. Grantees must have a process for purchasing and contracting that is compliant with federal requirements in 2 CFR 200, also known as the Super Circular, available at the link below.

Link: [**PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS**](#)

Requirements Summary

This document provides a high-level summary of select federal requirements. Grantees should consult 2 CFR 200 for a comprehensive description of federal requirements.

Procurement Procedures (Section 200.318)

Grantees must have and use documented procurement procedures that are consistent with federal, state, local, and tribal laws and regulations. Grantees must maintain oversight to ensure that terms and conditions are followed. There must be written standards of conduct covering conflicts of interest related to employees involved in the procurement process. Grantees must maintain records that detail the history of the procurement process.

Competition (Section 200.319)

All TA procurements must provide full and open competition. Local geographic preferences are not permitted in the procurement process.

Methods of Procurement (Section 200.320)

Informal Procurement Methods

When the value of the procurement does not exceed the federal simplified acquisition threshold of \$250,000, or a lower threshold if established by the grantee's procurement policy, formal procurement methods are not required. Informal procurement methods, micro-purchases and small purchases, are summarized in the following sections.

Micro-purchases: Micro-purchases should be distributed equitably among qualified suppliers. Grantees may establish a threshold of up to \$50,000 on an annual basis for micro-purchases. The purchases may be made without soliciting competitive price or rate quotations if the grantee considered the price to be reasonable based on research, experience, and purchase history. Purchasing cards may be used if procedures are documented and approved by the grantee.

Small purchases: For purchases between \$50,000 and \$250,000, price or rate quotations must be obtained from an adequate number of qualified sources. Based on evaluation of risk and its documented procurement procedures, a lower threshold for small purchases may be used by the grantee.

Formal Procurement Methods

When a procurement value exceeds \$250,000 (or a lower threshold if required by the grantee's procurement policy), formal procurement methods are required. Formal procurements require public advertising.

Sealed bids: Sealed bids are typically the preferred method for procuring construction contracts. Construction bid processes must comply with the [NDOT LPA process](#). A fixed price contract award would be made to the lowest responsive and responsible bidder.

Proposals: Procurements for environmental and engineering contracts must comply with the federal requirement and the NDOT LPA process. Procurements for planning studies must meet the requirements of 2 CFR 200. Requests for proposals (RFPs) must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified firms. Contracts must be awarded to the responsible offeror whose proposal is most advantageous, with price and other factors considered. Procurements for architectural/engineering professional services may be qualifications-based, subject to negotiation of a fair and reasonable price.

Contracting with Small, Minority, and Women-Owned Businesses (Section 200.321)

Grantees must take all necessary steps to assure that minority businesses and women's business enterprises are used when possible.

Contract Cost and Price (Section 200.324)

The grantee must perform a cost or price analysis for every procurement action over the simplified acquisition threshold. This includes development of an independent estimate before receiving bids or proposals. Profit must be negotiated as a separate element of the price for each contract in which there is not price competition. To establish a fair and reasonable profit, the risk, amount of subcontracting, quality of past performance, and industry profit rates in the surrounding area must be considered.

NDOT Review (Section 200.325)

The grantee must make available, upon request of FHWA or NDOT, procurement documents, independent cost estimates, and technical specifications.