



# Procurement Policy and Procedures

Effective Date: January 11, 2012

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The Procurement Policy Statement and related Procedures consolidates Chicago Transit Authority (“CTA”) Procurement Policies and Procedures into a comprehensive reference book for CTA personnel and outside parties having an interest in CTA’s procurement process.

CTA procurement policy and procedures are subject to State and Federal laws, regulations and policies. These are intended as a guide to good procurement practices and are to be used as a supplement to sound business judgment in procurement and contracting.

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## **Chapter 1: Procurement Policy Statement**

### **(Section 54 of Chicago Transit Authority Bylaws, Rules and Regulations and Rules of Order)**

#### **1.1 Background**

The Chicago Transit Authority (“CTA”) Procurement Policy Statement, approved by the Chicago Transit Board (“Board”), establishes the broad framework for the CTA Procurement Regulations (“Regulations”). The Regulations consist of the Procurement Policy Statement and related Procedures to guide CTA’s day-to-day procurement operations.

These Regulations replace CTA’s “Regulations Governing Purchase and Sales Transactions” adopted in April 1992 and will only apply to contracts solicited after the effective date. Furthermore, these Regulations will supersede and amend or repeal any other prior Purchasing and/or related rules, regulations, by-laws or ordinances approved by the Board that are in conflict with the Regulations.

#### **1.2 Procurement Standards**

The Procurement Procedures are designed to set forth the standards for processing all contracts unless specifically designated otherwise. These standards are included to ensure that goods, equipment, materials, supplies, real property and services are obtained or disposed of in a timely, efficient and economical fashion adhering to the principles of good administrative practices and sound business judgment.

- A. CTA will maintain a contract administration system that ensures that Vendors perform in accordance with the terms, conditions and specifications of their contracts or purchase orders.
- B. CTA will comply with all applicable Federal laws and regulations, including, but not limited to, Federal transit laws contained in 49 U.S.C. Chapter 53, Federal Transit Administration (“FTA”) regulations including FTA Circular 4220.1F, the Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs (49 CFR Part 24), Participation by Disadvantaged Business Enterprises in Department of Transportation Programs (49 CFR Part 26) and other Federal laws and regulations that contain requirements applicable to FTA recipients and their FTA assisted procurements as well as the Metropolitan Transit Authority Act (“MTA Act”) (70 ILCS 3605) and other state laws applicable to CTA procurements.
- C. Members of the Board and all CTA employees will adhere to the CTA Code of Ethics, as amended from time to time and all statutory and regulatory requirements,

including without limitation, the applicable U.S. Department of Transportation regulations, FTA Circulars, the Illinois Public Officers Prohibited Activities Act (50 ILCS 105), the Illinois State Officials and Employees Ethics Act (5 ILCS 430/70), the Illinois Criminal Code, "Official Misconduct" (720 ILCS 5/33) and the Illinois "Public Contracts" Act (720 ILCS 5/33E).

Violators are subject to the penalties prescribed in the CTA Ethics Ordinance, the Public Officer Prohibited Activities Act (50 ILCS 105/4), and the State Officials and Employees Ethics Act (5 ILCS 430/70-5).

Subject to the provisions of the Illinois Public Officer Prohibited Activities Act (50 ILCS 105), nothing in these Regulations invalidates the provisions of any bond or other security offered for sale or sold by or for CTA.

### **1.3 Competitively Bid Procurements**

CTA will conduct all procurement transactions consistent with the above-stated procurement standards through the use of those competitive procurement procedures best suited to the particular procurement, except as otherwise specifically justified.

Except as otherwise authorized by these Procurement Policy and Procedures or otherwise specifically justified, all Purchase Orders or contracts for the purchase or sale of real property, the purchase, lease, or sale of personal property, equipment, materials or supplies, labor services or construction over \$10,000 by or on behalf of the CTA will be let by free and open Competitive Bidding.

- A. Sealed Bids (Invitation for Bids) will be utilized if:
- i. A complete, adequate, precise and realistic specification or purchase description is available;
  - ii. The award will be made on the basis of price and price-related factors;
  - iii. It will not be necessary to conduct discussions with the responding Vendors about their Bids;
  - iv. There is a reasonable expectation of receiving more than one sealed Bid;  
and
  - v. The procurement generally lends itself to a firm fixed price contract.

CTA will have procedures to ensure the fair and unbiased evaluation of Bids. CTA will have procedures to ensure that only the lowest, responsive (including DBE compliant) and responsible Bidders are recommended for award of contracts.

- B. Negotiated procurements (Requests for Proposals, Requests for Letters of Interest

and Qualifications) will be used if the nature of the procurement does not lend itself to sealed Bidding and CTA expects that more than one source will be willing and able to submit a proposal.

CTA will have procedures to ensure the fair and unbiased evaluation of competing Proposals. These procedures will incorporate a clear and accurate description of the technical requirements and a comprehensive scope of work for the goods or services to be procured.

- i. Requests for Proposals (“RFPs”) will clearly state the evaluation factors, including cost or price, cost or price-related factors and non-cost or non-price related technical and business management factors that will be considered in making a Contractor selection/recommendation.
- ii. Requests for Letters of Interest and Qualifications (“LIQs”) will clearly state the evaluation factors that will be considered in making a Contractor selection/recommendation.

#### **1.4 Acceptable Non-Competitively Bid Procurements**

CTA will conduct all procurement transactions consistent with the above-stated procurement standards. However, Competitive Bidding is not required in the following circumstances:

- A. Where the goods or services to be procured are procurable from only one source (Sole Source).
- B. Where the procurement is for professional services, or requires technical or artistic skill, and federal funds are not utilized.
- C. For intergovernmental agreements with other public agencies, including but not limited to those where the procurement is for services or sales agreements between the CTA and the Regional Transportation Authority, or other transportation agencies.
- D. When federal funds are not utilized, for such other matters as the Board determines that competitive Bidding is disadvantageous.
- E. After receipt of a single responsible Bid to a competitive solicitation and, where competition is determined to be adequate, CTA may negotiate with the single responsible Bidder to establish a fair and reasonable price and other terms.

- F. For certain joint procurements, including but not limited to, joint procurements with other governmental agencies, transportation agencies, or assignment of contracts or portions of contracts, or piggy backing.
- G. For purchases pursuant to the State of Illinois Federal Surplus Property Program. CTA's participation in such a program is hereby consented to and authorized in accordance with the following restrictions required by the State of Illinois:
  - i. the surplus property will be used only for CTA purposes and not for personal use;
  - ii. the property will be placed into use within one year;
  - iii. the items will be used for the required minimum period for the item (one year or eighteen months); and
  - iv. CTA will not sell, loan, trade, or tear down the property without written consent from the State of Illinois.
- H. For purchases of personal property, supplies and services under any contract let by the State of Illinois pursuant to lawful procurement procedures.

**1.5 Contracting with Disadvantaged Business Enterprises (DBE)**

- A. CTA will take all steps to ensure nondiscrimination in the award and administration of contracts.
- B. CTA will create a level playing field on which DBEs can compete fairly for contracts.
- C. CTA will ensure that the DBE program is narrowly tailored in accordance with applicable law and will ensure only firms that fully meet eligibility standards are permitted to participate as DBEs.
- D. CTA will help remove barriers so DBEs can fully participate in contracts.
- E. CTA will assist in the development of firms so they can compete successfully in the marketplace outside the DBE Program.

**1.6 Procurement Authority**

Authority and responsibility to enter into contracts for CTA is vested in the President, the Chairman of the Board, their designees or others as appropriately determined. The responsibilities described herein remain with the enumerated CTA job functions regardless of department or organization.

Any procurement authority delegated to persons, departments or divisions will also vest in the President, the Chairman of the Board, and the Board.

**1.7 Contract Approval Requirements**

The following matrix specifies who may authorize and execute contracts:

<b>Board Action Not Required for (A) – (L)</b>		<b>Summary of Amount/Type of Contract</b>
A.	A Manager, Purchasing or equivalent, or designee, may authorize and execute contracts up to a maximum of \$20,000.	Up to \$20,000
B.	A General Manager, Purchasing or equivalent, or designee, may authorize and execute contracts up to a maximum of \$40,000.	Up to \$40,000
C.	The Vice President, Purchasing or equivalent, or designee, may authorize and execute contracts up to a maximum of \$50,000.	Up to \$50,000
D.	The President or designee, with the approval of the Chairman or designee, may authorize and execute contracts in response to an Emergency or Public Exigency.	Contracts in response to an Emergency or Public Exigency.
E.	The President or designee, or the Chairman or designee, may authorize and execute sole source contracts up to \$100,000; construction contracts up to \$100,000; contracts for professional services up to \$250,000; contracts competed by RFP or LIQ up to \$250,000; and contracts competed by IFB to \$250,000.	Sole Source Contracts up to \$100,000
		Construction Contracts up to \$100,000
		Professional Services contracts up to \$250,000
		Contracts competed by RFP or LIQ up to \$250,000
		Contracts competed by IFB up to \$250,000

F.	The President or designee, or the Chairman or designee, following consultation with the General Counsel or designee, may authorize all non-disclosure agreements.	Non-Disclosure Agreements
G.	The President or designee, or the Chairman or designee, following consultation with the General Counsel or designee, may authorize and execute all contracts for professional consultant services donated to the CTA.	Donated Professional Services
H.	The President or designee, or the Chairman or designee, following consultation with the General Counsel or designee, may authorize all rights of entry onto CTA property when the primary purpose of said agreement is for marketing, advertising, filming or other similar commercial purposes.	Marketing, Advertising, Filming Rights of Entry
I.	The General Counsel or designee is authorized to engage the services of experts, law firms and attorneys, and any other services necessary to conduct legal matters for litigation, in anticipation of potential litigation, or the acquisition or disposition of real property, regardless of cost.	Legal Services
J.	The President or designee may authorize and execute agreements for CTA to acquire right in property including leases, licenses, rights of entry, permits or easements for a term of 1 year or less and for a monthly rent/fee of \$1,000/month or less.	Leases, Rights of Entry (Real Estate), Permits or Easements for 1 year or less and \$1,000/month or less
K.	The President or designee may authorize and execute agreements for outside parties to acquire rights in CTA property including concessions, rights of entry, leases,	CTA property used for Concessions, Rights of Entry, Leases, Licenses or Easements for 1 year or

	licenses or easements for a term of 1 year or less and for a monthly rent/fee of \$1,000/month or less.	less and \$1,000/month or less
L.	The President or designee may exercise lease options contained in a lease previously approved by the Board.	Previously approved leases
<b>Board Action Required for (M)</b>		<b>Summary of Amount/Type of Contract</b>
M.	<p>Following Board approval, the Chairman or designee may execute all disadvantageous contracts; sole source contracts over \$100,000; construction contracts over \$100,000; professional services contracts over \$250,000; contracts competed by RFP or LIQ over \$250,000; contracts competed by IFB over \$250,000; and contracts competed and not otherwise addressed in (E) or (M) over \$250,000.</p> <p>All contracts which require the CTA to indemnify another entity require Board approval unless in the judgment of the General Counsel, the contract is otherwise of such a nature that Board approval is not necessary.</p>	Disadvantageous Contracts
		Sole Source contracts over \$100,000
		Construction Contracts over \$100,000
		Professional Services contracts over \$250,000
		Contracts competed by RFP or LIQ over \$250,000
		Contracts competed and not otherwise addressed in (E) or (M) over \$250,000
		Contracts which require the CTA to indemnify another entity unless in the judgment of the General Counsel, the contract is otherwise of such a nature that Board approval is not necessary.

### 1.8 Reporting

With the exception of legal services, all contracts authorized and executed in excess of \$10,000 will either be presented to the Board for consideration or will be reported to the Board. Reports of the terms of any concession, lease, license, right of entry, permit or easement of real property authorized by the President or designee, will be provided to the Board. Reports of procurements not requiring Board consideration will be

reported to the Board monthly in accordance with the Contract Reports template attached hereto in the Appendices to the Regulations.

**1.9 Severability**

If any provision of the Regulations is held unconstitutional or otherwise invalid, the remaining parts thereof will remain in full force and effect. If any provision of these Regulations or application thereof conflicts with any State or Federal law, said law will control.

## **Chapter 2: Definitions**

**Adequate Competition** – Two or more responsible Bidders are willing and able to compete effectively for the business. Upon receiving a single bid or proposal in response to a solicitation, the Procurement Administrator should determine if competition was adequate. This includes a review of the specifications for undue restrictiveness and may also include a survey of potential sources that chose not to submit a bid or proposal. Any supporting documentation used to make a determination of adequate competition in the event of a single bid or proposal must be included in the contract file.

**Allowable Costs** – Costs determined to be permissible based on reasonableness and generally accepted accounting principles and practices appropriate to the particular circumstances.

**Architect / Engineer** – Person or entity usually responsible for developing the plans and specification of a building or development and, in some cases, supervising the construction effort.

**Bid** – The document conveying an offer from a party desiring to provide or procure goods or services in response to an Invitation for Bid.

**Bidder** – The general term for the entity that submits a response to a Solicitation. Any individual, firm, partnership, corporation, or combination thereof, submitting a Bid for the work contemplated, acting directly or through a duly authorized representative. For the purposes of these Regulations, Bidder may be used interchangeably with Proposer or Offeror.

**Bid Guarantee (Bid deposits)** – An amount of money determined by CTA to be fair and reasonable compensation from a Bidder for CTA's costs should that Bidder refuse to honor its bid. The Bid Guarantee, if required, will be a matter of Responsiveness to the Invitation for Bid.

**Blanket Contract** – Contract for goods or services that is of indefinite quantity during a definite period of time. Blanket contracts are typically recurring contracts.

**Bond** – A written instrument executed by a Bidder or Contractor (the “principal”), and a second party (the “surety” or “sureties”), to assure fulfillment of the principal's obligations to the obligee identified in the bond. If the principal's obligations are not met, the bond assures payment to the extent stipulated, for any loss sustained by the obligee.

**Brand-Name** – A commercial product described by brand name and make, model number, or other appropriate nomenclature by which the product is offered for sale to the public by the particular manufacturer, producer, or distributor. The Brand Name is used by CTA only for the purpose of establishing identification and general description of the form, fit, function and

quality of the items sought by CTA.

**Cardinal Change** – Means a major deviation from the original purpose of the work or the intended method of achievement, or a revision of contract work so extensive, significant or cumulative that, in effect, the contractor is required to perform very different work from that described in the original contract.

**Chaining** – Chaining (also known as “stringing”) is the intentional practice of initiating, processing or signing off on multiple purchases under \$10,000 (or under \$3,000 for Micro-Purchases to circumvent applicable public bidding requirements. Requisitions or Purchase Orders (Small Purchases or Micro-Purchases) for the same item or services within a short period of time (typically six months from the execution of the previous Contract), where those orders or requisitions for the same item or services when totaled, exceed \$10,000 (or \$3,000 for Micro-Purchases) within any consecutive and continuous six month period.

See also Chapters 7-9, for purchases over \$10,000

**Change Order** – A written directive and authorization for payment and/or time extension from CTA, by its authorized agent, to the Contractor regarding changes in the work under the contract. A Change Order may include future work to be performed under the contract or work performed in accordance with previously authorized Field Memos, Directive Letters or Proceed Orders issued by CTA through its authorized agent.

**Competitive Bidding** – Solicitation through Letters of Interest and Qualifications (LIQ), Requests for Proposals (RFP), or Invitations for Bids (IFB) by CTA, under which all individuals or firms are afforded an equal opportunity to compete for award of a contract.

**Competitive Range** – Those proposals submitted in response to a RFP that, after technical evaluation by the CTA’s selection panel and consideration of the proposed costs/prices, have a reasonable chance of being awarded the contract.

**Construction** – The act of building, altering, repairing, renovating, improving or maintaining a building or structure.

**Contingent Fee** – A commission, percentage, brokerage, or other fee that is dependent upon or tied to the success that a person or entity has in securing a CTA contract.

**Contract** – A mutually binding legal relationship obligating the seller to furnish the goods or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the buyer to an expenditure of funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include: contract

awards and notices of awards; job orders or task orders issued under basic ordering agreements, requirement contracts, or definite- or indefinite-quantity contracts; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; bilateral (two-party) contract modifications; and various cooperative and interagency agreements. CTA may be either the seller or the buyer on a contract.

**Contract Amendment** – Changes to a contract that either add to, or delete from, the amount of an existing contract scope or that change contract terms, whether accomplished by unilateral action in accordance with a contract provision or by mutual action of the parties to the contract.

**Contract Drawings** – The official plans, profiles, typical cross-sections, general cross-sections, elevations, and details listed or referenced in the Specifications or amendments thereto, and, supplemental drawings approved by CTA which show the locations, characters, dimensions, and details of the work to be performed.

**Contractor** – The Contractor is the person, entity or authorized representative identified as such in the contract documents and is referred to throughout the contract documents as if singular in number. For the purposes of these Regulations, the term “Contractor” may be used interchangeably with Vendor or Consultant.

**Cost Analysis** – A detailed analysis of a Contractor’s cost or pricing data and the judgmental factors applied in projecting from the data to the estimated costs in order to form an opinion of the degree to which Contractor’s proposed costs represent what reasonable performance of the contract should cost. CTA’s cost principles for evaluation of proposed costs must be consistent with Federal cost principles.

**Debarment** – An action taken by CTA to deny participation in CTA contracts, or action taken by another government entity to deny a person or entity participation in contracts or financial assistance programs.

**Directive Letter** – Authority granted to a Contractor to do work prior to the Contractor and CTA having reached full agreement on an adjustment to the contract price and/or time.

**Emergency** – A situation of unusual or compelling urgency requiring immediate action.

**Field Memo** – Authority granted to the Contractor regarding changes in the work to be performed under the contract. Field Memos are limited to cost increases or decreases that do not exceed \$10,000.

**Invitation for Bid (IFB)** – A request to interested parties to provide or procure specified goods or services. IFBs are not negotiated procurements. IFBs result in a firm fixed-price contract awarded to the lowest responsive and responsible Bidder.

**Job Order Contracting (JOC)** – A contract for construction services under which Task or Work Orders or Job Order Requests are issued by CTA for specific construction projects. A JOC contract is a competitively procured firm-fixed-price, indefinite quantity contract.

**Joint Development** – A project that involves the disposition, by lease or by sale, of CTA-owned or controlled real property interests at or near a station area which, because of proximity to station facilities, have significant potential for commercial, residential, or related development, alone or in combination with adjoining real property interests to further CTA's development-related goals and objectives.

**Joint Procurement** – A procurement method that includes, but is not limited to joint procurements with other governmental or transportation agencies, assignment of contracts or portions of contracts to purchase supplies, equipment or services from the original purchasing agency (piggybacking), and information technology services placed under U.S. General Services Administration schedule 70.

**Legal Holidays** – Legal Holidays for purposes of the Regulations are days when Illinois state courts are not in session.

**Letter of Interest and Qualification (LIQ)** – An LIQ is a qualification-based process where price is not an evaluation factor. LIQs must be used for architectural and engineering services and may be used for other procurements unless prohibited by applicable laws and regulations. LIQs are negotiated procurements.

**Micro-Purchases** – Consistent with the Federal Acquisition Regulation (FAR) and FTA Circular 4220.1F, Micro-Purchases are those purchases of \$3,000 or less.

**Multi-Round Bid** – CTA solicits offers for the purchase of surplus real estate by IFB. When Bids are reviewed, CTA determines if any of the Bids are acceptable. If they are not, CTA can continue the procurement by re-soliciting the responding Bidders for further Bids.

**Payment Bond** – A bond that ensures payment as required by law to all persons supplying labor or material in the performance of the work provided for in the contract.

**Performance Bond** – A bond that secures performance and fulfillment of the Contractor's obligations under the contract.

**Price Analysis** – The process of examining and evaluating the reasonableness of a Bidder's or Proposer's price without evaluation of the separate cost elements and proposed profit of the Bidder/Proposer.

**Proceed Order** – Authority granted to the Contractor regarding changes to the work to be performed under a contract. Proceed Orders are utilized when cost increases or decreases exceed \$10,000.

**Procurement Administrator** – CTA employee authorized to solicit, enter into and/or administer contracts and make related determination and findings. For the purposes of these Regulations, the term includes employees assigned to the Purchasing & Warehousing Department as well as any CTA employee assigned and authorized to perform those duties.

**Progress Payments** – Payments that may be made to the contractor for costs incurred in the performance of the contract. Progress payments may only be made on the basis of costs incurred (or in the case of construction contracts only, on the basis of percent of completion) and CTA must obtain adequate security for which progress payments are made. Adequate security may include taking title, letters of credit or equivalent means to protect the CTA's interest.

**Proposal** – The submission by a potential Contractor in response to a RFP or LIQ.

**Proposer** – The general term for the entity that submits a response to a Solicitation. Any individual, firm, partnership, corporation, or combination thereof, submitting a Proposal for the work contemplated, acting directly or through a duly authorized representative. For the purposes of these Regulations, Proposer may be used interchangeable with Bidder or Offeror.

**Protest** – A written objection or complaint by an interested party to the terms, conditions or form of a proposed procurement or to the proposed or actual award of a contract.

**Public Auction** – Method of selling assets whereby all prospective buyers are notified through Public Notice of the intent to sell assets and are invited to Bid in an open forum against their competitors.

**Public Exigency** – Any event or circumstance, not including an Emergency, but nonetheless that requires immediate action.

**Public Notice** – CTA's notice to the general public of purchase or sale solicitations, which must, at a minimum, be in a daily English language newspaper of general circulation.

**Public Private Partnership (PPP)** – Binding agreements between the public and private sectors that allow a private entity to assume significant control of, and risk for, multiple elements of an infrastructure project.

**Public Works Projects** – CTA construction projects are public works projects.

**Purchase Order** – Document that formalizes an agreement between CTA and a Vendor for the purchase of goods and/or services not to exceed \$10,000 and which follows an informal competitive process. Purchase Orders may also be used for emergency purchases, exigent circumstance purchases, and for other purchases as deemed appropriate.

**Quotation** – The price or cost submitted by a Vendor for a Small Purchase.

**Request for Information (RFI)** – A means by which to poll the market or ask a series of questions regarding a potential procurement that is of interest to CTA.

**Request for Proposals (RFP)** – An RFP requests that interested parties submit Proposals to perform a specific project or service or to provide goods. Criteria, including price, dictate how RFP proposals will be evaluated. RFPs are negotiated procurements.

**Requisition** – A document requesting goods or services. The Requisition initiates the procurement process.

**Responsibility** – CTA will make awards only to Contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

**Responsiveness** – Evaluation for determining whether Bids comply in all material respects with a solicitation document.

**Reverse Auction** – A real-time bidding process in which multiple pre-approved suppliers can view other bids and bid against one another electronically for a set period of time.

**Rolling Stock** – Transit vehicles such as buses, vans, cars, railcars, locomotives, trolley cars and buses, and ferry boats, as well as vehicles used for support services.

**Service Order** – The services, deliverables, manpower, and reimbursable items for an identified period to be provided by a Contractor and agreed to by the CTA and the Contractor. Service Orders are in selected multi-year contracts.

**Single Bid** – A solicitation response received from only one source. In these instances, the

acquisition is handled like a Sole Source procurement or non-competitive negotiation.

**Small Purchases** – Often referred to as “under money” contracts. Small Purchases may not exceed \$10,000. Small Purchases are generally awarded to the lowest responsive and responsible Bidder responding to an informal competitive Request for Quotes (RFQ), but may be alternatively awarded based on delivery requirements or other factors specified in the Request for Quotes. Micro-Purchases may be executed without obtaining competitive quotations.

**Sole Source** – Procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined to be inadequate.

**Solicitation** – The general term for CTA’s request for offers from potential Bidders/Proposers. A solicitation package generally contains the proposed contract, including contract terms and conditions, instructions to potential Bidders/Proposers regarding the submission of a Bid/Proposal, and any other information needed to prepare a Bid/Proposal.

**Surety** – A party legally liable for the debt, default, or failure of a principal to satisfy a contractual obligation.

**Task Order** – Also known as a work order, an order for service(s) placed against an established professional service or construction contract and as authorized in the contract.

**Transit Oriented Development (TOD)** – Transit oriented development is a type of community development that includes a mixture of uses which is located near transit facilities

**Vendor** – The term often used for a Proposer or Contractor on a Small Purchase.

## **Chapter 3: General Procurement Standards**

### **3.1 Procurement Regulations**

These Procurement Regulations (“Regulations”) consist of the Procurement Policy Statement and related Procedures.

These Regulations implement pertinent provisions of Section 30 of the MTA Act, OMB Circular A-102 (as revised), FTA Circular 4220.1F “Third Party Contracting Requirements” (as revised), FTA Circular 5010.1 “Grant Management Guidelines” (as revised), other statutory and regulatory requirements applicable to Federal assistance recipients, and relevant Illinois statutory requirements, including those pertaining to real estate.

### **3.2 Amendments**

The Policy Statement (Chapter 1), including but not limited to the Contract Approval Requirements, may only be revised following Board approval. The Policy Statement is Section 54 of the Chicago Transit Authority Bylaws, Rules and Regulations. The authority to amend the procedures set forth in these Regulations (Chapters 2-15) to comply with changes in Federal or State law or regulations or to reflect the manner in which CTA does business is delegated to the Vice President, Purchasing following consultation with the General Counsel. The Board will be apprised of procedural changes to these Regulations.

The Vice President, Purchasing shall establish a process for issuing modifications and revisions that will enable Procurement Administrators and other users to maintain a current compilation of the Regulations.

### **3.3 Related Programs**

The following CTA programs/requirements and procedure manuals are to be used in conjunction with these Regulations:

- DBE Program for Federally Funded Contracts
- DBE Program for Operating Contracts
- Real Estate and Asset Management Procedures Manual
- CTA Construction Requirements
- CTA Code of Ethics

### **3.4 Authority and Responsibilities**

CTA shall conduct procurement actions as outlined in these Regulations.

Procurements and any material decisions related to procurements may be made only by those CTA officials or staff authorized to do so pursuant to these Regulations.

Final authority for purchasing goods and services by the Board shall remain with the Board except as delegated by the Board. Notwithstanding the contracting authority delegated to the President and staff, the Board retains review and approval authority for procurement actions.

These Regulations will establish a procedure for the identification and utilization of designees. The General Counsel will maintain the list of designees and will request that the list of designees be reviewed and amended as appropriate.

Any authority delegated to persons, departments or divisions pursuant to these regulations will also vest in the President, the Chairman, and the Board.

- A. Procurement Administrators shall ensure that a contract is not fully executed unless all applicable requirements of Federal law, Federal Regulations and Circulars, the MTA Act, State law and all other applicable CTA procedures (including approvals and control requirements) have been met.
- B. Procurement Administrators shall ensure that Contractors receive impartial, fair, and equitable treatment in accordance with the provisions specified herein.
- C. Procurement Administrators shall request and consider the advice of specialists in auditing, law, engineering, transportation, safety, and other fields when necessary or appropriate to the exercise of the Procurement Administrator's authority.

### **3.5 Delegation of Authority**

- A. The Board may establish delegation of procurement authority.
- B. A person with authority for procurement activities is referred to as a Procurement Administrator when they perform that function, regardless of any other job or position title they may have.
- D. Each contract or procurement action that obligates CTA to pay a Contractor must be signed or otherwise authorized by an individual to whom CTA has expressly delegated the authority to make such an obligation.

### **3.6 Competition**

CTA will obtain full and open competition through the use of those competitive procurement procedures best suited to the particular procurement, except as otherwise specifically justified.



Some of the situations considered to be restrictive of competition include, but are not limited to:

- A. Unreasonable requirements placed on firms in order for them to qualify to do business;
- B. Unnecessary experience and excessive bonding requirements;
- C. Non-competitive pricing practices between firms or between affiliated companies;
- D. Non-competitive awards to any person or firm on retainer contracts;
- E. Organizational conflicts of interest. An organizational conflict of interest means that because of other activities, relationships, or contracts, a Contractor is unable, or potentially unable, to render impartial assistance or advice to CTA; a Contractor's objectivity in performing the contract work is or might be otherwise impaired; or a Contractor has an unfair competitive advantage;
- F. The specification of only a Brand Name product without listing its salient characteristics and not allowing "an equal" product to be offered; and
- G. Any arbitrary action in the procurement process.

### **3.7 Standards of Conduct**

The procurement business of the CTA shall be conducted in a manner above reproach and with complete impartiality and without preferential treatment. Any violation of these standards may be cause for disciplinary action, including dismissal, if appropriate. No officer or employee shall:

- A. Release to an individual or entity or its representative any knowledge such person may possess or have acquired in any way concerning any proposed or actual procurement that would give an unfair competitive advantage to any potential or actual Bidder.
- B. Make any commitment or promise relating to the award of a contract or any representation which could be construed as such a commitment. Staff will not, under any circumstances, advise a business representative that any attempt will be made to influence another person to give preferential treatment to his or her company in the award of a contract.

- C. Use his or her position with CTA to coerce, or give the appearance of, coercing another person, and/or provide any financial benefit to persons with whom he or she has family, business or financial ties.
- D. Accept any gratuity for themselves, members of their families or others, either directly or indirectly, from any source that does or seeks to do business with, or has financial ties of any sort with CTA, or has personal interests that may be affected by the performance, or non-performance, of the official duties of CTA staff.
- E. Participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, exists.
- F. Accept any offer of employment or fees for services from a Contractor for one year following employment with CTA if the officer or employee, during the year immediately preceding termination of employment, participated personally and substantially in the award of contracts or the issuance of change orders with a cumulative value of \$25,000 or more to the Contractor, its parent or subsidiary. This provision also applies to the spouse or immediate family member living with the CTA officer or employee. In addition, for a period of one year after leaving the employment of CTA, the officer or employee shall not assist or represent the Contractor in any matter involving CTA if the officer or employee participated personally and substantially in the same subject matter, work, or function during his or her term of office or employment. If the former officer or employee exercised contract management authority with respect to a Contractor's contract, the prohibition is permanent as to that contract. Furthermore, Purchasing Administrators shall inform all Contractors in writing of this provision.

### **3.8 Improper or Unlawful Conduct**

- A. A Procurement Administrator shall report to the Vice President, Purchasing any Bids that may evidence any violation of Illinois Law set forth at Public Contracts (720 ILCS 5/33E), including but not limited to, a restraint of trade by two or more Bidders. The Vice President, Purchasing shall consult with the General Counsel as soon as practical to ascertain whether a reasonable basis exists for believing that collusion has occurred among any businesses for purposes of defrauding CTA.
- B. Practices or events that may evidence improper or unlawful conduct include, but are not limited to, the following:
  - i. The existence of an "industry price list" or "price agreement" to which a Contractor refers in formulating its offer;
  - ii. A sudden change from competitive bidding to identical bidding;

- iii. Simultaneous price increases among two or more Contractors;
  - iv. Rotation of Bids, so that:
    - a. each competitor is at some pre-planned point the low Bidder, or
    - b. certain competitors low bid certain sized contracts and not others;
  - v. Division of the market, so that certain competitors bid low only for contracts solicited by certain agencies, or for contracts for certain geographical areas or on certain products, and bid high in all other jobs;
  - vi. Establishment by competitors of a collusive cost or price estimating system; or
  - vii. Incidents suggesting direct collusion among competitors, such as the appearance of identical calculations or spelling errors in two or more competitive offers.
- C. Any agreement or collusion among Bidders or prospective Bidders that restrains free and open competition by bidding/proposing a fixed price, or otherwise, will render the Bids of such Bidders void. Each Bidder will accompany its Bid with a sworn statement, or otherwise swear or affirm that it has not been a party to any such agreement. Purchasing will prepare and utilize an appropriate certificate which is in compliance with 720 ILCS 5/33E-11, as amended. Said certificate will be executed by the Bidder prior to award of the contract.

### **3.9 Public Access to Procurement Information**

Certain information about CTA procurements is normally considered public and should be released in accordance with these Regulations and applicable state laws and regulations concerning freedom of information. Other information related to procurement is often protected from disclosure; CTA must exercise caution to ensure that protected information is not made public.

### **3.10 Disclosure of Ownership Interest**

Prior to consideration for award:

- A. A corporation that is not listed on a nationally recognized securities market must provide a list of the names of the individuals who possess ownership of at least five percent (5%) of the corporation's stock. Such a list is not required for those corporations listed on a nationally recognized securities market.
- B. A corporation which is listed on a foreign stock exchange must identify the stock exchange.
- C. A partnership, limited partnership ("LP"), limited liability partnership ("LLP"), limited

liability limited partnership (“LLLP”) or joint venture must provide a list of the names of each general or limited or individual partner/joint venturer entitled to receive five percent (5%) or more of the profits derived from the partnership/joint venture activities. If the partners/joint venturers are corporations, the names of the individuals who own at least five percent (5%) of the corporation’s stock or, if the shares in the corporation are publicly traded, the name of the stock exchange on which the corporation is listed must be provided.

- D. A limited liability company (“LLC”) must provide a list of the names of each owner entitled to receive five percent (5%) or more of the profits derived from the company’s activities. It must also identify the manager(s) of the LLC. If the owners or the managers are corporations, the names of the individuals who own at least five percent (5%) of the corporation’s stock or, if the shares in the corporation are publicly traded, the name of the stock exchange on which the corporation is listed must be provided.
- E. A sole proprietor must provide a list of the names of each person other than the owner who is entitled to receive five percent (5%) or more of the profits derived from the activities of the business.
- F. A trust need not provide any information about the individual beneficiaries but must provide the percent of ownership interest the trust has in the Contractor, provided that trusts involved in the ownership or use of CTA real property must make those disclosures, if any, required by 50 ILCS 105/3.1.
- G. Before any contract relating to the ownership or use of real property is executed, the actual parties benefiting from the transaction, as identified in 50 ILCS 105/3.1, must be disclosed in a format consistent with said statute.
- H. If CTA is unable to obtain the required information after exercising diligent efforts, staff will consult with the General Counsel to determine if the missing information is essential to preserve procurement integrity.

### **3.11 Prohibition Against Contingent Fees**

Procurement Administrators shall ensure that each solicitation contains language giving notice to prospective Contractors of the prohibition against contingent fee arrangements.

- A. CTA shall not award any contract to a Contractor that has made arrangements to pay a contingent fee or other consideration for soliciting or obtaining the contract.
- B. If the Procurement Administrator has reason to believe that a Contractor or prospective Contractor is or has been involved in a contingent fee arrangement, the

Procurement Administrator shall inform the Vice President, Purchasing in writing, providing any evidence or documentation of the alleged involvement.

- C. If it is determined that a prohibited contingent fee has been paid or that a Contractor has entered into an arrangement to pay a prohibited contingent fee under an existing contract, the Procurement Administrator shall terminate such existing contract or take any other appropriate remedial action, as determined in conjunction with relevant CTA staff including CTA's General Counsel.

### **3.12 Circumvention of Contracting Authority- Prohibited**

Taking any actions that would circumvent the requirements of these Procurement Policy and Procedures, FTA regulations and/or state law is not permitted. Except when procuring architectural and engineering services, the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals for federally funded contracts is prohibited, unless Federal statutes expressly mandate or encourage geographic preference.

### **3.13 Scrivener's Errors**

A. Scrivener's errors can be corrected after contract recommendation approval. The following differences between the contract and the contract recommendation summary are not considered scrivener's errors:

- i. a difference in the contract amount;
- ii. a difference in the contract term;
- iii. a scope of services that is materially altered;
- iv. a change to the company name as opposed to a typographical error in the company name;
- v. inaccuracies or inconsistencies in the company ownership information;
- vi. the DBE percentage is not accurately reflected; and
- vii. a discrepancy between the name of the contractor and the name on the insurance certificate or policy.

### **3.14 Advance Payments**

Advance payments utilizing FTA funds are prohibited unless prior written concurrence is obtained from FTA.

### **3.15 Federal Clauses**

A. All FTA-funded contracts must contain the appropriate Federal contract clauses. Refer to Appendix II for the list of Federal Contract Requirements. Procurement Administrators must review the contract documents and the list included in Appendix II to ensure that all of the applicable Federal contract clauses are included in the contract terms. When a procurement utilizes a non-standard/non-boilerplate contract form, after

reviewing the contract documents for inclusion of Federal contract clauses, the Procurement Administrator must sign and date a copy of the list in Appendix II and include the executed copy in the contract file to demonstrate the Procurement Administrator's verification that the appropriate Federal contract clauses are in the contract.

B. The Law Department is responsible for updating CTA's Federal contract boilerplate when appropriate for use by the Purchasing Department in Solicitations.

### **3.16 Indemnification**

With the exception of real property leases, licenses, rights of entry, permits or easements as set forth in Chapter 11 hereof, all contracts requiring indemnification by the Authority must be approved by the Transit Board regardless of the amount or purpose of the contract.

## **Chapter 4: Procurement Management and Administration**

For matters pertaining to Real Property, see Chapter 11.

### **4.1 General Provisions - Methods of Procurement (Except Real Property)**

- A. Competitive Bidding will be by Invitation for Bids (“IFB”), Request for Proposals (“RFP”) or Letters of Interest and Qualifications (“LIQ”).
- B. Except as otherwise authorized, all contracts or Purchase Orders for goods and services that exceed \$10,000 will comply with the Competitive Bidding and Public Advertisement requirements of these Regulations.
- C. All contracts or Purchase Orders that do not exceed \$10,000 will be awarded competitively whenever possible, and in any event, in a manner calculated to insure the best interest of the public and CTA.
- D. CTA may engage brokers for the sale or purchase of non-real estate assets as CTA deems appropriate and if it is in CTA’s best interest to do so. Each broker that CTA engages must abide by established processes and procedures that comply with all state, Federal, and local rules and regulations. To the extent that the broker processes and procedures are different from the Procurement Procedures for the sale or purchase of non-real estate assets as set forth in the Procurement Policy and Procedures, those new processes and procedures must be approved by the General Counsel prior to implementation.

### **4.2 Emergency or Public Exigency Contracts**

- A. If an Emergency or Public Exigency exists, the President, or the Vice President, Purchasing, with the approval of the Chairman, will authorize the negotiation and award of an Emergency or Public Exigency contract to purchase any goods or services needed. Emergency procurements may be negotiated with one source or on a limited competition basis depending upon the circumstances.
- B. Public Notice of Emergency or Public Exigency contracts is not required.
- C. The justification for emergency procurement shall not be based solely on internal CTA circumstances. In the absence of an emergency condition, an emergency procurement shall not be justified solely on the basis of any of the following circumstances:
  - i. The lack of adequate advance planning for the procurement of required supplies, services, or construction;

- ii. Delays in procurement caused by administrative delays, lack of sufficient procurement personnel, or improper handling of procurement requests or competitive procedures; or
  - iii. Pending expiration of budget authority.
- D. The emergency procurement of supplies or services shall be limited to quantities or a time period sufficient to meet the immediate threat and shall not be used to meet long-term requirements.
- E. To the extent time permits, the Procurement Administrator shall ensure that each emergency procurement contract contains the required clauses, representations, and certifications, in accordance with the requirements of these Regulations.
- F. If a long-term requirement for the supplies, services, or construction is anticipated, the Procurement Administrator shall request the using department to initiate a separate non-emergency procurement action at the same time that the emergency procurement is made.
- G. The Procurement Administrator shall ensure that proper records of an emergency procurement are maintained.
- H. A written report of the nature and extent of the Emergency or Public Exigency, together with a statement of expenditures, if any, will be promptly reported to the Board.
- J. Refer to Appendix VII for step by step procedures for emergency contracts (over \$10,000)

### **Pre-Bid Activities**

#### **4.3 Procurement Planning and Concurrence Review**

- A. The procurement process formally begins with the preparation of a Requisition and its submission to the Purchasing Department. However, planning for contracts and procurement actions should begin as soon as the need for the item, service or property is identified. CTA will proceed to conduct all procurement transactions through the use of those competitive procurement procedures best suited to the particular procurement, except as otherwise specifically justified.
- B. As part of procurement planning, required concurrences from other governmental agencies should be reviewed and timing identified. (Refer to Appendix: "Public Agency Concurrence Requirements.")

#### **4.4 Procurement History**

The documentation in each contract file maintained by the Purchasing Department shall be sufficient to constitute a complete history of the transaction, including but not limited to, the basis for the procurement and the award, the assignment of contract administration (including payment responsibilities), if any, and any subsequent action taken by the Purchasing Department.

#### **4.5 Responsibilities and Initiation of Requisitions**

- A. Prior to initiating a Requisition, the using department shall determine that supplies, equipment or services are necessary for CTA functions, operations or activities and are not duplicative of other items or services acquired by the CTA. Every Requisition for goods or services will include a complete specification or description and be approved by the using department before being submitted for further processing.
- B. The using department shall, when appropriate, make an analysis of lease and purchase alternatives and any other appropriate possibility to determine which would be the most economical and practical means of acquiring supplies or equipment. Such analysis shall be documented as part of the contract file.
- C. Every Requisition for equipment, material, supplies, construction or services over \$2,500 must be authorized by the Purchasing Department. The Purchasing Department is responsible for selecting the proper method of procurement and the contract terms. (Refer to Appendix: "Method of Procurement History Form.")
- D. Using departments must initiate Requisitions in order to allow sufficient time for the procurement process. For Blanket (recurring) contracts, Requisitions should be initiated at the time an existing contract is 50% expended or six (6) months prior to the contract expiration date.

#### **4.6 Specifications and Purchase Descriptions**

- A. Goods and Equipment  
Plans, drawings, specifications or purchase descriptions for procurements shall state only the actual minimum needs (in quantity, as appropriate) of CTA and the maximum needs (in quantity, as appropriate) of CTA and describe the equipment or goods in a manner which will encourage maximum competition and eliminate, insofar as possible, any restrictive features which might limit acceptable offers to one supplier's product, or the products of a relatively few suppliers. Items to be procured shall be described by reference to the applicable specifications or by a description containing the necessary requirements. The term specification, as used herein, is a clear and accurate description of the technical requirements for

material, equipment, or product. Specifications for items or materials also contain preservation, packaging, packing, and marking requirements.

**B. Construction Specifications**

The technical provisions of construction specifications shall be in sufficient detail so that, when used with the applicable drawings and the specifications and standards incorporated by reference, Bids can be prepared on a fair and competitive basis. Materials, equipment, components, or systems shall be described, where possible, by reference to documents generally known in the industry. The standards which best represent no more and no less than the CTA's minimum needs shall be selected for incorporation by reference into the construction specifications. This section may not apply to construction contracts for design build, construction manager at risk and job order contracts. See Chapter 12 of these Regulations.

**C. Service Contracts**

The statement of work approach is preferred for most CTA service contracts. A statement of work defines the minimum work required of a Contractor and the milestones or deliverables required under the contract. In addition, a minimum requirement must be identified for Contractor qualifications. The Scope of Work must identify the minimum experience required of the Contractor.

**D. Purchase Descriptions**

A purchase description may be used in lieu of a specification where no applicable specification exists. An adequate purchase description is an aid to competition and, in the absence of competition, aids in determining the reasonableness of price. A purchase description should set forth the essential physical and functional characteristics of the materials required. Purchase descriptions of services to be procured should outline to the greatest degree practicable the specific services the Contractor is expected to perform.

Purchase descriptions shall not be written so as to specify a product, or a particular feature of a product, peculiar to one manufacturer and thereby precluding consideration of a product manufactured by another firm, unless it is determined that the particular feature is essential to the CTA requirements, and that similar products of other companies lacking the particular features would not meet the minimum requirements for the item. Generally, the minimum acceptable purchase description is the identification of a requirement by use of brand name followed by the words "or equal". In order for the "or equal" to be evaluated, a listing of salient minimum characteristics of the equivalent part must be included.

#### **4.7 Delivery and Performance Requirements**

The time of delivery or performance is an essential contract element that shall be clearly stated in each solicitation. A Procurement Administrator shall ensure that a delivery or performance schedule is realistic and meets the requirements of the procurement.

- A. When establishing a contract delivery or performance schedule for goods or services, the Procurement Administrator shall consider applicable factors, including the following:
  - i. Urgency of need;
  - ii. Production time;
  - iii. Market conditions;
  - iv. Transportation time;
  - v. Industry practices;
  - vi. Time for obtaining and evaluating Bids or offers and awarding contracts;
  - vii. Time for Contractors to comply with any condition precedent to contract performance; and
  - viii. Time for CTA to perform its obligations under contract, such as furnishing CTA property to the Contractor.
  
- B. The Procurement Administrator may establish contract delivery or performance schedules on the basis of any of the following:
  - i. A specific calendar date or dates;
  - ii. A specific period or periods from the date of the contract;
  - iii. A specific period or periods from the date agreed upon by the parties and set forth in the contract for actual commencement of performance on the contract; or
  - iv. In contracts containing indefinite delivery provisions, a specific time for delivery after receipt by the Contractor of each individual order issued under the contract.
  
- C. When scheduling the time for performance of a construction contract, the Procurement Administrator shall consider applicable factors, such as the following:
  - i. The nature and complexity of the project;
  - ii. The construction seasons involved;
  - iii. The required completion date;
  - iv. The availability of materials and equipment; and
  - v. The use of multiple completion dates.
  
- D. In any contract, different completion dates may be established for separable items of work. When multiple completion dates are used, the Procurement Administrator

shall evaluate requests for extension of time with respect to each item, and shall modify the affected completion dates when appropriate.

#### **4.8 Independent Cost Estimate**

- A. As part of the advance procurement planning process, and in any event prior to the advertisement or the approval of a contract change order, the Procurement Administrator shall ensure that there is an independent estimate of the expected price level or value of the goods or services to be purchased or to be changed. If the planned solicitation includes options, they should also be addressed in the estimate. The independent estimate is the CTA's estimate of the price of a proposed procurement for use in performing a cost or price analysis.
- B. The independent estimate must be prepared without input from prospective Bidders and should include the name of the estimator and the date the estimate was prepared. The estimate should be prepared in the same format and level of detail as Bidders are to use in submitting their pricing schedules and is intended to serve as an effective tool in evaluating price and cost reasonableness. The estimator should maintain the supporting documentation used in preparing the estimate for reference as part of the evaluation process. Should a solicitation amendment materially affect the anticipated price, the estimate should be revised to address the changed requirement(s). A copy of the independent estimate (and any subsequent revised estimates) should be retained in the Contract file.
- C. Depending upon the nature of the contract requirement, estimates can range from a single amount to complex estimates based on inspection of the product itself and review of such items as drawings, specifications, and prior data (such as cost data from prior procurements). The Procurement Administrator shall hold the estimate as confidential and not disclose its contents to potential Bidders prior to the receipt of Bids.

#### **4.9 Federal Third Party Contract Provisions**

The Procurement Administrator will review the federal checklist entitled "Applicability of Third Party Contract Provisions" and verify that all required federal contract provisions are included in the solicitation documents or form of contract before advertising the contract. The Procurement Administrator will document the results in the contract file.

#### **4.10 Multiyear Rolling Stock Contracts**

CTA may enter into a multiyear contract to buy rolling stock and replacement parts, when federal funds are used. The multiyear contract can include an option under which CTA may buy additional rolling stock or replacement parts; provided that such option does not allow for significant changes or alterations to the rolling stock.

- A. The option for bus procurements must be exercised no later than 5 years after the date of the original contract.
- B. The option for rail procurements must be exercised no later than 7 years after the date of the original contract.

#### **4.11 Solicitation Lists**

CTA shall maintain solicitation mailing lists in order to identify adequate sources of goods and services and to notify Contractors of upcoming contracting opportunities.

### **Conducting All Procurements**

#### **4.12 Public Advertisement**

- A. Except as otherwise provided herein, all solicitations to award contracts, other than real property contracts, involving amounts exceeding \$10,000 will be published at least once in an English language daily newspaper of general circulation in the Chicago metropolitan area for at least ten (10) business days, excluding Legal Holidays, in advance of the date announced for the receiving and opening of Bids or Proposals, and will simultaneously be advertised by other media, including posting on CTA's website, as appropriate.
- B. The Public Notice will describe the procurement in general terms and reference the solicitation document for the specific terms. The Public Notice will state the date, time and place Bids/Proposals are due and, for IFBs only, the time when they will be opened publicly, which must allow sufficient time to prepare bids prior to bid opening. The Public Notice can incorporate information by reference.
- C. No Bids/Proposals will be accepted at any time subsequent to the time indicated in the Public Notice. However, CTA can give notice of an extension of time for the receipt of such Bids/Proposals upon publication, in an English language daily newspaper of general circulation in the Chicago metropolitan area, and by other media, as appropriate. The notice will provide the date to which the Bid/Proposal receipt has been extended. The extended Bid/Proposal date will not be less than five (5) business days after the publication thereof, Legal Holidays excluded.
- D. If a Bid Guarantee is required, the Public Notice will so specify.
- E. Sole source procurements need not be formally advertised, but the Procurement Administrator should take appropriate steps to seek alternative sources for items which have historically been considered sole source.
- F. The contract file shall contain the following:
  - i. The name and address of each prospective Bidder on the solicitation mailing list to which the solicitation was sent and additional prospective Bidders that

- were sent copies of the solicitation upon request;
- ii. The name of each publication in which notice was published;
- iii. The date on which the solicitation was issued;
- iv. A copy of the solicitation; and
- v. Documentation recording the name of the Bidder(s), the Bid amount, and when appropriate, whether the Bidder has acknowledged addenda to the solicitation and/or provided a Bid Guarantee.

#### **4.13 Pre-Bid/Proposal Conferences**

- A. CTA may use pre-bid/proposal conferences to explain the procurement requirements. If a pre-bid/proposal conference is to be held, it shall be announced to all prospective Bidders.
- B. This meeting will be scheduled no earlier than seven days after advertising. It is recommended that a two-week notice of the meeting be given and that Bids be due no earlier than two weeks after the date of the pre-bid/proposal meeting.
- C. The Procurement Administrator shall do the following:
  - i. Conduct the pre-bid/proposal conference;
  - ii. Furnish all Bidders with identical information concerning the proposed procurement;
  - iii. Make a complete record of the conference; and
  - iv. Promptly furnish a copy of that record to all Bidders.

#### **4.14 Cancellation of Solicitations Before Opening**

- A. A solicitation shall not be canceled before opening unless the Procurement Administrator determines that cancellation is in the best interests of the CTA. Reasons to cancel include:
  - i. Inadequate or ambiguous specifications cited in the IFB;
  - ii. Specifications have been revised;
  - iii. Supplies or services being contracted for are no longer required; or
  - iv. The IFB did not provide for consideration of all factors of cost to the CTA.
- B. If a solicitation is canceled before opening, Bids that have been received shall be returned unopened to the Bidders.
- C. The Procurement Administrator shall send a notice of cancellation to all prospective Bidders to whom solicitations were issued.

#### **4.15 Receipt of Bids/Proposals**

- A. Each Bid shall be marked with the date and time of receipt.

- B. All Bids and modifications received before the time set for the opening of Bids shall be kept secure.
- C. Bids shall be submitted so that they will be received in the Purchasing Department Bid Office not later than the submittal deadline. A Bid may be modified or withdrawn by written notice received in the Bid Office no later than the exact time set for opening of bids.
- D. Any proposal received after the time and date set for submission of offers at the CTA Bid Office shall be considered "late." Late Proposals will be rejected.
- E. The only acceptable evidence to establish the time of receipt at CTA is the CTA time/date stamp.
- F. The form of contract included in an IFB packet must be executed by the Bidder and submitted with its Bid. The method of execution must comply with section 4.21 of these Regulations.

#### **4.16 Breaking a Tie**

In the event two bidders are determined to be the lowest responsive and responsible bidders, when the contract can only be awarded to one bidder, the Procurement Administrator will toss a coin to determine the successful bidder.

### **Pre-Award Activities**

#### **4.17 Prospective Contractor Responsibility**

- A. CTA shall make purchases from and award contracts only to responsible Contractors.
- B. In the absence of information clearly indicating that the prospective Contractor is responsible, CTA shall make a determination of nonresponsibility.
- C. To be determined responsible, a prospective Contractor shall meet all of the following requirements:
  - i. Financial resources adequate to perform the contract, or the ability to obtain them;
  - ii. Ability to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;
  - iii. A satisfactory performance record;
  - iv. The necessary organization, experience, accounting and operational

- controls, and technical skills, or the ability to obtain them;
  - v. Compliance with applicable licensing laws, if relevant;
  - vi. The necessary production, construction, and technical equipment and facilities, or the ability to obtain them;
  - vii. Compliance with the DBE Program requirements; and
  - viii. Other qualifications and eligibility criteria necessary to receive and award under applicable laws and regulations.
- D. A prospective Contractor who is debarred, suspended or deemed ineligible for contracting by CTA shall not be awarded a contract. Furthermore, for federally funded contracts, a Contractor who is suspended or debarred from federal programs under DOT regulations, "Nonprocurement Suspension and Debarment," 2 CFR Parts 180 and 1200, or under the FAR at 48 CFR Chapter 1, Part 9.4 shall not be awarded a contract. The Procurement Administrator will check the System for Award Management , [www.sam.gov](http://www.sam.gov) and document the results in the contract file.
- E. If CTA determines that the price bid or offered by a prospective Contractor is so low as to appear unreasonable or unrealistic, CTA may determine the prospective Contractor to be nonresponsible.

#### **4.18 Prospective Contractor Resources**

- A. The Procurement Administrator may require, and the prospective Contractor shall promptly provide, acceptable evidence of the prospective Contractor's ability to obtain resources.
- B. Acceptable evidence of the prospective Contractor's ability to obtain resources shall consist of a commitment or explicit arrangement that will be in existence prior to the time of contract award to rent, purchase, or otherwise acquire the needed facilities, equipment, personnel, or other resources.
- C. A prospective Contractor that is or recently has been seriously deficient in contract performance may be presumed to be nonresponsible. CTA may determine the Contractor to be responsible if the circumstances of the prior deficiency were properly beyond the Contractor's control or if the Contractor has taken appropriate corrective action.
- D. An affiliated business shall be considered a separate entity in determining whether the business that is to perform the contract meets the applicable standards of responsibility. However, the Procurement Administrator shall consider an affiliate's past performance and integrity when they may adversely affect the prospective Contractor's responsibility.

#### **4.19 Prospective Subcontractor Responsibility**

- A. A prospective prime Contractor shall be accountable for determining the responsibility of prospective Subcontractors.
- B. Because the determination of a prospective Subcontractor's responsibility may affect the CTA's determination of the prospective prime Contractor's responsibility, a prospective Contractor may be required to provide written evidence of a proposed Subcontractor's responsibility.
- C. When it is in the interests of the CTA, CTA may independently determine a prospective Subcontractor's responsibility, using the standards and requirements for responsibility set forth in this Chapter.

#### **4.20 Obtaining Information for Determination of Responsibility**

- A. The Procurement Administrator shall obtain information regarding the responsibility of a prospective Contractor who is the apparent low Bidder or whose offer is in the competitive range.
- B. If the prospective Contractor fails to supply the information requested in the time allotted, CTA shall make the determination of responsibility or nonresponsibility based upon available information. If the available information is insufficient to make a determination of responsibility, CTA shall determine the prospective Contractor to be nonresponsible.
- C. The Procurement Administrator shall place in the Staff Summary Procurement Summary Sheet (SS1) which includes a determination of contractor responsibility. Prior to contract award, the completed SS1 will constitute documentation of the determination of contractor responsibility.
- D. Contract administrators and other CTA personnel who become aware of circumstances casting doubt on a Contractor's ability to perform a contract successfully shall promptly inform the Procurement Administrator and furnish the relevant information in writing.

#### **4.21 Determinations and Documentation of Responsibility**

- A. CTA's execution of a contract shall constitute a determination that the prospective Contractor is responsible with respect to that contract.
- B. When an offer on which an award would otherwise be made is rejected because the prospective Contractor is found to be nonresponsible, the Procurement Administrator shall make, sign, and place in the contract file a determination of nonresponsibility, which shall state the basis for the determination, and include any

applicable information from DBE and other CTA departments.

#### **4.22 Disclosure and Use of Information Before Award**

- A. After receipt of Proposals in response to an RFP or LIQ, the information contained in the Proposals and the number or identity of Proposers shall not be made available to the public or to anyone in the CTA not required to have access to the information in the performance of his or her duties.
- B. During the pre-award period of any competitive procurement, only the Procurement Administrator and others specifically authorized may transmit technical or other information and conduct discussions with prospective Contractors. No CTA employee or agent shall furnish information to a prospective Contractor if, alone or together with other information, it might give the prospective Contractor an advantage over others. However, general information that is not prejudicial to others may be furnished upon request.

#### **4.23 Cancellation of Procurements – Rejection of Bids**

The Vice President, Purchasing, in consultation with a using department, has the authority to cancel any procurement or reject any or all Bids. A written notification of all canceled procurements/rejected Bids will be provided to the Chairman and President as requested.

#### **4.24 Method of Contract Execution by Bidders/Proposers**

- A. A contract with a partnership shall be signed by all partners or by a general partner with authority to bind the partnership.
- B. A contract with a corporation shall be signed by the President or Vice President or, with appropriate authorizing documentation, another employee or officer of the corporation.
- C. A contract with joint venturers may involve any combination of individuals, partnerships, or corporations. The contract shall be signed by each participant in the joint venture in the manner set forth in this section and a copy of the joint venture agreement attached.
- D. A contract with a sole proprietor shall be signed by the owner of the company.
- E. For contracts under an assumed name:
  - i. The persons conducting business under the assumed name must file the required certificate in the Office of the County Clerk of the county where business will be transacted.
  - ii. The Procurement Administrator must verify that the required certificate has been filed.

- iii. If the certificate has been filed, the contract may be signed in the assumed name of the business.
  - iv. If the certificate has not been filed, the contract must be signed in the owner's name d/b/a the assumed name.
- F. A contract with a limited liability company ("LLC") shall be signed by the manager or managing member of the LLC.
- G. All signatures must be notarized.

#### **4.25 Adequate Competition**

Establishing adequate competition requires two or more responsible Bidders willing and able to compete effectively for the business. Upon receiving a single bid or proposal in response to a solicitation, the Procurement Administrator should determine if competition was adequate. This includes a review of the specifications for undue restrictiveness and may also include a survey of potential sources that chose not to submit a bid or proposal. Any supporting documentation used to make a determination of adequate competition in the event of a single bid or proposal must be included in the contract file.

### **Post-Award Activities**

#### **4.26 Contract Distribution**

The Procurement Administrator shall distribute copies of contracts or modifications to the Contractor within ten (10) working days after execution by all parties.

#### **4.27 Post-Award Conference**

- A. If the Procurement Administrator decides that a post award conference is needed, he or she shall be responsible for the following:
- i. Establishing the time and place of the conference;
  - ii. Preparing the agenda, when necessary;
  - iii. Notifying appropriate CTA representatives;
  - iv. Notifying appropriate Vendor representatives;
  - v. Designating or acting as chairperson;
  - vi. Conducting a preliminary meeting of other CTA personnel, if necessary; and
  - vii. Preparing a summary report of the conference.
- B. It is the policy of the CTA to conduct a "preconstruction meeting" with all construction Vendors before the work under a construction contract begins. Such a meeting provides key members of both CTA and the Contractor an opportunity to establish lines of authority and communication and identify their respective duties

and responsibilities. Discussions may also cover specific projects, plans, specifications, safety requirements, unusual conditions, and schedules of completion. A thorough understanding of equal employment regulations, civil rights requirements, and other pertinent features of the contract will promote better relations and usually improve construction operations.

#### **4.28 Contract Compliance**

The Procurement Administrator shall ensure that the goods, services, or construction procured under each CTA contract conform to the quality, safety and quantity requirements of the contract, including inspection, acceptance, warranty, and any other measures associated with quality assurance.

#### **4.29 Subcontracts**

- A. The Procurement Administrator may require the Vendor to obtain consent for any or all subcontracting in any instance where the Procurement Administrator determines that it would be in the best interests of the CTA.
  
- B. In determining whether to require consent to subcontract, the Procurement Administrator shall consider the following:
  - i. The complexity of the work to be done under subcontracts;
  - ii. The value of the subcontract(s);
  - iii. Whether the CTA's interests can be adequately protected without requiring consent; and
  - iv. Any other relevant factors.
  
- C. Upon receipt of the Vendor's request for consent to subcontract, the Procurement Administrator shall do the following:
  - i. Promptly evaluate the Vendor's request for consent to subcontract;
  - ii. Obtain assistance in the evaluation from audit, pricing, technical, or other specialists as necessary; and
  - iii. Notify the Vendor in writing of consent to subcontract or the withholding of consent to subcontract, including any changes or corrections required.

#### **4.30 Contract Changes**

- A. All Change Orders and Contract Amendments shall be within the general scope of the contract and cannot represent cardinal changes to the contract. The Procurement Administrator shall review and verify that the changed work is not a cardinal change to the contract. In the event the change will be a cardinal change to the contract, the work must be publicly solicited as a separate contract and cannot be undertaken as a change to a current contract.

- B. Field Memos, Proceed Orders, Directive Letters, Change Orders and Contract Amendments involve changes within the scope of the contract which require a modification to the contract.
- C. As a general rule Contract Amendments are used for changes to professional services contracts and Change Orders are used for changes to all other contracts.
- D. Payment is not authorized for Field Memos, Proceed Orders and Directive Letters until they are changed in Change Orders.
- E. The process for Change Orders and Contract Amendments set forth in the following sections will be utilized by CTA.

#### **4.31 Field Memo**

Field Memos will result from the following process:

- A. The using department prepares a Field Memo and submits it, along with a justification statement and an independent cost estimate, to the Purchasing Department; and
- B. The Procurement Administrator reviews the justification and performs a price analysis. If the proposed Field Memo is found acceptable, the Procurement Administrator submits the Field Memo for execution to the Vice President, Purchasing, or designee. If the justification is not acceptable (including for reasons of cost), the Procurement Administrator can
  - i. facilitate negotiations between the Contractor and the using department; or
  - ii. with agreement from the using department, determine that the work should not proceed; and
- C. The Field Memo is issued to the Contractor by the using department. Field Memos are used for cost increases or decreases that do not exceed \$10,000 but cannot be utilized for extensions of time or acceleration of work. Field Memos do not constitute authorization for payment to the Contractor until they are prepared and submitted as Change Orders.

#### **4.32 Proceed Order**

Proceed Orders result from the following process:

- A. The using department prepares a Proceed Order and submits it, along with a justification statement and an independent cost estimate, to the Procurement Administrator; and

- B. The Procurement Administrator reviews the justification and performs a price analysis. If the proposed Proceed Order is found acceptable, the Procurement Administrator submits the Proceed Order for execution to the Vice President, Purchasing, or designee. If the justification is not acceptable (including for reasons of cost), the Procurement Administrator can
  - i. facilitate negotiations between the Contractor and the using department; or
  - ii. with agreement from the using department, determine that the work should not proceed; and
- C. The Proceed Order is issued to the Contractor by the using department. Proceed Orders are utilized for cost increases or decreases exceeding \$10,000 and for extensions of time and accelerations of work.
- D. A General Manager, Purchasing may authorize Proceed Orders that do not exceed \$100,000 in costs. The Vice President, Purchasing, may authorize Proceed Orders that do not exceed \$250,000 in costs. All Proceed Orders involving costs exceeding \$250,000 must be authorized by the President.
- E. Proceed Orders do not constitute authorization for payment to the Contractor until they are prepared and submitted as Change Orders.

#### **4.33 Directive Letter**

A Directive Letter results from the following processes:

- A. The using department submits a request for a Directive Letter along with a justification statement and an independent cost estimate to be issued by the Procurement Administrator.
- B. The Procurement Administrator reviews the justification and performs a price analysis. If the proposed Directive Letter is found acceptable, the Procurement Administrator submits the Directive Letter for execution to the Vice President, Purchasing, or designee. If the justification is not acceptable (including for reasons of cost), the Procurement Administrator can
  - i. facilitate negotiations between the Contractor and the using department; or
  - ii. with agreement from the using department, determine that the work should not proceed; and
- C. The Procurement Administrator will determine the equitable adjustment of time and/or money. Directive Letters do not constitute authorization for payment to the Contractor until they are prepared and submitted as Change Orders.

#### 4.34 Change Order Procedures

Change Orders result from the following process:

- A. The using department determines that a Change Order is necessary and makes a written request to the Contractor for a Change Order proposal. All Field Orders, Proceed Orders and Directive Letters must be incorporated into a Change Order;
- B. The Contractor responds in writing to the using department's request. Said response will include the Contractor's costs, actual or estimated, and any requests for time extensions;
- C. The using department and the Contractor negotiate an acceptable price and, if applicable, a time extension amount, in accordance with the budgetary constraints, if any, set forth by the Finance and Capital Investment Departments;
- D. The using department prepares a written change order and submits it to the Contractor for execution. Once executed, the using department submits the change order to the Finance and Capital Investment Departments for review; and
- E. Upon the return of the executed Change Order, the using department submits it with supporting documentation and justification, including a certification that the Change Order complies with 720 ILCS 5/33E-9, as amended, to the Procurement Administrator for review. For change orders or series of change orders on the same contract that increase or decrease the contract price by more than \$10,000 or that extend the time for completion by 30 days or more, the statute currently requires a determination that:
  - i. the circumstances said to necessitate the change in performance were not reasonably foreseeable at the time the contract was executed; or
  - ii. the change is germane to the original contract as signed; or
  - iii. the Change Order is in the best interest of CTA and authorized by law.
- F. Board authorization is required for contracts originally valued at \$1,000,000 or less when a Change Order individually or cumulatively with other Change Orders:
  - (1) exceeds ten percent (10%) of the original contract value or
  - (2) increases the contract value by more than \$100,000, whichever is less and except as set forth in section 12.10(J) of these Regulations

OR

  - (3) decreases the contract value by more than ten percent (10%) of the original contract value or
  - (4) decreases the contract value by more than \$100,000, whichever is less.

- G. The President or designee must authorize Change Orders to contracts originally valued at \$1,000,000 or less when the Change Order contract increase or decrease is less than or equal to ten percent (10%) of the original contract value or there is a cumulative increase or decrease of \$100,000 or less to the contract. Once either the 10% or \$100,000 threshold will be exceeded, subsection 12.10F, above, applies and Board authorization is required.
- H. Board authorization is required for contracts originally valued in excess of \$1,000,000 when a Change Order individually or cumulatively with other Change Orders:
- (1) exceeds ten percent (10%) of the original contract value or
  - (2) increases the contract value by more than \$500,000, whichever is less and except as set forth in section 12.10(J) of these Regulations
- OR
- (3) decreases the contract value by more than ten percent (10%) of the original contract value or
  - (4) decreases the contract value by more than \$500,000, whichever is less.
- I. The President or designee must authorize Change Orders to contracts originally valued in excess of \$1,000,000 when the Change Order contract increase or decrease is less than or equal to ten percent (10%) of the original contract value or there is a cumulative increase or decrease of \$500,000 or less to the contract. Once either the 10% or \$500,000 threshold will be exceeded, subsection 12.10H, above, applies and Board authorization is required.
- J. Change Orders to contracts for Public Works Projects cannot exceed 50% of the original contract price. Any proposed change to a Public Works Contract that exceeds 50% of the original contract price must be procured through the same competitive bidding process as the original contract.
- K. Change Orders, regardless of contract value, which do not affect the contract completion or termination date or the dollar value of the contract, do not require Board authorization. These contracts will be authorized by the General Manager, Purchasing and reported to the Board on a monthly basis.
- L. Change Orders, regardless of contract value, that affect the contract completion or termination date by 12 months or less do not require Board authorization and can be authorized by the General Manager, Purchasing. For contracts whose completion or termination date is being extended beyond 12 months, Board authorization is required.

- M. An executed copy of the Change Order will be transmitted to the Contractor by the Procurement Administrator.

**4.35 Contract Amendment Procedures**

Contract Amendments result from the following process:

- A. The using department determines that a change is required to a contract and contacts the Purchasing Administrator and the Contractor to negotiate the terms of the change needed, including an acceptable price and time extension, if any.
- B. The Purchasing Administrator in conjunction with the Law Department prepares a Contract Amendment for review by the Contractor.
- C. Once a contract amendment acceptable to the Authority and the Contractor has been drafted, it is ready for signature by both parties. Contracts that required board authorization will require board authorization to amend.

**4.36 Assignment of Contracts**

No contracts, inclusive of leases and concessions, will be assigned or sublet without Board authorization.

Assignment of funds must be authorized by the Vice President, Purchasing after consultation with the General Counsel.

**4.37 Closeout of Contracts**

- A. Small purchase files shall be considered closed when the Procurement Administrator receives evidence of receipt of property and final payment.
- B. Files for all contracts shall be closed in a timely fashion and as business appropriate.
- C. The Procurement Administrator shall ensure that all required contractual actions have been completed.
- D. CTA will retain all contracts for at least three years following: (1) final close out of FTA grant funded contracts; and/or (2) contract expiration or termination.

**4.38 Termination**

- A. Termination for Convenience
  - i. All federally funded contracts must contain provisions enabling CTA to terminate such contracts for the convenience of CTA. These provisions

shall specify the manner in which such termination will be effected and the basis for settlement of any outstanding bills/costs.

- ii. CTA contracts will be terminated for convenience only when determined to be in the best interests of CTA. Formal written notice to the Contractor is necessary to terminate a contract for convenience. Such notice will state that the contract is being terminated pursuant to the termination for convenience provision of the contract, the effective date, the extent of termination, and instruct the Contractor to cease performance under the contract.
- iii. The Procurement Administrator will negotiate a no-cost settlement with the Contractor if possible. Otherwise, the Procurement Administrator will negotiate an appropriate settlement agreement with the Contractor pursuant to the provisions of the termination for convenience clause of the contract.

#### B. Termination for Default

- i. All federally funded contracts must contain provisions enabling CTA to terminate for cause if the Contractor defaults in one of more of the enumerated manners set forth in the contract.
- ii. If a Contractor's right to proceed is terminated for default, CTA may take over and complete the work or cause it to be completed, and the Contractor and its sureties, if any, shall be liable to CTA for any increased costs caused thereby. The Contractor and its sureties shall, in addition to increased costs in completing the work, be liable for liquidated damages, if liquidated damages are provided for in the contract, or for actual damages, if liquidated damages are not so provided.
- iii. If the Procurement Administrator determines that the Vendor's failure to perform arises from causes which are excusable under the terms of the contract, the Procurement Administrator shall not terminate the Vendor's right to proceed, nor shall he/she charge the Vendor with damages because of any delays occasioned by such causes.
- iv. Where a surety does not complete performance of the contract, the Procurement Administrator may complete the performance of work by awarding a new contract based on the same plans and specifications. Such award may be the result of competitive bidding or negotiation, whichever procedure is most appropriate under the circumstances. The Procurement Administrator must use reasonable diligence to obtain the lowest price available for completion.
- v. If, after due consideration, the Procurement Administrator determines that termination is not in the best interest of CTA although the Vendor is in default, the Procurement Administrator may permit the Vendor to continue the work, and the Vendor and its sureties shall be liable to the CTA for

liquidated damages, as specified in the contract, or if liquidated damages are not so specified, for any actual damages occasioned by the failure of the Vendor to complete the work in accordance with the terms of the contract.

## **Chapter 5: Disadvantaged Business Enterprises (DBE)**

It is the policy of the CTA to create a level playing field on which Disadvantaged Business Enterprises ("DBEs") can compete fairly for CTA's contracts. See CTA DBE Program Plan for additional details.

### **5.1 Proposed Contract Review**

Contracts in excess of \$10,000 will be reviewed by the Diversity Department ("DBE Department") to determine if the contract has subcontracting opportunities. If so, the DBE Department will determine whether to assign a contract specific DBE goal to it. The DBE contract goal, if any, will be included in the solicitation documents.

- A. The Procurement Administrator will request that the DBE Department review all proposed solicitations prior to advertisement to determine the contract specific DBE goal, if any.
- B. The DBE Department will promptly provide documentation to the Procurement Administrator with the contract DBE goal or with its written decision not to put a DBE goal on the proposed contract.

### **5.2 Participation**

- A. For competitively bid contracts of \$10,000 or less, the Procurement Administrator will use its best efforts to provide DBEs with the maximum opportunity to participate in such contracts. The Purchasing Department will provide the DBE Department with a monthly report of the DBE participation on all contracts of \$10,000 or less.
- B. For competitively bid contracts in excess of \$10,000, the Procurement Administrator will forward information regarding the Bidders' or Proposers' good faith efforts to comply with the DBE contract goal to the DBE Department, which will determine compliance with the DBE contract goal, and forward its determination to the Procurement Administrator prior to contract award.
- C. Compliance with the DBE contract goal, if any, on IFBs is a matter of Bidder responsiveness. CTA will not award a contract to any Bidder who has not demonstrated good faith efforts to meet the goal at the time of submitting its bid.
- D. Compliance with the DBE contract goal, if any, on RFPs and LIQs is a matter of responsibility. CTA will not award a contract to any Proposer who does not show good faith efforts to meet the goal by the time of contract award.

### **5.3 Good Faith Efforts**

- A. Compliance with the DBE contract goal may be achieved by a Bidder or Proposer's demonstration of good faith efforts to meet the contract DBE goal through any one of the following:
- i. A non-DBE Contractor subcontracting for a portion of the work sufficient to meet the DBE contract goal with a DBE company certified by the Illinois Unified Certification Program ("IL UCP") in the DBE's area of certification and whose proposed work on the contract being evaluated will serve a commercially useful purpose; or
  - ii. Performance of the contract by an IL UCP-certified DBE in its area of certification; or
  - iii. A non-DBE Contractor who does not meet the full DBE contract goal through participation by an IL UCP-certified DBE but, in addition to partial compliance, submits statements of good faith efforts to meet the DBE contract goal acceptable to CTA; or
  - iv. A non-DBE Contractor who does not meet the DBE contract goal, but submits statements of good faith efforts to meet the DBE contract goal acceptable to CTA.
- B. In the event the low Bidder on an IFB does not demonstrate good faith efforts to meet the goal, the Bidder will be offered a reconsideration hearing. The decision of CTA's reconsideration officer is final and cannot be appealed.

### **5.4 Small Business Program**

- A. CTA will establish a race-neutral small business program which will:
- i. Utilize the Small Business Administration's ("SBA") size standards for small businesses. Only those businesses that fit within the SBA size standards are eligible to participate in the small business program.
  - ii. Accept certifications by the following entities: the Small Business Administration, the Veteran's Administration, the Women-Owned Small Business Federal Contract Program, the U.S. Department of Commerce Minority Business Development Agency, the Women's Business Development Center as well as the certifications by any other organization or governmental entity located in the state of Illinois that certifies small businesses.
  - iii. From time to time, the General Manager, Diversity may add additional certifying agencies whose small business certifications CTA will accept to this subsection c. In order to participate in the small business program, a company must be certified as a small business by one or more of the agencies listed in subsection b. hereof. CTA will not accept self certifications.
  - iv. Require that every business wishing to participate in the small business program submit its small business certification. All participants in the small business

program will be required to submit documentation supporting their certification as a small business when requested by CTA.

- B. Two types of contracts may be included in the small business program: (1) certain contracts under \$100,000 will be set aside for small businesses to bid on as prime contractors, and (2) certain larger construction contracts will require that prime contractors identify portions of the work to subcontract to only small business.
  - i. At the time of submitting its bid, any bidder on a larger construction contract included in the small business program will be required to identify those specific portions of the work to be subcontracted only to small businesses. Compliance with this requirement will be an element of responsiveness to the bid.

## **Chapter 6: Contract Types**

### **6.1 General Provisions – Contract Types**

A wide selection of contract types is available to Procurement Administrators and Contractors in order to provide needed flexibility in acquiring goods and services. Contract types vary according to the degree and timing of the responsibility assumed by the Contractor for performance.

### **6.2 Selecting Contract Type**

- A. When procurement is by competitive sealed bidding, the Procurement Administrator will use either a firm-fixed-price contract or a cost reimbursement contract. The type of contract to be used shall be determined prior to solicitation, and the solicitation shall inform Bidders of the type of contract that will be used.
- B. The Procurement Administrator shall include documentation in each contract file to show the reasons the particular contract type was selected, except for the following procurements:
  - i. Small purchases other than cost-reimbursement contracts; and
  - ii. Repetitive purchases on a firm-fixed-price basis.
- C. The cost-plus-a-percentage-of-cost and the percentage of construction cost methods of contracting shall not be used by CTA or its Contractors.

### **6.3 Fixed-Price Contracts**

- A. The fixed-price contract usually stipulates a firm price. However, under appropriate circumstances it may provide for an adjustable price. An adjustable price contract includes a price ceiling, a target price or both, which limits the financial obligation of CTA to the Contractor for satisfactory completion of the contract.
- B. Fixed-price contracts consist of several types designed to facilitate proper pricing under varying circumstances.
- C. Firm Fixed-Price Contract — The firm fixed-price contract provides for a price which is not subject to any adjustment.
  - i. This type of contract, when appropriately applied, places maximum risk upon the Contractor.
  - ii. It is appropriate when fair and reasonable prices can be established at the time of award, definite design or performance specifications are available, products are off-the-shelf or there are modified commercial products or services for which realistic prices can be offered, and any performance

uncertainties can be identified and the reasonable cost can be estimated in advance.

- iii. Its advantages are that it encourages Contractor efficiency and places total responsibility and risk on the Contractor.
- iv. Its disadvantages are that it lacks flexibility in pricing and performance.
- v. It is the most commonly used type of contract requiring the least amount of contract administration.

D. Fixed-Price Contract with Escalation — This type of contract provides for the upward and downward revision of the stated contract price upon the occurrence of certain specified contingencies.

- i. This type of contract is used when the market for a particular good or service is especially volatile and CTA needs a contract for a term greater than just the initial quantity.
- ii. Risks to the Contractor are reduced by the inclusion of escalation provisions. Upward price adjustments must be limited by the establishment of a reasonable ceiling.
- iii. Provisions should also be included to provide for downward adjustments when the prices or rates fall below the base levels provided in the contract.

#### **6.4 Cost-Reimbursement Contracts**

A. The cost-reimbursement contract provides for payment of allowable costs incurred in the performance of the contract only to the extent prescribed in the contract. Cost-reimbursement contracts are suitable for use only when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed-price contract. This type of contract establishes an estimate of total cost for the purpose of obligation of funds and establishes a ceiling which the Contractor may not exceed (except at the Contractor's own risk) without prior approval of the Procurement Administrator. Nevertheless, it places all significant risk on CTA.

B. Cost Contract – A cost contract is a cost-reimbursement type of contract which provides reimbursement for costs, but no fee to the Contractor. The following are illustrative situations in which the use of this type of contract may be appropriate:

- i. Research and development work, particularly with non-profit educational institutions or other non-profit organizations; or
- ii. Initial small quantity procurements of new items with anticipated subsequent large production runs.

C. Cost-Sharing Contract — A cost-sharing contract is a cost-reimbursement contract under which the Contractor receives no fee, but is reimbursed for an agreed portion of the allowable costs.

- D. **Cost-Plus-A-Fixed-Fee Contract** — A cost-plus-a-fixed-fee contract is a cost reimbursement contract which provides for payment of a fixed fee (profit) to the Contractor.
  - i. Once the fixed fee has been negotiated, it does not vary with the Contractor's actual costs.
  - ii. The fee may be adjusted as a result of subsequent changes in the work or services to be performed.
  - iii. Because the fixed fee does not vary in relation to the Contractor's ability to control costs, there is minimum incentive for effective management control of costs.

## **6.5 Time and Materials Contract**

- A. The time and materials contract provides for the procurement of property or services on the basis of:
  - i. Direct labor hours at specified, fixed hourly rates, including direct and indirect labor, overhead, and profit, and
  - ii. Material at cost. Material handling costs may be included in the charge for "material at cost" to the extent they are clearly excluded from any factor of the charge computed against direct labor hours.
- B. This type of contract does not provide any incentive for Contractors to control the cost of materials or to manage their labor forces effectively.
- C. Because this type of contract does not encourage effective cost control and requires almost constant surveillance, it should be used only when no other type of contract will suffice.
- D. The labor-hour contract is a variant of the time and materials contract, differing only in that materials are not supplied by the Contractor.
  - i. This type of contract is used only when it is not possible, at the time of awarding the contract, to estimate the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.
  - ii. Particular care should be exercised in the use of this contract, since its nature does not encourage effective cost control. There must be adequate controls, including surveillance during performance, to give reasonable assurance that inefficiency and waste is not perpetuated.
  - iii. Because this type of contract does not encourage effective cost control and requires almost constant surveillance, it should be used only after determining that no other type of contract is suitable to ensure contract performance;

- iv. A ceiling price, which the Contractor exceeds at his own risk, should be established for this type of contract.

## **6.6 Indefinite Delivery Contracts (“Blanket Contracts”)**

- A. CTA may use this type of contract (either a requirements contract or an indefinite-quantity contract) when the exact quantities of supplies or services are not known at the time of contract award. Indefinite quantity contracts provide for delivery of an indefinite quantity including a stated minimum and maximum limits of goods or services during a fixed period. Quantity limits may be stated in the contract as number of units or as dollar values.
- B. The Procurement Administrator shall include the following in each contract and solicitation for a Blanket Contract:
  - i. A realistic estimate of the total quantity that will be ordered, based on the most current information available; and
  - ii. A clause stating that the estimate is not a representation to a Bidder that the estimated quantity will actually be required or ordered, or that conditions affecting the requirements will be stable or normal.
- C. If feasible, a requirements type contract shall state both the minimum and maximum limit of the Vendor's obligation to deliver and CTA's obligation to order. The contract shall require that CTA order and the Contractor to furnish at least the stated minimum quantity of supplies or services. The Contractor shall also be required to furnish, if and as ordered, any additional quantities, not to exceed the stated maximum. The Procurement Administrator shall ensure that the contract obligates a sufficient budget to cover CTA's minimum required order under the contract.
- D. The Procurement Administrator shall obligate funds when each individual order is issued and may order from a requirements type contract as much as is needed by CTA up to the maximum quantity of the goods or services covered by the contract. Each order placed under a Blanket Contract shall contain the following information:
  - i. Date of the order;
  - ii. Contract number and an order number;
  - iii. Item number, description, quantity, and unit price;
  - iv. Delivery or performance date;
  - v. Place of delivery or performance;
  - vi. Packaging, packing, and shipping instructions, if any; and
  - vii. Any other pertinent information.

## **6.7 Letter Agreement**

- A. A written preliminary contractual document which authorizes the Contractor to begin immediately performing services or delivering supplies while the contract terms are negotiated and may result in any contract type.
- B. It should be used only in exceptional circumstances and is most appropriate for emergency work or other urgent and compelling needs.
- C. The single advantage of this method is that it expedites the procurement process and the Contractor may begin performance on urgent requirements before the full requirements of the contract are made final. The disadvantage is that it provides no incentive for cost control by the Contractor and CTA is in a very weak bargaining position at the time the final contract is negotiated because the Contractor is already performing the work and is aware of CTA's critical need for the work.
- D. The letter agreement should be as complete and definite as feasible under the circumstances. It should be used only after the Vice President, Purchasing determines in writing that no other contract is suitable.
- E. A letter agreement should be superseded by a definitive contract at the earliest practicable date.

## **6.8 Memoranda of Understanding**

An agreement with one or more parties that sets out the parties' mutual understanding and the obligations of each party toward the common objective. A memorandum of understanding (MOU) creates guidelines for each party as they contribute their efforts toward the shared goal. An MOU is less formal than a contract.

## **6.9 Other Contract Types**

Whether or not set forth in this Chapter 6, from time to time CTA may enter into any type of contract permitted by the FTA, State law or regulation, including the contract types set forth in Chapter 12, Construction Contracts.

## **6.10 Liquidated Damages**

A liquidated damages clause may be used in a contract when the following factors apply:

- A. The extent or precise amount of damages would be difficult or impossible to ascertain or prove.

- B. A liquidated damages assessment must be at a specific rate per an appropriate time period and must be specified in the contract. For federally funded contracts only, any damages recovered must be credited to the project involved unless the FTA permits otherwise.

### **6.11 Use of Options**

- A. The Procurement Administrator may include an option in a contract when it is in the best interest of the CTA to include in the contract a unilateral right for a specified time by which the CTA may elect to purchase additional equipment, materials, supplies, construction or services called for by the contract, or may elect to extend the term of the contract.
- B. An advantage of awarding a contract with options is that it gives CTA a continued source of goods or services under a contract at known prices.
- C. The cost of each option shall be readily discernible from the contract provisions that set forth the option.
- D. Each contract shall state the period within which an option may be exercised. Options may not be exercised after the term of the contract has expired; technically, there is no longer a legal and binding contract to extend.
- E. The appropriate option clauses must be included in the solicitation. In order to meet the requirements of these Regulations for full and open competition. The option must be evaluated as part of the initial competition and be exercisable at an amount specified in the terms of the basic contract. When options have not been evaluated as part of the award, the exercise of such options will be considered a sole source procurement, if appropriate.
- F. The option term(s) need not be funded at the time of contract award.
- G. Before exercising an option, the Procurement Administrator should document the contract file with:
  - i. A written determination that includes a description of the funds available and of market prices to justify price reasonableness of the option;
  - ii. A statement that the option was included in and evaluated as part of the basic contract; and
  - iii. Any other factors that support CTA's decision to exercise the option.

### **6.12 Joint Procurement**

In addition to the other procurement methods authorized by these Regulations, CTA may also procure goods or services as follows:

- A. Piggybacking  
Contracts awarded by agencies of the State of Illinois or other units of local government if such contracts permit participation by other government agencies. Under these circumstances, each unit of government is only responsible to pay for the goods and/or services that it purchases. If federal funds are utilized for the purchase, all federal requirements, required clauses and certifications must be followed and included in CTA's contract and the solicitation document, as appropriate.
- B. For information technology services only, orders are placed under United States General Services Administration schedule 70.
- C. Procurements are issued jointly with one or more units of local government or agencies of the State of Illinois. All such jointly issued procurements will be solicited and negotiated jointly. Each participant in the joint procurement will enter into its own contract with the chosen Contractor(s). If Federal funds are utilized for the purchase, all Federal requirements, required clauses and certifications must be followed and included in the solicitation document and contract.
- D. All joint procurement contracts are subject to the approval and execution limits otherwise outlined in these Regulations.

### **6.13 Two-Step Procurements**

- A. The two-step procurement process generally consists of a technical first phase composed of one or more steps in which Bidders submit unpriced technical proposals (and discussions are held with those Bidders, if necessary) to be evaluated by CTA and a second phase in which those bidders whose technical offers are determined to be acceptable during the first phase have their priced bids considered. Either an IFB or RFP procurement process may be used.
- B. The two-step bidding process can be used:
  - i. When CTA does not consider it practical to initially prepare a definitive purchase or contract description which is suitable to permit an award based on price; or
  - ii. In preference to negotiations when all of the following conditions are present:
    - a. Available specifications or purchase descriptions are not definite or complete or may be too restrictive without technical evaluation, and any necessary discussion, of the technical aspects of the requirement to ensure mutual understanding between each source and CTA;

- b. Definite criteria exist for evaluating technical proposals;
  - c. More than one technically qualified source is expected to be available;
  - d. Sufficient time will be available for use of the two-step method; and
  - e. A firm-fixed-price contract or a fixed-price contract with economic price adjustment will be used; or
  - f. At any time deemed appropriate.
- C. First step in two-step process includes a solicitation which states:
- i. The procurement is a two-step sealed bid procurement, priced bids will be considered in the second phase only and only from those bidders whose unpriced technical offers are found to be acceptable in the first step;
  - ii. Unpriced technical offers are requested;
  - iii. The criteria to be used when evaluating the unpriced technical offers is stated;
  - iv. CTA may conduct oral or written discussions regarding the technical offers;
  - v. Bidders should submit proposals that are acceptable without additional explanation or information;
  - vi. Bidders may designate those portions of the technical offers which contain trade secrets or other proprietary data that is to remain confidential; and
  - vii. The item being procured shall be furnished generally in accordance with the bidder's technical offer.
- D. The second step involves the submission of sealed priced bids by those who submitted acceptable technical proposals in the first step. No additional public notice or advertisement of the IFB/RFP need be given because such notice was given during the first step of the process.
- E. If permitted by law, CTA may award a contract following the first step.
- F. If an IFB, award is made to the lowest, responsive responsible bidder. If a RFP, award is made to the proposer whose offer is the most advantageous to the CTA.

#### **6.14 Pre-Qualification**

- A. Pre-qualification of bidders or products maybe used when: (1) CTA wishes to procure complex services such as construction and at other instances when appropriate; or, (2) CTA wishes to procure goods that require sophisticated manufacturing and/or goods with exacting performance requirements. Only those bidders who are prequalified may supply the goods or services required.
- B. Either an IFB or an RFP public solicitation may be used. If an IFB is used, award is made to the lowest, responsive responsible bidder. If an RFP is used, award is made to the proposer whose offer best satisfies the criteria set forth in the RFP.

C. For pre-qualification of services:

1. CTA will issue a request for pre-qualification ("Request"). The Request will set forth the minimum qualifications required as well as other relevant factors and will be publicly solicited. The criteria to be used when evaluating the bidders' qualifications will be set forth in the Request.
2. The Request will identify the solicitation method to be used, following bidder prequalification, to procure the services, either an IFB or an RFP. Only those bidders who have been prequalified will be given the IFB/RFP. CTA will only consider responses to the IFB or RFP from bidders who have been prequalified.
3. The pre-qualification period will start on the date of issuance of the Request and will end on the bid/proposal submittal date. CTA will continue to review prequalification submittals, if any, after the initial prequalification period, as long as the prequalification submittal is made prior to the bid/proposal submittal date. Those bidders who are prequalified as described above may respond to the IFB/RFP.
4. No additional public notice or advertisement of the IFB/RFP is required because such notice was given during the Request.

D. For pre-qualification of products:

1. Pre-qualification of parts or equipment is most commonly used for products that take some period of time to evaluate to determine if they satisfy CTA's standards. CTA accepts submissions for evaluation at any time, including during open procurement actions. However, CTA will not hold a particular solicitation open to accommodate a potential bidder who submits a product for approval before or during that solicitation.
2. The PA will ensure that all lists of prequalified products that are used in acquiring goods are current and include enough qualified sources to ensure maximum full and open competition.

## 6.15 Revenue Contracts

Revenue contracts are contracts the primary purpose of which is to generate revenues or to create business opportunities for the CTA. If revenue contracts involve use of a federally-funded asset, the FTA requires that such contracts be awarded utilizing competitive procedures and principles. The extent and type of competition should be consistent with the purpose and scope of the procurement and the available marketplace. Competitive procedures are not required when a business opportunity is made available on an equal basis to all qualified applicants.

**6.16 Public Private Partnerships**

- A. To the extent permitted by law and regulations, CTA may participate in public private partnerships.
- B. A public private partnership may take the form of a Transit Oriented Development or joint development but it need not do so.
- C. The provisions of these Regulations apply to such agreements.

**6.17 Reverse Auctions**

- A. To the extent permitted by law and regulations, CTA may purchase goods and equipment through a reverse auction.
- B. A reverse auction is a real-time electronic bidding process.
- C. CTA will issue an IFB that states it will be subject to the reverse auction process.
- D. Interested bidders will submit bids; however, the bids will not include the price for the items to be purchased
- E. The Procurement Administrator will determine the pool of responsive and responsible bidders. Those bidders will be permitted to participate in the electronic bidding process as described in the IFB.

## **Chapter 7: Procurement by Competitive Sealed Bid (Invitation for Bids)**

### **7.1 General Provisions - Invitation for Bids**

An Invitation for Bids (IFB) results in a firm fixed-price contract awarded to the lowest responsive and responsible bidder.

- A. Bids shall be solicited from an adequate number of Contractors to assure full and open competition. In the case of a single bid in response to an IFB, the Procurement Administrator may negotiate in order to determine if the price is fair and reasonable or may choose to re-advertise.
- B. Solicitations may be canceled prior to bid opening or after bid opening. The file shall contain reasons supporting the cancellation or rejection of bids.
- C. Each IFB shall include the following:
  - i. Instructions and information to bidders concerning the bid submission requirements, including the time and date set for receipt of the bids and the address where bids are to be delivered;
  - ii. General Conditions;
  - iii. The purchase description, delivery, or performance schedule, and any Special Conditions and Detailed Specifications necessary. The Special Conditions and/or Detailed Specifications shall set forth clear and accurate specifications for the items to be purchased or scope of work for services needed;
  - iv. Required Federal provisions if the contract is Federally funded;
  - v. Required state provisions if the contract is funded with other than federal funds;
  - vi. Bid protest procedures;
  - vii. Special Conditions for DBE requirements and DBE forms B, C and D, as amended;
  - viii. Proposal form; and
  - ix. Such other forms as determined necessary by the Procurement Administrator.
- D. The IFB shall require written acknowledgment by each bidder of the receipt of all amendments, addenda, and changes issued.
- E. Bids shall be evaluated without discussions with bidders.
- F. Good faith efforts to meet the DBE contract goal, if any, shall be evaluated as an element of responsiveness. CTA will not award a contract to a bidder who does not meet the requirements set forth in Chapter 5.

- G. Award is made to the one or more responsive responsible bidders whose bids, conforming with all the material terms and conditions of the IFB, are the lowest in price on the basis of the price-related factor(s) specified in the IFB.

## **7.2 Opening of Bids**

- A. Bids and modifications shall be opened publicly, at the time, date, and place designated in the IFB.
- B. The name of each bidder, the bid price, and other information that is deemed appropriate shall be read aloud or otherwise made available. This information shall be recorded at the time of bid opening.
- C. Examination of bids by interested persons shall be permitted only at the time of bid opening.

## **7.3 Postponement of Bid Opening**

- A. The Procurement Administrator may postpone a bid opening under the following circumstances:
  - i. If the Procurement Administrator has reason to believe that the bids of an important segment of bidders have been delayed in the mail for causes beyond the control of bidders without their fault or negligence, such as flood, fire, accident, weather conditions, or strikes;
  - ii. If emergency or unanticipated events interrupt normal processes so that the conduct of bid openings as scheduled is impractical; or
  - iii. Any other reason deemed sufficient.
- B. At the time of a determination to postpone a bid opening, an announcement of the determination shall be publicly posted and, if practical, communicated to prospective bidders who are likely to attend the scheduled bid opening.
- C. The Procurement Administrator shall prepare a written memorandum for the file explaining the circumstances of the postponement.

## **7.4 Cancellation/Rejection of Bids**

- A. The Vice President, Purchasing, in consultation with the using department, has the authority to cancel any procurement or reject any or all Bids. A written notification of all canceled procurements/rejected bids will be provided to the Chairman and President as requested.

- B. When it is determined that it is necessary to reject all bids, the Procurement Administrator shall notify each bidder that all bids have been rejected. The reasons for bid rejection must be in the contract file.
- C. If administrative difficulties are encountered after bid opening which may delay award beyond the bidder's acceptance period, the lowest bidders should be requested, before expiration of their bids, to extend the bid acceptance period (with consent of sureties, if any) in order to avoid the need for re-advertisement.

## **7.5 Rejection of Individual Bids**

- A. Any bid that fails to conform to the material requirements of the IFB shall be rejected.
- B. Any bid that does not conform to the applicable specifications shall be rejected unless the IFB authorized the submission of alternate bids and the goods or services offered as alternates meet the requirements specified in the IFB.
- C. A bid shall be rejected if the bidder imposes conditions that would modify requirements of the IFB.
- D. A bid received from any bidder that is suspended, debarred, or otherwise ineligible to receive a Federal, State or CTA contract shall be rejected if the period of suspension, debarment, or ineligibility has not expired by the bid opening date.
- E. Low bids received from bidders determined by the Procurement Administrator to be not responsible shall be rejected. Similarly, low bids received from bidders determined by the Procurement Administrator to be non-responsive shall be rejected.
- F. Low bids received from bidders who did not demonstrate good faith efforts to meet the contract DBE goals will be rejected.
- G. When a bid guarantee is required and a bidder fails to furnish the guarantee in accordance with the requirements of the IFB, the bid shall be rejected.
- H. A responsive bid received from a responsible bidder may be rejected based on finding that the price is unreasonable.
- I. The originals of all rejected bids and any written findings with respect to the rejections shall be maintained in the contract file.

## **7.6 Minor Informalities or Irregularities in Bids**

- A. Minor informalities or irregularities in bids may be waived by the Procurement Administrator.
- B. When it is in the best interests of CTA, the Procurement Administrator, after consultation with the Law Department, will give the bidder an opportunity to cure any deficiency resulting from a minor informality or irregularity in a bid, or waive the deficiency.

## **7.7 Mistakes in Bids Before Award**

- A. When the Procurement Administrator has reason to believe that a clerical mistake may have been made in a bid, the Procurement Administrator, after consultation with the Law Department, shall request from the bidder a verification of the bid, calling attention to the suspected mistake, to verify that the suspected clerical error is an error.
- B. Clerical errors must be obvious or apparent on the face of the bid and include such errors as an obvious misplacement of a decimal point, a typographical, transposition or arithmetical error or an obvious mistake in the designation of a unit.
- C. If the bidder verifies its original bid, CTA may consider the bid as originally submitted.
- D. If the bidder alleges a mistake was made, the Procurement Administrator may advise the bidder to make a written request to withdraw or modify its bid, supported by any and all evidence to support the position it is taking. If the bidder chooses to modify its bid, the Purchasing Administrator may correct the clerical error.
- E. Only bids that are responsive as submitted may be corrected. A nonresponsive bid may not be corrected to a responsive bid.
- F. If the correction of a bid mistake would result in displacing one or more lower bids, the Procurement Administrator may only permit correction where the existence of the mistake and the bid actually intended are ascertainable substantially from the invitation and the bid itself.
- G. If the mistake is not an obvious clerical error or minor informality or irregularity, the Law Department must be consulted before the bid may be corrected or withdrawn.

## **7.8 Mistakes in Bids After Award**

- A. If a mistake in a bid is not discovered until after award, the Procurement Administrator, after consultation with the Law Department, is authorized to make one of the following determinations:
  - i. To rescind a contract;
  - ii. To reform a contract to: (i) delete the items involved in the mistake or (ii) to increase the price if the contract price, as corrected, does not exceed that of the next lowest acceptable bid under the original IFB; or
  - iii. That no change shall be made in the contract as awarded.
- B. Determinations under subsection (A) shall be made only on the basis of clear and convincing evidence that a mistake in bid was made. It must be clear that the mistake was (a) mutual, or (b) if unilaterally made by the bidder, so apparent as to have given the Procurement Administrator notice of the probability of the mistake.
- C. The contract file shall contain a record of each determination made in accordance with this Section, the facts involved, and the action taken.

## **7.9 Contract Awards**

- A. Each contract shall be awarded to the responsible and responsive bidder(s) whose bid(s) meets the requirements set forth in the IFB, and is/are the lowest price on the basis of the price-related factor(s) specified in the IFB.
- B. In the unusual event that more than one bidder proposes the same low bid price, the Purchasing Administrator will toss a coin to determine which bidder should be awarded the contract.
- C. The successful bidder is notified of award by the Procurement Administrator.
- D. The Procurement Administrator shall also notify unsuccessful bidders promptly that their bids were not accepted, and shall return any bid guarantee furnished with the unsuccessful bids to the unsuccessful bidders.
- E. Following an award, a record showing the basis for determining the successful bidder, including the manner in which a tie was broken when there are equally low bids, shall be made a part of the contract file.

**7.10 Contract Amendments and Change Orders**

- A. Contracts may be amended by a writing executed by all parties or as otherwise set forth in the contract documents. The procedure for Contract Amendments is set forth in section 4.33.
  
- B. If a contract change order is required, the procedure set forth in section 4.32 of these Regulations must be followed.

**7.11 Bid Bonds**

When a bid guarantee is required by the IFB, submittal of the bid bond is an element of responsiveness. Therefore, if the bidder does not submit the required bid bond with its bid, the bid will be determined to be non-responsive and will be rejected by the CTA.

**7.12 Procedures for Release of Non-Stock Material or Service**

Refer to Appendix VII for step by step procedures.

**Chapter 8: Procurement by Competitively Bid Negotiation Methods  
(Request for Proposals / Request for Letters of Interest and Qualifications)**

**8.1 General Provisions – Request for Proposals**

A Request for Proposal (RFP) is an invitation from the CTA requesting firms to submit proposals to perform a specific project or provide specific services to CTA.

- A. RFPs shall be the solicitation type used to communicate CTA's requirements to prospective Contractors when CTA is doing a negotiated competitive procurement.
- B. RFPs may be used when the procurement does not lend itself to sealed bidding, CTA expects that more than one source will be willing and able to submit a proposal and the award will be made based on factors in addition to price. This procurement method permits CTA to consider technical factors and negotiate scope, price and other contract terms.
- C. RFPs must require that the evaluation be based on specific enumerated criteria/factors, including but not limited to price/cost. The criteria/factors must be in the solicitation document.
- D. RFPs may permit discussions with proposers concerning the offers submitted, negotiation of contract scope, price or estimated cost and other contract terms and conditions, and revision of proposals before the final Contractor selection.
- E. If not self-evident, the rationale for choosing competitive proposals rather than sealed bidding procedures should be documented by the Procurement Administrator in the contract file.

**8.2 Evaluation Committee**

- A. All RFPs will be reviewed and ranked by an Evaluation Committee consisting of the following:
  - i. Three or more voting committee members, as deemed appropriate, from a pool of qualified staff appointed by the President upon the recommendation of the Vice President, Purchasing. At least one voting committee member will be from the using department. The size of the committee will be determined based on dollar value or sensitivity of the procurement.
  - ii. One non-voting committee member shall be assigned by the General Manager, Diversity, to evaluate DBE compliance.

- iii. One or more non-voting members from the Purchasing Department, including the Chair of the Evaluation Committee, to monitor compliance with the pre-established evaluation criteria and the Purchasing Regulations.
  - iv. A Project Manager from the using department.
  - v. Non-voting technical advisors as necessary.
- B. All members of the Evaluation Committee, the Project Manager, the DBE representative and others that may advise the Committee or participate in the review of proposals, must sign a Confidentiality Agreement prior to their involvement in the RFP review process.

### **8.3 Evaluation Factors**

- A. The evaluation factors that will be considered in evaluating proposals shall be tailored to each procurement.
- B. The evaluation factors for each procurement and the relative importance of those factors are determined by the using department and the Procurement Administrator.
- C. RFPs shall clearly state the evaluation factors that will be considered in selecting the Contractor in the order of their relative importance. Numerical weights, which may be employed in the evaluation of proposals, need not be disclosed in the RFP. RFPs shall include the cost or price and cost or price-related factors.
- D. The Vice President, Purchasing shall determine which proposals are in the competitive range for the purpose of conducting written or oral negotiations. The competitive range shall be determined on the basis of the factors that were stated in the solicitation, and shall include all proposals that have a reasonable chance of being selected for award.

### **8.4 Evaluation of RFPs**

- A. The evaluations shall be based on the evaluation factors set forth in the RFP. Factors not specified in the RFP shall not be considered.
- B. Every responsive proposal submitted shall be evaluated by the Evaluation Committee, whose evaluations must be as thorough, objective and well-documented as possible. The Purchasing Administrator is responsible for ensuring that the evaluation results are sufficiently documented and are placed in the contract file, along with a copy of the proposal.
- C. Unlike sealed bids, which are publicly opened, the results of the proposal evaluation may not be disclosed, either before or after the contract is awarded, except as required in the event of a bid protest or lawsuit regarding the contract.

- D. The Evaluation Committee may, but need not, conduct written or oral discussions with responsible proposers who submit proposals within the competitive range.

Discussions are held between CTA and the proposers with the intent of allowing the proposer to revise its proposal to provide CTA the best value based on the requirements and evaluation factors set forth in the solicitation. These discussions may include bargaining, which includes persuasion, alteration of assumptions and positions, give-and-take and may apply to price, schedule, technical requirements, or other terms of a proposed contract. The Procurement Administrator determines the scope and extent of the discussions.

- E. Upon completion of discussions, the Procurement Administrator shall ask all proposers within the competitive range with whom negotiations have successfully concluded to submit their best and final offer. Oral requests for best and final offers shall be confirmed in writing. Best and final offers are usually requested only once in a competition. However, in some circumstances, the Procurement Administrator may determine that it is in CTA's best interest to request revised proposals, conduct another round of negotiations and request a second best and final offer.
- F. After evaluation of the best and final offers, the Evaluation Committee shall rank the proposers and the Vice President, Purchasing, shall select the responsible proposer whose best and final offer is most advantageous to the CTA.
- G. Prime Contractors and Subcontractors are required to submit and certify cost or pricing data under certain circumstances.
- H. Price negotiation is intended to permit the CTA and the proposer to agree on a fair and reasonable price.
- I. The selected firm will be required to show good faith efforts to comply with the contract DBE goal, if any. Compliance with the DBE goal is an element of responsibility and may be negotiated.
- J. Promptly after the award of each contract, the Procurement Administrator shall notify unsuccessful proposers in writing, unless pre-award notice was given.

## **8.5 General Provisions - Request for Letters of Interest and Qualifications**

- A. A Request for Letters of Interest and Qualifications (LIQ) is an invitation from the CTA requesting firms to submit proposals for Architectural or Engineering Services (A & E), as well as for certain construction management, project design or other permissible services that are directly in support of, connected to or related to the construction, alteration or repair of real property as set forth in 49 CFR 5325(b)(1).
- B. LIQs must require that the evaluation be based on specific enumerated criteria/factors exclusive of cost. The criteria/factors must be clearly stated in the solicitation document.
- C. The Procurement Administrator will select the appropriate type of contract (fixed-price, cost reimbursement, time and materials) in accordance with the guidelines. The type of contract selected for use should be discussed and justified in the pre-negotiation plan.
- D. Negotiations under the LIQ process are conducted with the most qualified proposer first, and only if CTA cannot reach agreement regarding a fair and reasonable price will negotiations be conducted with then second most qualified proposer. This process will continue until CTA is able to come to agreement with a proposer.
- E. The selected proposer will be required to show good faith efforts to comply with the DBE goal, if any.

## **8.6 Evaluation of LIQs**

- A. All LIQs will be reviewed and ranked by an Evaluation Committee appointed by the President upon the recommendation of the Vice-President, Purchasing and Warehousing.
- B. All members of the Evaluation Committee, the Project Manager, the DBE representative and others that may advise the Committee or participate in the review of proposals or must sign a Confidentiality Agreement prior to their involvement in the RFP review process.
- C. The evaluations shall be based on the evaluation factors set forth in the LIQ. Factors not specified in the LIQ, shall not be considered.
- D. Every responsive proposal submitted shall be evaluated by the Evaluation Committee, whose evaluations must be as thorough, objective and well-documented as possible. The Procurement Administrator is responsible for

ensuring that the evaluation results are sufficiently documented and are placed in the contract file, along with a copy of the proposal.

- E. Unlike sealed bids, which are publicly opened, the results of the proposal evaluation may not be disclosed, either before or after the contract is awarded, except as required in the event of a bid protest or lawsuit regarding the contract.
- F. Promptly after the award of each contract, the Procurement Administrator shall notify unsuccessful proposers in writing, unless pre-award notice was given.

### **8.7 Cancellation/ Rejection of RFPs and LIQs**

The Vice President, Purchasing, in consultation with the using department, has the authority to cancel any procurement or reject any or all RFPs or LIQs. A written notification of all cancelled procurements/rejected proposals will be provided to the Chairman and President as requested.

### **8.8 Contract Amendments and Change Orders**

- A. Contracts may be amended by a writing executed by all parties or as otherwise set forth in the contract documents. The procedure for Contract Amendments is set forth in section 4.33.
- B. If a contract change order is required, the procedure set forth in section 4.32 of these Regulations must be followed.

### **8.9 Bid Bonds**

When a bid guarantee is required at any time, the proposer must submit the bid guarantee as required by the CTA or its proposal will be rejected.

### **8.10 Procedures for LIQs for Architectural or Engineering Services**

Refer to Appendix VII for step by step procedures.

### **8.11 Procedures for RFPs for Professional Services**

Refer to Appendix VII for step by step procedures

## **Chapter 9: Sole Source and Disadvantageous Procurements**

### **9.1 General Provisions – Sole Source**

Procurement of construction, goods and services without competition is authorized under limited conditions and subject to written justification documenting the conditions which preclude competition.

- A. The Procurement Administrator is not required to do a competitive procurement if:
  - i. The goods or services, including construction, needed by the CTA are available from only one responsible source and no other type of goods or services, including construction, will satisfy the needs of the CTA; or
  - ii. The CTA determines that public exigency or emergency for the requirement will not permit a delay resulting from competitive procedures as set forth in Chapter 4; or
  - iii. If after solicitation of a number of sources, competition is determined inadequate. This determination may be made by the Procurement Administrator based upon industry research, and the formal or informal solicitation of potential sources. The file must reflect a documented finding that adequate competition cannot be obtained in the time frame necessary to meet the needs of the CTA; or
  - iv. The FTA authorizes noncompetitive negotiations; or
  - v. To exercise an option that was not awarded as part of the base contract award as set forth in Chapter 6.
  
- B. The Procurement Administrator may determine that competition is adequate even if a single Bid or Proposal was received in response to a solicitation if after review:
  - i. The Procurement Administrator determines that the specifications were not restrictive and
  - ii. That the other identified sources unilaterally chose not to submit a Bid or proposal. If a single Bid is received under these circumstances, the Procurement Administrator may negotiate the price. The Procurement Administrator will be responsible for determining price reasonableness.

### **9.2 Single Available Source**

- A. The Procurement Administrator may award a contract by using the noncompetitive negotiation procedures upon making a determination that there is only one reasonably available source for goods or services, including construction. This determination requires a reasonable basis to conclude that the CTA's minimum needs can only be satisfied by the goods or services, including construction, proposed to be procured, and that the proposed sole source Contractor is the only

source reasonably capable of providing the required goods or services, including construction.

- B. If the reason for making a procurement on a sole source basis is based on the particular source's ownership or control of limited rights in data, patent rights, copyrights, or trade secrets applicable to the required goods or services, including construction, the Procurement Administrator shall require that the written findings clearly demonstrate the need for the specific goods or services, including construction, and that one of the following applies:
  - i. The requirements cannot be modified to allow a competitive procurement; or
  - ii. It is in the best interests of the CTA to meet its requirements through procurement of the specific goods or services, including construction, and that the proposed Contractor is the only reasonably available source for the specific goods or services, including construction.
  
- C. Sole Source justifications are to be issued by the using department and require the approval of the Vice President, Purchasing prior to processing. With the concurrence of the General Counsel, justification for a sole source procurement shall address all of the goods and/or services, including construction, being procured under a single contract. The justification of the sole source procurement for certain goods or services, including construction, shall not be used to avoid competitive procedures for obtaining other goods or services, including construction, which do not qualify for sole source procurement.
  
- D. Each sole source justification which shall be included in the contract file shall include the following:
  - i. Description of the requirement;
  - ii. History of prior purchases and its nature (competitive vs. noncompetitive);
  - iii. The specific exception to competitive procedures that applies;
  - iv. An explanation of the unique nature of the procurement or other factors that qualify the requirement for sole source procurement;
  - v. An explanation of the proposed Contractor's unique qualifications or other factors that qualify the proposed Contractor as a sole source for the procurement;
  - vi. Cost Analysis – see FTA Circular 4220.1F, Chapter VI, Chapter 6, paragraph a, as amended, for further explanation and discussion of contract modifications and change orders; and
  - vii. Any other pertinent facts or reasons supporting the use of a sole source procurement.

### **9.3 Sole Source Solicitation**

- A. The Procurement Administrator shall not be required to publicize a solicitation for a sole source procurement.
- B. The Procurement Administrator shall, in writing, request a Proposal for a sole source procurement. The request to the sole source Contractor shall contain the scope of work and refer to or attach all terms and conditions of the solicitation, including all applicable representations and certifications.
- C. The Procurement Administrator shall ensure that each sole source contract contains all of the required clauses, representations, and certifications, in accordance with the requirements of these Regulations.

### **9.4 Disadvantageous**

- A. This type of contracting can be used for contracts where no Federal funds are used when the Board determines that competitive bidding for the requirement is disadvantageous.
- B. For Disadvantageous contracts, the Procurement Administrator shall not be required to publicize a solicitation.
- C. The Procurement Administrator shall ensure that each disadvantageous contract contains all of the required clauses, representations and certifications, in accordance with these Regulations.
- D. The reasons for determining that competitive bidding for the requirement is disadvantageous will be documented in the contract file.

## **Chapter 10: Small Purchases**

### **10.1 General Provisions – Small Purchases**

- A. The Small Purchases, often referred to as “under money” purchases, may only be used for the procurement of goods or services when the procurement does not exceed the Small Purchase threshold of \$10,000. CTA shall use the Small Purchase procedure that is most suitable, efficient and economical based on the circumstances of each procurement.
- B. A Procurement Administrator shall not use Small Purchase procedures when the procurement is estimated to exceed the Small Purchase threshold even though the resulting award does not exceed that limit. A Procurement Administrator shall not split a procurement totaling more than the Small Purchase threshold into several purchases in order to circumvent these Regulations and, therefore, circumvent the process for procuring goods and services in excess of \$10,000. A Procurement Administrator shall not split a procurement totaling in excess of \$3,000 but less than \$10,000 into several Micro-Purchases in order to circumvent these Regulations and, therefore, circumvent the process for procuring goods and services in excess of \$3,000.

### **10.2 Noncompetitive Small Purchases – Micro-Purchases and Check Requests**

- A. Goods and services for an amount not exceeding \$3,000 may be purchased utilizing one of the following:
  - i. A Check Request, in which payments to Vendors are administered directly with Finance Department approval without the direct involvement of the Procurement Administrator  
(Refer to Appendix: Administrative Procedure #1502.)
  - ii. A Micro-Purchase to be executed by the Procurement Administrator after receipt of an approved requisition.
- B. Micro-Purchases shall adhere to the following requirements:
  - i. Competition is not required but is encouraged when practical;
  - ii. For each Micro-Purchase, the Procurement Administrator must document a determination that the price is fair and reasonable and the basis of that determination by completing a Price Analysis form and including it in the procurement file;
  - iii. Splitting of procurements above \$3,000 to avoid competition, which is not required for noncompetitive small purchases is strictly prohibited; and
  - iv. The Procurement Administrator shall pursue equitable distribution of noncompetitive Micro-Purchases among qualified suppliers, and maintain adequate records to measure the concentration of Micro-Purchases among

suppliers within various categories of goods and services on an ongoing basis. Should a significant concentration of Micro-Purchases to a single Vendor arise (either as a high percentage of all Micro-Purchases or as a high cumulative expenditure), the Procurement Administrator must document justification of the continued solicitation of that Vendor for future Micro-Purchases.

- v. Except as otherwise specified by Section 10.2B, the Procurement Administrator shall adhere to Sections 10.4 through 10.9, as applicable, in the execution of Micro-Purchases.

### **10.3 Competitive Small Purchases**

- A. For each purchase under \$10,000 not utilizing the Micro-Purchase or Check Request processes, the Procurement Administrator shall solicit quotations from a reasonable number of sources including, when possible, at least one Disadvantaged Business Enterprise (“DBE”) to promote competition to the maximum extent practicable.
- B. The Procurement Administrator shall consider the following factors when deciding how many quotations will be solicited:
  - i. The nature of the item or service to be purchased and whether it is highly competitive and readily available in several makes or brands, or has limited sources;
  - ii. Information obtained in making recent purchases of the same or similar item;
  - iii. The urgency of the proposed purchase;
  - iv. The dollar value of the proposed purchase; and
  - v. Past experience concerning specific Vendor prices.
- C. Generally, solicitation of at least three sources should be considered to promote competition to the maximum extent practicable. If practical, price quotes should be solicited from two sources not included in the previous solicitation.
- D. If the Procurement Administrator determines that the best interests of the CTA indicate that quotations should be obtained from more than three sources, the Procurement Administrator may require the solicitation of additional quotations.
- E. A Small Purchase may be limited to one source if the Procurement Administrator determines, in writing, that there is only one available source in accordance with these Regulations.
- F. A Procurement Administrator may solicit phone price quotations. However, a Procurement Administrator shall use a written solicitation in the following circumstances:

- i. When a large number of line items is included in a single proposed procurement;
  - ii. When obtaining phone quotations is not considered economical or practical; or
  - iii. When extensive specifications are involved.
- G. The Procurement Administrator shall establish and maintain records of phone price quotations and include the record in the purchase file. The records shall consist of the names of the suppliers contacted and the prices and other terms and conditions quoted by each to the degree CTA does not provide and/or require certain terms and conditions.
- H. The Procurement Administrator may limit written records of solicitations to notes or abstracts to show prices, delivery, references to printed price lists used, the Vendor or Vendors contacted, and other pertinent data.
- I. The Procurement Administrator shall maximize competition for Small Purchases and shall not limit solicitations to suppliers of well known and widely distributed makes or brands, or solicit on a personal preference basis.

#### **10.4 Determination of Reasonable Price and Award**

- A. Before award can be made to a particular Contractor(s), the Procurement Administrator shall determine, in writing, that the price to be paid to the successful Bidder(s) is fair and reasonable.
- B. When there is only one response received to a request for quotations, or the price variance between multiple responses reflects a lack of robust competition, the Procurement Administrator shall include a statement in the contract file giving the basis for the determination of a fair and reasonable price.
- C. The determination that a proposed price is fair and reasonable may be based on either of the following:
  - i. Competitive quotations; or
  - ii. Comparison of the proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, similar items, value analysis, the Procurement Administrator's personal knowledge of the item being purchased, or by reference or comparison to any other reasonable price source.
- D. When adequate competition is lacking and for sole source purchases, a cost analysis may be necessary to determine price reasonableness.

- E. The Procurement Administrator shall notify the successful Vendor of award but shall only notify the unsuccessful Vendors, if requested.

### **10.5 Purchase Orders**

- A. Each Purchase Order is initiated via a Requisition.
- B. The Procurement Administrator shall issue a purchase order on a fixed-price basis and shall not include economic price adjustment or redetermination provisions.
- C. Each purchase order shall include any trade and prompt payment discounts.
- D. Each purchase order shall specify the quantity of supplies or services ordered.
- E. When applicable, a purchase order shall provide that inspection and acceptance will be at destination and that advance copies of the purchase order shall be furnished to the point of receipt. Receiving reports shall be completed by the designated CTA Manager immediately upon receipt and acceptance of the goods or services.
- F. Each purchase order shall contain a definite calendar date by which delivery of goods, or the performance of services, are required.
- G. Copies of purchase orders shall only be distributed on a “need to know” basis.
- H. The Procurement Administrator shall require written acceptance of the purchase order by the supplier before the supplier undertakes performance.

### **10.6 Termination and Cancellation of Purchase Orders**

- A. If a purchase order that has been accepted in writing by the supplier is to be terminated, the Procurement Administrator shall process the termination action in accordance with the provisions of these Regulations.
- B. If a purchase order that has not been accepted in writing by the supplier is to be canceled, the Procurement Administrator shall notify the supplier in writing that the purchase order has been canceled, request the supplier's written acceptance of the cancellation, and proceed in accordance with the provisions of these Regulations.
- C. If the supplier accepts the cancellation and does not claim that costs were incurred as a result of beginning performance under the purchase order, no further action shall be required and the purchase order shall be considered canceled.
- D. If the supplier does not accept the cancellation or claims that costs were incurred as a result of beginning performance under the purchase order, the Procurement Administrator shall treat the action as a termination and not pay these types of claims.

## 10.7 Blanket Purchase Orders

- A. A blanket purchase order (“BPO”) may be used, in accordance with the provisions of these Regulations, as a simplified method of filling anticipated repetitive needs for goods or services.
- B. A Procurement Administrator may establish a BPO if one or more of the following criteria apply:
  - i. There is a wide variety of items in a broad class of goods that are generally purchased, but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably;
  - ii. There is a need to provide commercial sources of supply for one or more offices in the CTA that does not otherwise have or need direct authority to purchase; or
  - iii. The administrative cost of writing numerous purchase orders can be avoided through the use of this procedure.
- C. A requisition is submitted by the using department requesting a BPO when the precise quantities of an item to be purchased are unknown but the total cost will not exceed \$10,000.
- D. A BPO shall not be used for any goods, service, or other item for which a requirements type contract has been already issued by CTA.
- E. To the extent practical, BPOs for items of the same type shall be placed concurrently with more than one supplier. All competitive sources shall be given an equal opportunity to furnish goods, services, or other items under a BPO.
- F. A BPO may be limited to furnishing individual items or commodity groups or services that the supplier is in a position to furnish, except as provided otherwise under this section.
- G. The existence of a BPO shall not justify procurement on a sole source basis.
- H. When there is an insufficient number of Vendors with BPOs to ensure maximum practicable competition for a particular purchase, the Procurement Administrator shall do the following:
  - i. Solicit quotations from other sources and make the purchase; and
  - ii. Establish additional BPOs to facilitate future purchases when recurring requirements for the same or similar items or services seem likely, when

qualified sources are willing to accept a BPO, or when it is otherwise practical to do so.

#### **10.8 Blanket Purchase Order Procedures**

- A. The Procurement Administrator shall prepare and issue a BPO on a BPO form approved by the using department Manager.
- B. The Procurement Administrator shall include the following information in each BPO:
  - i. A statement that the supplier will furnish supplies or services, described in general terms, if and when requested by the Procurement Administrator during a specified period and within a stipulated total amount;
  - ii. A statement that the CTA is obligated only to the extent that authorized purchases are actually made under the BPO;
  - iii. A statement that the prices to the CTA shall be as low or lower than those charged to the supplier's most favored customer for comparable quantities under similar terms and conditions, in addition to any discounts for prompt payment; and
  - iv. A statement that specifies the dollar limitation for purchases under the BPO.
- C. The Procurement Administrator shall include on each BPO a list of names of authorized CTA users to purchase under the BPO and their contact information and the dollar limitation per purchase for each individual.
- D. Each BPO shall contain a requirement that all deliveries or shipments under the agreement (except subscriptions and other charges for newspapers, magazines, or other periodicals) shall be accompanied by delivery tickets or sales slips which contain the following minimum information:
  - i. The name of the supplier;
  - ii. The BPO number;
  - iii. The date of purchase;
  - iv. The purchase order number;
  - v. An itemized list of supplies or services furnished;
  - vi. The quantity and unit price of each item, less applicable discounts; and
  - vii. The date of delivery or shipment.
- E. Each BPO shall require that one of the following procedures be followed:
  - i. The supplier must submit to the using department an itemized invoice at least monthly or upon expiration of the BPO, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received. These invoices need not be supported by copies of delivery tickets; or

- ii. The supplier must submit to the using department an invoice for subscriptions or other charges for newspapers, magazines, or other periodicals that shows the start and end dates and state either that ordered subscriptions are in effect or will be in effect upon receipt of payment.
- F. Each order placed against a BPO (release) shall be issued in Oracle (approved by the authorized CTA Manager) which shall include a BPO order number, accounting data identifying the source of funds for the items or services ordered, the name of the person placing the order, the date of the order, and other information required by the authorized CTA Manager.
- G. The Procurement Administrator executing a BPO shall do the following:
  - i. Maintain adequate records to ensure that the total dollar volume of orders does not exceed the stated total aggregate amount, and, in no event equals or exceeds \$10,000;
  - ii. Ensure that only authorized individuals are placing purchases against a BPO; and
  - iii. Maintain awareness of changes in market conditions, sources of supply, and other pertinent factors that may warrant new arrangements with different suppliers or the modification of existing arrangements.
- H. An individual BPO shall be considered terminated when the purchases under it equal its total dollar limitation or when its stated time period expires.

#### **10.9 Time Extensions for Blanket Purchase Orders**

- A. The Procurement Administrator may extend a blanket purchase order if there are sufficient dollars remaining on the purchase order, and the supplier has agreed to extend the agreement under the same terms, pricing and conditions.
- B. However, if there are any changes to the existing terms, pricing and/or conditions, the Procurement Administrator shall obtain a supplier's written acceptance of a purchase order modification if the written acceptance is determined by the Procurement Administrator to be necessary to ensure the supplier's compliance with the purchase order as revised.

#### **10.10 Procedures for Purchasing Non-Stock, Operating Funded Supplies and Services, Including Urgent Purchases up to \$10,000**

Refer to Appendix VII for step by step procedures.

## **Chapter 11: Real Property**

### **11.1 Authorization for Real Property Agreements**

- A. Except as provided otherwise in this chapter, every real property contract for the purchase or sale of real property by or to CTA, regardless of amount, will be authorized by the Board before being executed as provided by the Board.
- B. Every lease, license, permit, right of entry or easement of property for use by CTA for a term of one year or less and/or for a monthly rent/fee of \$1,000 or less, will be authorized and executed by the President, or designee. Such lease, license, permit, right of entry or easement may include indemnification by CTA.
- C. If the term of the lease, license, permit, right of entry or easement for use of property by CTA exceeds one year and/or the monthly rent/fee exceeds \$1,000, the agreement will be authorized by the Board before being executed as provided by the Board.
- D. Every concession, lease, license, right of entry or easement of CTA property for a term of one year or less and/or for a monthly rent/fee of \$1,000 or less will be authorized and executed by the President, or designee.
- E. If the term of the concession, lease, license, right of entry or easement of CTA property exceeds one year and/or the monthly rent/fee exceeds \$1,000, the agreement will be authorized by the Board before being executed as provided by the Board.
- F. A written report of the nature of the concession, lease, license, right of entry, permit or easement authorized by the President, or designee, will be provided to the Board as requested.

### **11.2 Methods of Procurement – Real Property**

- A. Unless otherwise authorized by the Board, all contracts for the sale of real property that exceed \$10,000 will comply with the Competitive Bidding and Public Advertisement requirements of these Regulations. In addition, any concession in or lease of property of CTA for a term of more than one year or for monthly rent that exceeds \$1,000 per month will comply with the Competitive Bidding and Public Advertisement requirements of these Regulations.
- B. In instances where CTA uses the services of a Real Estate Brokerage firm to market and recommend award of leases for CTA's concession spaces, the Real Estate Brokerage firm will not be required to comply with the competitive bidding

and public advertisement requirements of this section; provided, however, the Real Estate Brokerage firm must:

- i. comply with all Federal and Illinois State laws governing the marketing and leasing of commercial real estate,
  - ii. utilize a selection process that provides for open and full competition that is reasonable for the commercial circumstances, and
  - iii. submit proposed criteria for the evaluation and selection of lessees to the CTA for approval.
- C. Unless otherwise authorized by the Board, the sale or lease of CTA real property will not be for a price less than the minimum appraised value.
- D. A Bid Guarantee, in the form of cash, a cashier's check, certified check, a money order or acceptable bond in the amount of ten percent (10%) of the Bid price, may be required on Bids for sale or lease of CTA real property exceeding \$10,000. If a Bid Guarantee is required, the Public Notice will so specify. After the Bid opening, substitution of an approved Bond may be allowed in lieu of cash, certified check, cashier's check or money order by any Bidder being considered for award of a contract. Bid Guarantees submitted by unsuccessful Bidders will be returned.

### **11.3 Public Advertisement**

- A. Unless otherwise authorized by the Board, all Bids or Proposals to award real property sales contracts for a price exceeding \$10,000, and leases of concessions for a rental amount exceeding \$1,000 per month or for a term longer than one year will be published at least once in an English language daily newspaper of general circulation in the Chicago metropolitan area. That notice must be at least ten business days, excluding Legal Holidays, in advance of the receipt and opening of Bids/Proposals. The notice will simultaneously be advertised by other media, as appropriate.
- B. The Public Notice will describe the proposed sale or lease and reference the solicitation document for more detail. The Public Notice will also state the date, time and place Bids/Proposals are due and no Bids/Proposals will be accepted at any time subsequent to the time indicated in the Public Notice. If so indicated in the Public Notice, CTA may reserve the right to conduct a Multi-round Bid process as defined in these Regulations. Finally, the Public Notice must state if bidding will be conducted by Public Auction.
- C. No Bids/Proposals will be accepted at any time subsequent to the time indicated in the Public Notice. CTA can give notice of an extension of time for the receipt of Bids/Proposals or holding of the Public Auction upon publication in an English language daily newspaper of general circulation in the Chicago metropolitan area,

and by other media, as appropriate. The Notice will provide the date to which the Bid/Proposal receipt or Public Auction has been extended. The extension of the Bid/Proposal receipt or Public Auction will not be less than five business days after the publication thereof, Legal Holidays excluded.

- D. Documentation as to the form and dates of the advertisement or other publication shall be placed in the file.

#### **11.4 Sale of Interests in CTA Property**

- A. This section applies to both sales of real property in fee and sales of permanent easements, except permanent easements to utilities and other public agencies. Permanent easements may be granted to utilities and other public agencies without the declaration that the property is surplus required by subsection B hereof when the Board determines that such grant is in CTA's best interest..
- B. The Board must declare real property to be surplus property before CTA may sell or otherwise transfer fee title to or grant a permanent easement in the property.
- C. The property to be sold/transferred must first be appraised by CTA. The property cannot be sold nor can an easement be granted for less than the appraised value unless the Board determines otherwise.
- D. If the real property was acquired with Federal funds, CTA must comply with the applicable Federal disposition rules set forth in FTA Circular 5010.D, Chapter IV, as amended.
- E. If persons or businesses will be displaced by the CTA's sale of the property, CTA must comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (49 CFR Part 24).

#### **11.5 Procedure for the Sale of Interests in CTA Property**

- A. A determination is made by CTA that real property it owns is no longer needed for operational purposes. Real Estate staff along with Planning and Construction staff will be responsible for determining the availability of real property for sale.
- B. Real Estate staff will obtain an appraisal, review appraisal, survey and preliminary title report prior to advertising the property for sale. Real Estate staff will assist the Purchasing Department with those steps necessary to advertise the property or interest therein for the sale or transfer
- C. Methods that can be used
  - i. The IFB method of procurement is used when the only evaluation factor is cost.

The requirements of Chapter 7 of these Regulations must be followed; provided that the sale or transfer of an interest in CTA real property will be awarded to the high Bidder rather than the low Bidder.

- ii. The RFP method of procurement is used when factors in addition to cost must be considered at the time of sale or transfer of an interest in CTA real property. The requirements of Chapter 8 of these Regulations must be followed.
- iii. CTA real property may also be sold, or an interest in such property may be transferred on a disadvantageous basis to an adjacent property owner or other public agency.

- D. As a general rule, CTA property is sold “as is.”
- E. Real Estate staff will work with the General Counsel to prepare the closing documents and complete the sale of the property or interest therein.
- F. All of the steps taken to determine which property to sell or transfer and to complete the sale will be memorialized in the file.

#### **11.6 Purchases of Interests in Real Property by CTA**

- A. When CTA determines that it requires additional property for a project or operational purposes, Real Estate staff will send a notice of interest to potentially affected property owners informing them of CTA’s interest in their property.
- B. An appraisal and review appraisal of the property to be acquired will be made. An environmental assessment of the property may also be made prior to sending an offer letter to purchase to the property owner.
- C. If the property is acquired with Federal funds or if the property will be used in a Federally-funded project, the requirements of Circular 5010.D, as amended, and 49 CFR Part 24 must be followed.
- D. If CTA is able to reach agreement with the property owner to purchase the property, Real Estate staff will work with the General Counsel to prepare the closing documents and complete the purchase of the property.
- E. In the event CTA is not able to reach agreement with the property owner to purchase the property, the General Counsel may file an eminent domain lawsuit to take the needed property through condemnation.
- F. All of the steps taken to determine which property to purchase and to complete the purchase will be memorialized in the file.

### **11.7 Types of Leases**

- A. Ground leases are used for parking and/or vehicular access to an adjacent property. As a general rule, ground leases have a long term and often can be extended through options.
- B. Concession leases are used for concession spaces in or near CTA rail stations and other storefront property owned by CTA. These may be either long or short-term leases. Concession spaces may be offered for lease through the Real Estate Brokerage procedure set forth in section 11.3(B).
- C. Retail and/or office leases in CTA office buildings. CTA currently leases retail and office space in its headquarters building at 567 West Lake and office space at 120 North Racine. Both retail and office space in CTA's headquarters building may currently be offered for lease through a Real Estate Brokerage procedure, instead of public solicitation of such spaces, by CTA's real estate consultants.
- D. Long term leases may be offered as part of a transit oriented development.

### **11.8 Leases/Concessions of CTA Property**

- A. Leases of CTA real property may be permitted when the property to be leased is not currently needed for CTA operations. A lease of CTA property may be requested by interested parties or CTA may decide to solicit interested parties to lease the property.
- B. No CTA property may be offered for lease until the approval of CTA using departments has been obtained in writing.
- C. An appraisal and review appraisal must be obtained by Real Estate staff to determine the fair market rental value of the property prior to leasing any CTA real property. In addition, a survey will be required if CTA does not have a legal description of the property to be leased.
- D. Leases may be short or long-term. CTA may lease either developed property or vacant land. In addition, CTA may lease concession spaces in or near rail stations.
- E. Real Estate staff will work with the Procurement Administrator to prepare the solicitation document if the property will be offered for lease. Leases may be offered through the IFB or the RFP process or may be offered on a disadvantageous basis to the adjacent property owner or to another public agency.
- F. All leases of CTA real property for a term of more than one year or for a rental amount exceeding \$1,000 require Board approval. Any lease amendments and/or subleases or assignments require Board approval.

- G. Real Estate staff is responsible for tracking lease terms to ensure that any option periods are exercised in the appropriate time frame, required insurance is maintained by the tenant and the property is advertised for re-lease sufficiently in advance of the expiration date of the current tenant's term.

#### **11.9 Leases of Property by CTA**

- A. CTA may enter into leases of property needed for its operational purposes. Real Estate staff will work with the using department to identify the property to be leased by CTA and to establish the lease term and other conditions of the lease.
- B. All leases with a term that exceeds one year and/or a monthly rent that exceeds \$1,000 require approval by the Board.

#### **11.10 Licenses/Rights of Entry/Permits**

- A. CTA may enter into licenses of its property for use by others or CTA may enter into licenses for use of property by CTA.
- B. Licenses generally have a short term and cannot be transferred by the party to whom they are granted. Insurance and indemnification are required in most cases.
- C. Licenses are commonly used for yard and garden agreements and may be used for bus turnarounds as well as for construction purposes.
- D. CTA may issue rights of entry to use its property or may enter into rights of entry for use of property by CTA.
- E. Rights of entry are commonly used for environmental testing, access or for construction purposes but may be permitted for other purposes. They generally have a short term and require insurance and indemnification.
- F. CTA may enter into a permit to use property owned or controlled by others. CTA does not issue permits for the use of its property.
- G. Both licenses and permits are often used for bus turnarounds.
- H. Licenses, rights of entry and permits are negotiated, drafted and processed by Real Estate staff. All of the steps taken to enter into these agreements must be memorialized in the file.
- I. Any license, right of entry or permit that exceeds one year in length and/or that has a monthly fee that exceeds \$1,000 must be approved by the Board.

#### **11.11 Transit Oriented Development ("TOD")/Joint Development**

- A. Transit oriented development is a type of community development that includes a

mixture of uses which is located near transit facilities.

- B. Joint Development is a form of TOD that includes the common use of property for transit and non-transit purposes. It includes an agreement with a private entity to complete a project on, above or connecting to land owned by or to be acquired by the transit agency.
- C. Joint Development must include a public transit benefit which can be a physical connection to a public transit facility or an enhancement of the use made of a transit facility. FTA financial assistance is available for joint development projects.
- D. CTA may enter into TOD or joint development projects. It may continue to retain title to the property and enter into a long term lease or other type of agreement rather than transferring title to the CTA property included in the development.
- E. Joint development projects involving CTA property acquired with Federal funds or projects involving Federal assistance must comply with Federal rules and guidance, including that set forth in 72 FR 5788, dated February 7, 2007, as amended.
- F. Any property to be acquired by CTA for a joint development project must be acquired pursuant to the 49 CFR Part 24.
- G. The procedures set forth in sections 11.7 and 11.9 of these Regulations apply to acquisitions and/or leasing of CTA real property for TOD and joint developments.

## **Chapter 12: Construction Contracts**

### **12.1 General Provisions – Construction**

As a general rule, construction contracts involve unique projects with drawings and specifications which are developed solely for that particular project.

In some cases, construction contracts may follow a more traditional approach involving sequential design and construction. Utilization of this approach requires that a detailed design package of the entire project be complete before soliciting Bids for construction. For time sensitive projects, a phased design and construction approach may be utilized. This approach allows construction to begin before the full detailed design package for the project is complete. Phased design and construction may involve the use of a construction manager at risk or turnkey (design-build) contracting. In the case of both sequential or phased design and construction, CTA may contract with an outside architect or engineer for complete design services for the project before it solicits Bids. The architect/engineer may remain on the project during the course of construction and works under the direction and oversight of CTA and its program manager during both the design and construction phases of the project. CTA may also have a construction manager to oversee the construction phase of the project under the direction and oversight of CTA and its program manager. If the architect/engineer and/or construction manager are not CTA employees, they will be retained to act as CTA's agent.

### **12.2 Methods of Procuring Construction Contracts**

- A. Construction contracts may be solicited through the IFB process with the lowest responsible, responsive Bidder being awarded the contract or through a negotiated procurement process (RFP). LIQs will be used for architect and engineering contracts. Solicitations for construction contracts will be administered in accordance with these Regulations.
- B. Infrastructure staff will work with the Purchasing Administrator to prepare construction contracts for solicitation and to present proposed contracts to the Board for approval.

### **12.3 Construction and Real Estate**

- A. The Procurement Administrator must confirm with Real Estate staff that CTA owns or controls all of the land on which a construction project is proposed to be built.
- B. In the event CTA does not own or control the property, CTA must take steps to acquire the property in accordance with these Regulations.

- C. If the construction project will use federal funds, any real property to be acquired must be acquired in compliance with 49 CFR Part 24.

## **12.4 Types of Construction Contracts**

- A. Any contract permitted by Chapter 6 of these Regulations.

- B. Design Build Contracts

Proposals may be solicited and contracts awarded that include both design and construction as part of a single contract (also known as design-build contracts) in accordance with applicable laws and regulations. CTA must procure design-build services through means of qualifications-based competitive proposal procedures based on the Brooks Act as set forth in FTA Circular 4220.1F, VI, 3.h. when the preponderance of the work to be performed is considered to be for architectural and engineering services. Qualifications-based competitive proposal procedures should not be used to procure design-build services when the preponderance of the work to be performed is not of an architectural and engineering services nature, unless required by State law adopted before August 10, 2005.

- C. Phased Design, Award and Construction

In this type of contract, each phase of the project is placed under contract once the design for that phase is completed. This procedure is designed to shorten the overall time for project completion.

- D. Job Order Contracts (JOC)

- i. This type of contract is a competitively bid, firm fixed price indefinite quantity contract against which work orders are issued as specific needs arise. JOC contracts may be procured through the IFB or RFP process.
- ii. If the contract is awarded through an IFB process, selection of the successful Bidder is based on the cost of the adjustment factors for normal and overtime work identified by the Bidder with the contract awarded to the low Bidder. If the contract is awarded through an RFP process, selection of the successful proposer is based on the criteria identified in the RFP.
- iii. Once a JOC Contractor is selected, CTA will issue a job order request for each construction task. The JOC Contractor submits a proposal to do the task for a definite price. If the price is reasonable, a work order is issued by CTA. CTA may request revisions to the proposal and if the JOC Contractor agrees, a work order is issued. If the parties cannot reach an agreement, CTA will issue a public solicitation for the task.
- iv. If multiple JOC Contractors are selected through an RFP process, all Requests for Work Order Price Proposals (RFPPs) will be sent to all JOC Contractors. The work order will be awarded through a process ensuring

that the award will be made based on the lowest cost to CTA to complete the scope of work specified in the RFPP.

E. Construction Manager at-Risk Contracts

Proposals are solicited for the Construction Manager at-Risk who would then solicit Bids for the tasks involved in the construction project. CTA would evaluate the Construction Manager at-Risk responses to the solicitation on technical and other relevant factors and pricing. The selected Construction Manager at-Risk may design the project, solicit Subcontractors to complete the tasks involved in the project and act as the General Contractor for the project.

The types of phase pricing that may be required to be submitted with the Construction Manager at-Risk proposals include:

- i. pre-construction phase;
- ii. construction phase price per week or month of field activity;
- iii. profit and overhead;
- iv. guaranteed maximum price for construction phase; and
- v. other direct costs such as bonds and insurance.

The guaranteed maximum price, if any, will include all actual awarded Subcontractor prices plus the Construction Manager at-Risk's construction phase management costs, other direct costs such as bonds and insurance and the Construction Manager at-Risk's profit plus any other relevant costs as determined by CTA.

## 12.5 Special Construction Contract Provisions

- A. Labor provisions – federally funded contracts: Davis-Bacon Act, Contract Work-Hours and Safety Standards Act and the Copeland Anti-Kickback Act. Labor provisions –non-federally funded contracts: Illinois Prevailing Wage Act (820 ILCS 130.)
- B. Bonding – Bid Bonds, Payment Bonds and Performance Bonds. A Bid Bond if required is submitted with the bids in the amount required by the solicitation document. A Payment Bond secures the Contractor's payment of Subcontractors and material on the project. A Performance Bond guarantees the Contractor's performance on the contract.
- C. Liquidated Damages Clause. Liquidated damages are a specific sum or a sum readily determinable, in lieu of actual damages, stipulated by CTA as the amount to be recovered for each increment of delay in completion of the contract.
- D. Specifications for Construction and Differing Site Conditions clauses. The technical provisions of the construction specifications must be in sufficient detail that, when

used with the applicable drawings, Bids can be prepared on a fair and competitive basis. A differing site conditions clause is intended to describe the risk being assumed by CTA, and offering an equitable adjustment to the Contractor if the defined conditions materialize.

- E. Value Engineering. This is a procedure designed to incentivize Contractors to submit change proposals which reduce the cost of contract performance by promising Contractor a share of the savings. Such a provision may be used but is not required.
- F. Buy America provisions as set forth in 49 CFR Part 661.
- G. Contract Close-out provisions. Certain documentation unique to construction contracts will be required such as lien waivers, manufacturer's warranties, operations and maintenance manuals, spare parts lists and as-built drawings.

## **Chapter 13: Art in Transit**

### **13.1 General Provisions**

- A. Pursuant to FTA Circular 9400.1.A, CTA will incorporate design and art in its transit projects.
  
- B. The procedure outlined in this chapter 13 will apply to:
  - i. art projects in CTA rail stations and other public facilities funded by federal funds, and
  - ii. selection of artists, art fabricators and art installers for art projects funded by federal funds, and
  - iii. may be applied to art projects supported by other funding sources.
  
- C. The procedure outlined in this chapter 13 is intended to:
  - i. result in the procurement of art that is of a quality commensurate with the funds expended;
  - ii. encourage and incorporate community input;
  - iii. promote equitable distribution of art projects among artists of diverse cultural heritage and gender; and
  - iv. ensure eligibility of artists regardless of race, color, creed, national origin, sex or age.
  
- D. Standard solicitation procedures, including Invitations for Bids and Requests for Proposals, are not effective means of soliciting artists.
  
- E. At the outset of a project, the goals of the project, approximate schedule for completion, budget and selection process will be determined. Artist(s) for the project will then be selected either through
  - i. Solicitation of design proposals to be evaluated by a committee (selection of design); or
  - ii. Solicitation of artist qualifications and previous work to be evaluated by a committee with the specific design for the project to be determined after selection of the artist (selection of artist).

### **13.2 Maintenance of Artists Registry/Solicitation**

- A. A list of potential artists and contract information, to be used for solicitations of expressions of interest from artists, will be maintained.

B. The list may include a more detailed database that tracks artist characteristics such as career level, media type, styles, images of previous work and/or other relevant qualifications.

C. Other means of soliciting artists may also be used such as posting notification of projects through the Illinois Arts Council, on the CTA website or on community or government agency websites or through print or other media outlets likely to reach a substantial number of artists.

### **13.3 Community Input**

Community input will be solicited as part of every selection process either through public meetings, inclusion of community representatives as technical advisors to the review and/or evaluation committee, or both.

A. The type and extent of community input will be determined solely by CTA on a project by project basis.

B. Input may or may not include generating ideas and preferences for the project and/or supplying information about the community.

C. Community input may take place before, after or concurrently with the “call for artists.” In instances when a Request for Design Proposals is part of the process, it must take place before CTA issues a Request for Design Proposals.

### **13.4 Call for Artists**

A. In order to procure the services of an artist, CTA will issue an open “call for artists.” Fabrication and installation services may be solicited separately by CTA, or it may state in the call for artists that artists may be expected to subcontract these services.

B. At a minimum, artists responding will be required to submit examples of previous work and curriculum vitae.

C. Artists who have responded to a CTA “call for artists” in the preceding two (2) years may instead submit a letter requesting that the qualification materials previously submitted be considered.

D. The “call for artists” will be the type of solicitation used to communicate CTA’s requirements to prospective artists when procuring art under this Chapter 13.

E. The estimated budget for the project will generally be published at this time so that the artists will be informed of the relative magnitude of the project.

### **13.5 Selection Process**

A. A review committee will review the responses to the “call for artists” for completeness and minimum qualifications, and eliminate non-viable responses. They will evaluate the remaining responses and compile a short list of candidates for the project. The short list will typically consist of 3 to 5 artists. The call for artists will state whether the selection process will be a “design selection” process or an “artist selection” process.

#### **B. Design Selection Process**

If utilizing the design selection process:

i. The short list of artists will be invited to submit specific design proposals, which will include design concepts, models and/or renderings.

ii. The design proposals must take into consideration community input received by CTA, if any, as well as the technical, budget and other requirements provided by CTA.

iii. A uniform design stipend may be offered by CTA to the short list of artists for developing a design proposal.

iv. The design proposals will be evaluated by the review committee, which may request additional information or oral presentations from the artists. The review committee may also solicit feedback on the proposals from designated community representatives or other CTA staff before finalizing evaluations. The review committee will select those proposals deemed viable and refer its findings to the evaluation committee.

v. The viable design proposals will be evaluated by the evaluation committee based on the criteria set forth in the instructions for submitting design proposals. The evaluation committee may request additional information or additional oral presentations from the artists. The evaluation committee may also solicit further feedback on the proposals from designated community representatives or other CTA staff before finalizing evaluations.

vi. The committee will rank the design proposals in order of preference and will forward its rankings to the Procurement Administrator.

### C. Artist Selection Process

If utilizing the artist selection process:

i. The short list of artists will be invited for oral interviews by the review committee and requested to submit their hourly rates.

ii. The review committee may request additional information from the artists. It will select those artists deemed viable and refer its findings to the evaluation committee.

iii. The evaluation committee will evaluate and rank the viable artists in order of preference based on the criteria set forth in the call for artists. The evaluation committee may request further information and/or additional oral presentations from the artist.

iv. The evaluation committee will forward its rankings to the Procurement Administrator.

v. To ensure that the artist's design incorporates community input, it is expected that discussions with community representative and relevant CTA staff will continue while the artist develops a specific design, which will occur after the artist is selected.

D. The Procurement Administrator with the assistance of Law and User Department staff will negotiate a contract with the selected artist.

i. The preferred contract type is a fixed fee contract.

ii. A contract paying an hourly wage with a cap can also be used.

E. Depending on the contract amount, either the President or the Transit Board will approve the committee selection prior to execution of the contract.

## 13.6 Committees

A. The review committee will be comprised of at least one art professional (such as an art administrator, artist or curator) and one staff person from the Infrastructure department. The review committee members will act as technical consultants to the evaluation committee.

- B. The evaluation committee will be comprised of three or more voting members from a pool of qualified CTA staff. It is anticipated that the evaluation committee will include at least one member of the design/architecture team for the underlying project. The composition of the evaluation committee will be approved by the President.
- C. The evaluation committee may have non-voting members and/or technical advisors, who may or may not be CTA staff, including but not limited to the members of the review committee.
- D. The evaluation committee will also have at least one non-voting member from the Purchasing Department to chair the committee and monitor compliance with pre-established evaluation criteria as well as these Purchasing Procedures.
- E. The evaluation committee will have one non-voting art Project Manager from the user department in charge of art in transit.
- F. The evaluation committee will have one non-voting member assigned by the General Manager, Diversity, to evaluate DBE compliance.
- G. All members of the committee, the Project Manager, the DBE representative and others that may advise the committee or participate in the review of proposals must sign a Confidentiality Agreement prior to their involvement in the review process.

### **13.7 Evaluation Factors**

- A. The evaluation factors that will be considered in evaluating proposals (in the case of design selection process) or artists (in the case of artist selection process) shall be tailored to each project and will be clearly stated in the instructions for submitting design proposals and/or the call for artists, as appropriate.
- B. The evaluation factors for each project and the relative importance of those factors are determined by the Project Manager and the Procurement Administrator.
- C. Criteria for evaluating competitive design proposals, may include but are not limited to:
  - i. quality and value of art or design;
  - ii. impact on CTA customers;
  - iii. connection to site and/or adjacent community; relationship in form or substance to the cultures, people natural or built surroundings; or history of the area in which the project is located;
  - iv. appropriateness for site, including safety and scale;

- v. durability of materials;
- vi. resistance to vandalism; and
- vii. requirement of minimal maintenance.

D. Criteria for evaluating artists, may include but are not limited to:

- i. aesthetic quality of previously completed art projects and commissions;
- ii. applicability and suitability of past work to the current project;
- iii. appropriateness of previously completed art projects to their sites, including safety and scale;
- v. experience working with the public and neighborhood community.

E. The artist's hourly cost or fixed fee will be evaluated by the evaluation committee for reasonableness.

### **13.8 Evaluation of Proposals**

A. The evaluations will be based on the evaluation factors set forth in the instructions for submitting design proposals and/or the call for artists, as appropriate. The determination will be based on a "best value for the money" analysis.

B. If the design selection process is being utilized, every proposal submitted by the short list of artists will be evaluated by the review committee. Every viable proposal, as determined by the review committee, will be evaluated by the evaluation committee. The evaluation must be as thorough and well-documented as possible.

C. If the artist selection process is being utilized, every artist selected for the short list of artists to be interviewed will be evaluated by the review committee. Every viable artist, as determined by the review committee, will be evaluated by the evaluation committee. The evaluation must be as thorough and well-documented as possible.

D. In either the design selection process or the artist selection process, the review committee members and evaluation committee members may discuss as a group before finalizing their evaluations. The Procurement Administrator is responsible for ensuring that the evaluation results are sufficiently documented and are placed in the contract file, along with the "call for artists" and response.

E. The results of the evaluation may not be disclosed, either before or after the contract is awarded, except as required in the event of a bid protest or lawsuit regarding the contract.

F. Price negotiation is intended to permit the CTA and the artist to agree on a fair and reasonable cost.

G. The selected artist will be required to show good faith efforts to comply with the contract DBE goal, if any. Compliance with the DBE goal is an element of responsibility and may be negotiated.

H. Promptly after the award of each contract, the Procurement Administrator shall notify unsuccessful proposers in writing, unless pre-award notice was given.

### **13.9 Cancellation/ Rejection of “Call for Artists”**

The Vice President, Purchasing in consultation with the Planning Department, has the authority to cancel any procurement or reject any or all responses. A written notification of all cancelled procurements/rejected proposals will be provided to the Chairman and President as requested.

### **13.10 Contract Amendments and Change Orders**

A. Contracts may be amended by a writing executed by all parties or as otherwise set in the contract documents. The procedure for contract amendments is set forth in section 4.33.

B. If a contract change order is required, the procedure set forth in section 4.32 of these Procedures must be followed.

## **Chapter 14: Bonds, Other Security and Insurance**

This Chapter prescribes CTA requirements for Contractor Bid Bonds or other security, for performance and payments bonds, and for Contractor insurance, where required. This Chapter also provides guidelines for the Procurement Administrator and other CTA officials to handle bonding and insurance issues.

### **14.1 General Provisions – Bonds and Other Security**

- A. The following types of security may be required for any solicitation or contract subject to these Regulations regardless of the estimated amount of the contract:
  - ii. Bid guarantee;
  - iii. Other Bid or proposal security, including but not limited to earnest money deposit;
  - iv. Construction performance and payments bonds; and
  - v. Performance or payment bonds or other security on non-construction contracts.
  
- B. CTA shall determine whether security of any type would be in the best interests of CTA in all contracts other than small purchases. In non-construction contracts, the Procurement Administrator shall consider the following factors:
  - i. Whether CTA property or funds are to be provided to the Contractor for use in performing the contract or as partial compensation (such as in retention of salvaged material);
  - ii. When a Contractor sells assets to or merges with another business entity, whether CTA (after recognizing the other entity as the successor in interest) needs assurance that it is financially capable;
  - iii. Whether substantial progress payments are to be made before delivery of an item starts;
  - iv. Whether the contract is for dismantling, demolition, or removal of improvements; or
  - v. Any other factors which might favor the use of security to protect the best interests of CTA.
  
- C. When a security is required by CTA under this Chapter, CTA may accept any of the following types of security:
  - i. A bond provided by a surety;
  - ii. A certified check, money order, cashier's check issued by an insured financial institution in the equivalent amount of the security
  - iii. United States government securities that are assigned to the CTA which pledge the full faith and credit of the United States; or
  - iv. Cash

- D. The provider of any surety, letter of credit or other bank/insurance co security should be rated in the double A (AA/Aa) or comparable category, or better by at least one of the nationally recognized credit rating agencies.

The minimum credit rating should apply as long as the security is required by CTA and should apply to any security substitutions.

U.S Government securities assigned to CTA should be held in a custodial account for the benefit of CTA. CTA should approve the custodian and the custodial agreement.

- E. The amount of any bond may be decreased as portions of the contract work are completed as determined by the CTA as long as CTA determines that CTA is adequately protected and Federal rules and regulations and State law permit such action.

#### **14.2 Bid Guarantee for Construction Contracts**

- A. Generally, the Procurement Administrator will not require a Bid Guarantee in connection with any solicitation unless a payment or performance security will be required under the contract.
- B. When the CTA independent price estimate for a construction contract exceeds one hundred thousand dollars (\$100,000), CTA shall require a Bid security for an Invitation for Bids, or, if appropriate, for the Request for Proposals.
- C. When the CTA independent price estimate for a construction project is not more than one hundred thousand dollars (\$100,000), the Procurement Administrator may require a Bid security.
- D. The Bid security for a construction contract shall be in an amount equal to at least five percent (5%) of the amount of the Bid or price proposal. The Bid security for non-construction contracts shall be in an amount set by the Procurement Administrator.

#### **14.3 Bid Guarantee for Real Property**

- A. A Bid Guarantee will be required for the sale of CTA real property. The solicitation document will set forth the requirement for a Bid Guarantee in an amount not greater than ten percent (10%) of the Bid or price proposal. The amount of the Bid Guarantee will be set by the Procurement Administrator for each solicitation.

- B. An earnest money deposit will also be required from the high Bidder or selected Offeror as specified in the solicitation. The earnest money deposit will be in the amount of ten percent (10%) of the purchase price.

#### **14.4 Performance and Payment Bonds**

CTA shall require a Contractor to furnish performance and payment bonds or other security on any construction contract as required by Federal regulations or State law.

- A. CTA may require a Contractor to furnish a payment or performance bond or other security for any construction or non-construction contract, regardless of amount, when Risk Management and the Procurement Administrator, after assessing the contract risks to CTA and all available methods of risk management determines that the security is necessary or advisable to protect the interests of CTA. The security shall be furnished in accordance with the provisions of this Section.
- B. The amount of the performance bond shall be 100% of the original contract price, unless Risk Management determines that a lesser amount or percentage would be adequate for the protection of the CTA. In making this determination, CTA should consider the adequacy of other appropriate forms of protection available for the procurement, such as warranties, guarantees, insurance and indemnities. However, FTA regulations require a 100% performance bond for all construction or facility maintenance contracts or subcontracts exceeding \$100,000, and State law (Public Construction Bond Act 30 ILCS 550/) requires a 100% performance bond for those over \$5,000. The Procurement Administrator shall state the amount or percentage of bonding required in the solicitation.
- C. CTA may require an additional performance bond when a contract price is increased or there is a change in the facts and circumstances that led to the initial determination of the original amount of the performance bond. If required, the increase in the performance bond shall maintain the proportion (contract value) of security established in the original contract price, unless CTA has determined that another amount or percentage is required.
- D. A payment bond is generally required only when a performance bond is required. For non-construction contracts, a payment bond should be used only when it is determined to be in the CTA's best interest. The determination of the need for and appropriate amount of a payment bond shall be made by Risk Management as part of the risk assessment, and shall be documented in the contract file.
- E. When performance or payment bonds are required, the solicitation shall contain the following:

- i. A statement that security is required;
  - ii. The amount of the bond expressed as a fixed sum or percentage of the contract price;
- F. The Contractor shall furnish all performance and payment bonds (or other securities) by the deadline for submitting bonds (or other securities) as stated in the solicitation. The bonds (or other securities) must be submitted before a notice to proceed is issued.
- G. No performance payment bond shall be required after the contract has been executed if it was not specifically required in the contract, except when determined necessary by the Procurement Administrator for a contract modification.

#### **14.5 Surety Bonds and Other Security**

- A. A new surety bond covering all of or part of the obligation on a security previously approved may be substituted for the original security, if approved by the Vice President, Purchasing.
- B. If, after completion of the work of a contract requiring payment and performance security, CTA receives written notice from the surety regarding the Contractor's failure to meet its obligation to its Subcontractors or supplier, CTA shall withhold final payment. However, the surety shall agree to hold the CTA harmless from any liability resulting from withholding the final payment.

#### **14.6 Insurance Requirements**

- A. Construction Contracts
  - i. The Contractor and Subcontractor will be required to carry general liability, workers' compensation, automobile insurance and builders' risk on construction contracts. The specifications for these contracts will be coordinated with Risk Management for recommendation as to that insurance coverage.
  - ii. CTA may elect to purchase and pay premiums for insurance under a Blanket Railroad Protective Liability Program and elect to enroll Contractors and Subcontractors in to the Program.
  - iii. CTA may further elect to purchase and pay premiums for an Owner Controlled Insurance Policy (OCIP), or Wrap Up Insurance. Wrap Up Insurance covers all parties in a construction project under one umbrella policy, generally for more than one type of insurance coverage. Contractors and Subcontractors are enrolled by CTA in the OCIP as members of the Wrap Up Program for work performed at the job site.

- iv. Neither the Railroad Protective Insurance nor the OCIP, cover professional liability or automobile liability insurance. Accordingly, a CTA construction Contractor will be required to procure and pay premiums for professional liability and comprehensive automobile liability insurance in the performance of the contract when not covered under the comprehensive general liability insurance provided by CTA.
- v. CTA Contractors shall comply with insurance requirements imposed by State law and/or local governments.

**B. Other than Construction Contracts**

The Procurement Administrator shall include insurance and indemnification provisions in equipment, materials, services and real property contracts in accordance with procedures established by Risk Management.

## **Chapter 15: Debarment and Suspension**

### **15.1 Causes for Debarment or Suspension**

The causes for debarment or suspension include the following:

- A. Conviction for commission of a criminal offense as related to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
- B. Conviction under state or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a Contractor;
- C. Conviction under state or Federal antitrust statutes arising out of the submission of Bids or Proposals;
- D. Serious violation of contract provisions, as set forth below, of a character which is regarded by the Vice President, Purchasing, to justify suspension or debarment:
  - i. Failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
  - ii. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the Contractor will not be considered to be a basis for debarment;
  - iii. Deliberate failure of a surety, without good cause, to fulfill its obligations to the CTA on any performance and/or payment bond or Bid bond naming the CTA as obligee;
  - iv. Violation of the CTA Ethics Ordinance;
  - v. Making a material misrepresentation in connection with an application for certification or re-certification as a Disadvantaged Business Enterprise; and
  - vi. Any other cause the Vice President, Purchasing, determines to affect Responsibility as a Contractor, including, but not limited to, suspension/debarment by another governmental entity (see section 14.4).

### **15.2 Procedures and Decision for Debarment or Suspension**

- A. After reasonable notice to the person(s) involved and reasonable opportunity for that person(s) to be heard, the Vice President, Purchasing, after consultation with the General Counsel, may recommend the suspension or debarment of a person for cause from consideration for award of contracts or for approval as a surety. For the purpose of this section, person will mean any individual, corporation, partnership, association, or legal entity.
- B. The Vice President, Purchasing, after consultation with the General Counsel or

designee, may recommend the suspension of a person from consideration for award of contracts or for approval as a surety if there is sufficient cause to recommend suspension.

- C. The Vice President, Purchasing, will submit the recommendation for debarment or suspension to the Debarment and Suspension Committee.
- D. The members of the Debarment and Suspension Committee will be: the Chairman of the Board, who will chair the Committee; the President; and, the Chairman of the Committee on Finance, Audit and Budget of the Board.
- E. The Debarment and Suspension Committee has authority to suspend or debar a person for cause from consideration for award of contracts or for approval as a surety. For federally funded contracts, as a general rule, the debarment will not be for a period of more than three years. For federally funded contracts suspensions cannot exceed three months.
- F. The Debarment and Suspension Committee will issue a written decision as to whether the person should be debarred or suspended. The decision will state the reasons for the action taken; and
  - i. If the decision is to debar or suspend, inform the debarred or suspended person involved of his rights for judicial review of the decision as provided in these Regulations; or
  - ii. if the decision is not to debar or suspend, inform the person involved that the process has concluded and that the person was not suspended or debarred.
- G. A copy of the decision will be promptly reported to the Board.

### **15.3 Scope of Decision - Debarment or Suspension**

- A. The decision will apply to the person set forth in the notification of debarment or suspension, and
- B. The decision will also apply to any associated organization or business entity of which:
  - i. A debarred or suspended person is an officer, director or in any other substantial management position, until such time as the individual is severed from such organization; or
  - ii. A debarred or suspended person has controlling legal or beneficial financial interest, until such time as the debarred or suspended person divests from such interest; or
  - iii. A debarred or suspended organization controls or is controlled by such associated business organization or entity which, subsequent to the date administrative action was taken, begins or holds itself out as ready to

perform the same work which the debarred or suspended organization was performing or endeavored to perform or otherwise demonstrates by its action subsequent to the date of debarment or suspension that it is evading the decision.

- C. Any debarred or suspended person, for the term of such suspension or debarment, will be ineligible to perform work as a Contractor or any tier Subcontractor on contracts awarded or approved by the CTA. All Bidders on CTA contracts will certify that they and all Subcontractors on the contract are not listed on the ineligible to contract with CTA.

#### **15.4 State or Federal Debarment or Suspension**

In the event that applicable state or Federal laws, regulations or rules mandate a greater or lesser period of ineligibility for the award of contracts to a person, such laws, regulations or rules will determine such person's eligibility with respect to the specific causes for debarment and suspension contained in such laws, regulations and rules. In addition, where applicable state or Federal laws, regulations or rules provide for debarment or suspension for causes in addition to those specified in these Regulations, such state or Federal laws, regulations or rules will determine eligibility. Furthermore, if a person is debarred or suspended by an agency of the State of Illinois, the City of Chicago, or the Federal government: (1) CTA may not consider that person for award of a CTA contract; (2) CTA may terminate any existing contracts with that person; and (3) CTA can sanction that person in the same manner (either suspension or debarment) and for the same period of time as the sanction imposed by the State of Illinois, the City of Chicago, or the Federal government, as appropriate.

#### **15.5 Finality of Decision**

A decision to debar or suspend will be final and conclusive unless the debarred or suspended person, within thirty (30) days after issuance of the decision, commences a timely action in a court of competent jurisdiction in accordance with applicable law.

#### **15.6 Ineligible List**

The Vice President, Purchasing, will maintain a list of all debarments and suspensions. The ineligible to contract with CTA list will be a public record.

## **Chapter 16: Bid Protests and Contractor Claims**

This Chapter addresses the process for both Bid Protests and Contractor claims.

Any interested party shall have the right to have a Protest considered and resolved administratively by the CTA in an economical and expeditious manner. "Interested party", as used in this Chapter, means a Bidder whose direct economic interest would be affected by the award of a contract or by the failure to award a contract. The Bid Protest Procedure set forth in this Chapter 15 applies to IFBs, RFPs and LIQs.

The filing of Bid Protests will not unnecessarily delay the procurement process, especially if the Protest is vexatious or frivolous in nature.

### **16.1 Written Submission**

An interested party wishing to protest a matter involving a proposed procurement or contract award shall file, with the Procurement Administrator, a written submission addressing, at a minimum, the following:

- A. The name and address of the interested party and its relationship to the procurement sufficient to establish its interest;
- B. Solicitation or contract number;
- C. Statement of the grounds for the Protest, including the provision(s) of the solicitation and the Federal or State law or Federal or CTA regulation upon which the Protest is based;
- D. Statement of the specific relief requested; and
- E. Any documents relevant to the Protest that the protesting party desires CTA to consider should be attached.

### **16.2 Time for Filing**

#### **A. Protests Regarding Solicitation**

Any Bid Protest regarding a solicitation by CTA must be filed no later than five (5) business days before the opening of Bids. Any Protest filed after that date which raises issues regarding the solicitation will not be considered.

#### **B. Protests Regarding Bid Evaluation**

Any Bid Protest regarding the evaluation of Bids by CTA must be filed no later than twenty (20) business days after the opening of Bids. Any Protest filed after that date which raises issues regarding the Bid evaluation will not be considered, unless

the issue arose after the initial twenty (20) business day period and before contract execution.

C. **Protests Regarding Award of Contract**

Any Protest regarding the award of a contract must be filed no later than ten (10) business days after the date of the award. Any Protest regarding the award of the contract filed after that date will not be considered.

**16.3 Procedures for Protests Regarding Solicitation**

This type of Protest includes any claim that the Bid solicitation contained unduly restrictive, exclusionary, or discriminatory specifications, any challenge to the basis of award, or any claim that the solicitation documents or the solicitation process violated applicable Federal or State law, or that CTA failed to follow these Regulations.

A. Upon receipt of a timely filed protest regarding the solicitation, CTA may postpone the opening of Bids until resolution of the Protest; no additional Bids will be accepted during the period of postponement.

B. If the Protest involves a claim of unduly restrictive, exclusionary, or discriminatory specifications, CTA will, in evaluating the Protest, consider both the specific need for the feature or item challenged and any effects on competition of including the specification regarding that feature or item. If CTA determines that such feature or item was included in the specification in order to meet justified and valid CTA transit needs, and was not unduly restrictive of competition or designed to exclude a particular competitor, then CTA will have grounds to deny the Protest.

**16.4 Procedures for Protests Regarding Bid Evaluation**

This type of Protest includes any challenge to determinations by CTA of the responsiveness of a Bid or the responsibility of a Bidder, or any claim that the evaluation of Bids violated Federal or State law or these Regulations.

Upon receipt of a timely filed Protest regarding the evaluation of Bids, CTA will determine if the protestor has established that there is substantial evidence regarding the non-responsiveness of a Bid or the non-responsibility of a Bidder or doubt regarding CTA's compliance with Federal or State law or these Regulations. If the protestor submits sufficient evidence supporting its Protest to show that the Protest is not vexatious or frivolous, CTA may suspend its evaluation of all Bids submitted until resolution of the Protest.

**16.5 Procedures for Protests After Award**

This type of Protest will only be considered by CTA if the protestor is able to

demonstrate that the Bidder who was awarded the contract fraudulently represented itself as a responsible Bidder or that CTA violated Federal or State law or these Regulations in awarding the contract.

Upon receipt of a timely filed Protest regarding the award of a contract, CTA will issue a stop work order, if necessary, until the resolution of the Protest.

## **16.6 All Protests**

The Procurement Administrator will notify the Protestor upon timely receipt of a Protest and may, where appropriate, request additional information from the protestor. CTA may, at its discretion, meet with the protestor to review the matters raised by the Protest.

- A. Where a timely Protest has been filed prior to opening of Bids and unless the Protest is resolved by CTA prior thereto, the date for receipt of Bids may be extended to accommodate the time needed for resolving the Protest and instituting any necessary remedial measures.
- B. When a Protest against the making of an award is received and the award will be withheld pending disposition of the Protest, the Bidders whose offers might be eligible for award should be informed of the Protest. If appropriate, those Bidders should be requested, before expiration of the time for acceptance of their offer, to extend the time for acceptance.
- C. CTA may suspend the procurement process upon receipt of a bona fide Bid Protest. However, CTA reserves the right, notwithstanding the pendency of a Protest, to proceed with the appropriate action in the procurement process or under the contract in the following circumstances:
  - i. Where the item to be procured is urgently required;
  - ii. Where CTA determines that the Protest is vexatious or frivolous; or
  - iii. Where delivery or performance will be unduly delayed, or other undue harm will occur by failure to make the award promptly.
- D. Except in extraordinary circumstances, the Procurement Administrator shall issue a written decision on the Protest based on the information provided by the protestor, the results of any meetings with the protestor, and CTA's own investigation. CTA's decision is final except where:
  - i. New data becomes available which was not previously known and which is a basis for Protest;
  - i. There is an error of law or regulation; or
  - ii. The protestor appeals a decision reviewable by FTA to FTA, which includes

only claims that CTA did not follow protest procedures in these Regulations or Federal law or regulation.

- E. When the CTA denies a Protest, it must inform the protestor in writing of its right to appeal CTA's decision to the FTA. Upon denying a Protest, CTA will lift any suspension imposed and proceed with the procurement process of the contract, as the case may be.
- F. A copy (electronic or paper) of each bid protest must be provided, in its entirety, to Homa Ashouri or other person, as designated.

### **16.7 Remedy**

If a Bid Protest is upheld, even in part, then CTA will take appropriate action on a case-by-case basis to correct the procurement process and protect the rights of the protestor, including resolicitation of Bids, revised evaluation of Bids or CTA determinations, or termination of the contract.

### **16.8 FTA Requirements for Appeals Related to Bid Protests**

Under FTA Circular 4220.1, the FTA will only review those Protests that claim: (1) CTA failed to have or follow Protest procedures, or that claim CTA failed to review a complaint or Protest, or (2) violations of Federal law or regulation.

When FTA funds are used in a project, FTA needs to be notified of all bid protests. The Procurement Administrator will provide copies of bid protest letters and CTA's responses to the FTA and will keep FTA informed about the status of the protest. The Procurement Administrator will notify FTA of denials of bid protests, especially when an appeal to FTA is likely to occur.

A protestor must exhaust all administrative remedies with CTA before pursuing a protest with FTA. An appeal to FTA must be received by either FTA's Region Five office or Headquarters office within five (5) working days of the date the protestor has received actual or constructive notice of CTA's denial of a Bid Protest, or knew or should have known of a violation not concerning denial of a Bid Protest, or the Protest will be waived. "Working days" for purposes of appeal to FTA are all days that FTA's Region Five office or Headquarters office are open for business.

### **16.9 Contract Disputes**

- A. Except as otherwise determined by the Vice President, Purchasing, all contracts entered into on behalf of the CTA in an amount in excess of \$10,000 shall include a disputes clause.

- B. A “claim” is a demand or assertion by one of the parties made in writing and seeking as a right, the payment of money, adjustment or interpretation of Contract, Terms, or other appropriate relief.
- C. Meritorious claims that can be completely settled as to time and money issues should be processed by the CTA in the same manner as contract change orders or amendments.
- D. If, after completion of the investigation, the Procurement Administrator determines that a claim has no merit or that equitable adjustment can not be negotiated for a claim with merit, the Final Decision shall be prepared and coordinated with the Vice President, Purchasing and the General Counsel.
- E. The Final Decision or claims shall include the following elements:
  - i. description of claim or dispute;
  - ii. pertinent contract terms; and
  - iii. reference to relevant facts and a decision of the Vice President, Purchasing, with supporting rationale.

The Final Decision will require review and input by the General Counsel. The Final Decision shall be transmitted by certified or registered mail, return receipt requested, to the Contractor’s address shown on the cover page of the contract unless the Contractor has previously requested in writing that another address be used. The return receipt must indicate the date of receipt of the Final Decision by the Contractor.

- F. The Contractor may appeal to state court.

## **APPENDIX**

### **I. Intra-Departmental Forms**

- Staff Procurement Summary Sheet (SS1)
- Method of Procurement History Form
- Staff Bid Summary Sheet (SS2)
- Diversity Compliance Evaluation Form
- Cost Analysis/Price Analysis Worksheet
- Sample Contract Recommendation Summary

# PURCHASING DEPARTMENT

<b>STAFF PROCUREMENT SUMMARY SHEET (SS1)</b>			
<b>Requisition Number:</b>	<b>Contract Dollar Amount Recommended:</b>	<b>Duration of New Contract:</b>	<b>Procurement Administrator Name and Ext.:</b>
<b>Current Contract Term: Start: End:</b>	<b>Current Contract Amount Left:</b>	<b>Previous Contract Amount:</b>	<b>User Name and Phone No.:</b>
<b>Originating Department:</b>	<b>Independent Cost Estimate:</b>	<b>Type of Contract: (Include a rationale for the method of procurements)</b>	
<b>Description of Material, Service, Product, Etc.:</b>			
<b>Justification for Procurement:</b>			
<b>Contract Peculiarities And/Or Problems:</b>			
<b>Vendor History &amp; Responsibility:</b>			

**Procurement Checklist:**

*The Procurement Administrator must check the items attached:*

- Copy of Advertisement/Proof of Publication
- Copy of Committee Evaluation Sheet
- Copy of Bid Evaluation Sheet
- Copy of Price Analysis or Cost Analysis
- Copy of Summary Record of Negotiations for Sole Source, Architectural/Engineering, and RFP Contracts

\_\_\_\_\_  
Procurement Administrator Signature

\_\_\_\_\_  
Date



## METHOD OF PROCUREMENT HISTORY

To best determine which method of procurement is suitable, classify your situation by checking off the appropriate boxes below. All elements must apply to use that method.

### Micro-purchase

Amount < \$2,500

Multiple Sources

### Competitive Procurement

Amount > \$2,500

Multiple Sources Available

Not an emergency purchase

### Sole Source

OEM, custom item

Only one source available

Approved by FTA-Sole Source

Public exigency issue/emergency

Competition is inadequate after

public solicitation

### Sealed Bids (IFB)

Complete & adequate  
specification or purchase  
description

Two or more responsible  
bidders willing to compete

Selection can be made on basis  
of price

Procurement suitable for firm,  
fixed price

No discussion with bidders  
needed after receipt of offer

### Competitive Proposals (RFP)

Complete specifications not  
feasible

Bidders input needed for  
specification

Two or more responsible  
bidders willing to compete

Discussion needed with bidders  
after receipt of proposals, prior  
to award

Fixed price can be set after  
discussions

### Time and Materials Contract

Subset of RFP

Fixed price cannot be set for  
work

Complete extent of work  
unknown, whether time, or  
material use, or both

### Contract Type

Firm-Fixed-Price

Time and Materials

Cost Reimbursement

Other:

### Contract for Architectural or Engineering Services





**DIVERSITY COMPLIANCE EVALUATION FORM**  
(INTERNAL USE ONLY)

**DATE:** Click here to enter a date.

**To:** Omar Brown, General Manager, Diversity Programs Department

**From:** Click here to enter text.

**Requisition #** # \_\_\_\_\_ **Value: \$** # \_\_\_\_\_ **DBE Goal:** #. % \_\_\_\_\_

**Requisition Description:**

Click here to enter text.

**Bid Opening Date:** Enter Date \_\_\_\_\_ **Target Date of Award:** Enter Date \_\_\_\_\_

**Company Name:** Co. Name \_\_\_\_\_ **Contact Person:** Contact Person \_\_\_\_\_

**Address:** Address \_\_\_\_\_ **City:** City \_\_\_\_\_ **State:** St. \_\_\_\_\_ **Zip:** #. \_\_\_\_\_

**Phone:** Click here to enter text. \_\_\_\_\_ **Fax:** Click here to enter text. \_\_\_\_\_

**Email:** Click here to enter text. \_\_\_\_\_ **Bid Amount: \$** # \_\_\_\_\_

**Company Name:** - \_\_\_\_\_ **Contact Person:** - \_\_\_\_\_

**Address:** - \_\_\_\_\_ **City:** - \_\_\_\_\_ **State:** - \_\_\_\_\_ **Zip:** - \_\_\_\_\_

**Phone:** - \_\_\_\_\_ **Fax:** - \_\_\_\_\_

**Email:** - \_\_\_\_\_ **Bid Amount: \$** - \_\_\_\_\_

**Company Name:** - \_\_\_\_\_ **Contact Person:** - \_\_\_\_\_

**Address:** - \_\_\_\_\_ **City:** City. \_\_\_\_\_ **State:** - \_\_\_\_\_ **Zip:** - \_\_\_\_\_

**Phone:** - \_\_\_\_\_ **Fax:** - \_\_\_\_\_

**Email:** - \_\_\_\_\_ **Bid Amount: \$** - \_\_\_\_\_

*If more than 3 Bidders, please complete additional Bidder information forms (see attached).*

**PLEASE INCLUDE THE FOLLOWING ATTACHMENTS:**

- Bidders (Responders) List for this Procurement
- Solicitation List for this Procurement

## COST ANALYSIS

A cost analysis must be performed in connection with every Sole Source, some Change Orders and Competitive Negotiated procurements. This analysis is applicable wherever there is inadequate price data to justify price and/or wherever cost and profit data has been obtained. This exercise is an analysis of direct and indirect costs to determine that profit and total price are reasonable:

Contract Number: \_\_\_\_\_ Procurement Administrator: \_\_\_\_\_

Recommended Vendor/Contractor/Consultant:

Description:

**PLEASE COMPLETE AND IDENTIFY THE METHOD(S) USED AS LISTED BELOW:**

(1) Is profit reasonable? Yes  No   
*\*The Procurement Administrator will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. See attached form CA#2 to help determine profit.*

Comments:

(2) Are the cost elements reasonable? Yes  No   
*\*Consultant must provide the cost elements (including, e.g., labor hours, overhead, materials, etc.) of the estimated costs in order to perform the cost analysis, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public, or on the basis of prices set by law or regulations.*

Comments:

(3) Is cost or price reasonable when compared with the independent cost estimate? Yes  No  % Higher ( ) % Lower ( )

Comments:

(4) Is cost or price reasonable when compared with past prices? Yes  No  % Higher ( ) % Lower ( )

*\*Be wary of how changes in quantity, quality, delivery schedules, and the economy can cause price variations.*

*\*Was previous price fair and reasonable? Check documentation in previous contract.*

Comments:

(5) Is price (are prices) reasonable when compared with past prices? Yes  No  % Higher ( ) % Lower ( )

*\*Verify the facts, assumptions, and judgments used.*

*\*How was the estimate developed?*

*\*You must be comfortable that estimate has validity before you can use it to make a cost or price reasonableness determination.*

Comments:

**DOCUMENTATION:** Describe in narrative and logical sequence your facts, what you considered, your analysis, and how you reached your conclusion.

## PRICE ANALYSIS

A price analysis must be performed in connection with every Invitation for Bid/Sealed bids, Small purchases and some competitive negotiations. The analysis is a comparison of the proposed price to comparable pricing data: (a) competing bids, (b) catalogs, and (c) independent in-house cost estimate:

Contract Number: \_\_\_\_\_ Procurement Administrator: \_\_\_\_\_

Recommended Vendor/Contractor/Consultant:

Description:

**PLEASE COMPLETE AND IDENTIFY THE METHOD(S) USED AS LISTED BELOW:**

- |   |                          |                          |     |     |
|---|--------------------------|--------------------------|-----|-----|
|   | Yes                      | No                       |     |     |
| (1) Is price (are prices) reasonable in comparison to other bids?<br><i>*Does adequate price competition exist?</i>   | <input type="checkbox"/> | <input type="checkbox"/> |     |     |
| <b>Comments:</b>  |                          |                          |     |     |
|   |                          |                          |     |     |
|   | Yes                      | No                       | %   | %   |
| (2) Is price (are prices) reasonable when compared to independent cost estimate?<br><i>*Verify the facts, assumptions, and judgments used.</i><br><i>*How was the estimate developed?</i><br><i>*You must be comfortable that estimate has validity before you can use it to make price reasonableness determination(s).</i>  | <input type="checkbox"/> | <input type="checkbox"/> | ( ) | ( ) |
| <b>Comments:</b>  |                          |                          |     |     |
|   |                          |                          |     |     |
|   | Yes                      | No                       |     |     |
| (3) Is price reasonable in comparison to catalog or Market Prices?<br><b>(Where available and applicable)</b><br><i>*Established catalog prices exist if the items are commercial in nature and are sold in substantial quantities to the general public.</i><br><i>*Market price is a current price established in the usual or ordinary course of business between parties and free to bargain.</i> | <input type="checkbox"/> | <input type="checkbox"/> |     |     |
| <b>Comments:</b>  |                          |                          |     |     |
|   |                          |                          |     |     |
|   | Yes                      | No                       | %   | %   |
| (4) Is price (are prices) reasonable when compared with past prices?<br><i>*Be wary of how changes in quantity, quality, delivery schedules, and the economy can cause price variations.</i><br><i>*Was previous price fair and reasonable? Check documentation in previous contract.</i>   | <input type="checkbox"/> | <input type="checkbox"/> | ( ) | ( ) |
| <b>Comments:</b>  |                          |                          |     |     |

**DOCUMENTATION:** Describe in narrative and logical sequence your facts, what you considered, your analysis, and how you reached your conclusion.

<b>CONTRACT AWARD RECOMMENDATION SUMMARY</b>	<b>REQUISITION NO.:</b> (Insert req. no here)
	<b>CONTRACT AMOUNT:</b> (Not-to-Exceed)
	<b>FUNDING:</b> (Insert funding type here)

<b>DESCRIPTION:</b> (Insert description here)	<b>Invitation for Bid (IFB)</b>
--	---------------------------------

<b>AWARD RECOMMENDED TO:</b>	(Insert recommended vendor here)
------------------------------	----------------------------------

<b>PREVIOUS CONTRACTOR:</b>	(Insert previous vendor here)		
<b>CONTRACT PERIOD</b>	<b>ORIGINAL CONTRACT AMT.</b>	<b>REMAINING AMT.</b>	<b>AVG. MONTHLY EXPENDITURE</b>
As of			
<b>Contract Utilization Analysis:</b>			

<b>PRICE COMPARISON:</b> Next lowest bidder is (insert % here)% higher/lower than recommended bidder	<b>Recommended bidder is % higher/lower than previous purchase</b>
<b>Remarks:</b> (Insert remarks here)	
(Insert department responsible for contract here) (Select <b>WILL UTILIZE/IS RESPONSIBLE FOR</b> ) <b>THIS CONTRACT.</b>	

<b>BIDDERS RESPONDING:</b> (Insert vendors responding here)	<b>Solicitations E-mailed:</b> (#)
	<b>Solicitations Requested:</b> (#)
	<b>Solicitations Requested via Internet:</b> (#)

**New or Previous DBE Program:**  
**DBE Goal:** % of contract  
**DBE Participation Commitment:** % of contract  
**Were good faith efforts documented?**  
**Proposed DBE subcontractors:**

Purchasing	DATE		
DBE O. Brown	DATE	Law K. Seimetz	DATE
(Insert EVP & Dept Name)	DATE	Purchasing & Warehousing D. Johnson	DATE
Finance K. Walker	DATE	President F. Claypool	DATE

(Insert PA initials and date created here) IFB\_UPC

**II. Federal Contract Requirements**

**PROVISIONS, CERTIFICATIONS, REPORTS, FORMS, AND OTHER—MATRICES**

**B. APPLICABILITY OF THIRD PARTY CONTRACT PROVISIONS**

(excluding micro-purchases, except Davis-Bacon requirements apply to contracts exceeding \$2,000)

TYPE OF PROCUREMENT					
PROVISION	Professional Services/A&E	Operations/ Management	Rolling Stock Purchase	Construction	Materials & Supplies
No Federal Government Obligations to Third Parties (by Use of a Disclaimer)	All	All	All	All	All
False Statements or Claims Civil and Criminal Fraud	All	All	All	All	All
Access to Third Party Contract Records	All	All	All	All	All
Changes to Federal Requirements	All	All	All	All	All
Termination	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.
Civil Rights (Title VI, ADA, EEO except Special DOL EEO clause for construction projects)	All	All	All>\$10,000	All	All
Special DOL EEO clause for construction projects				>\$10,000	
Disadvantaged Business Enterprises (DBEs)	All	All	All	All	All
Incorporation of FTA Terms	All	All	All	All	All
Debarment and Suspension	>\$25,000	>\$25,000	>\$25,000	>\$25,000	>\$25,000
Buy America			>\$100,000 As of Feb. 2011, FTA has not adopted the FAR 2.101 \$150,000 standard.	>\$100,000 As of Feb. 2011, FTA has not adopted the FAR 2.101 \$150,000 standard.	>\$100,000 As of Feb. 2011, FTA has not adopted the FAR 2.101 \$150,000 standard.
Resolution of Disputes, Breaches, or Other Litigation	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Lobbying	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Air	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Water	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Cargo Preference			Transport by ocean vessel.	Transport by ocean vessel.	Transport by ocean vessel.
Fly America	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.

**PROVISIONS, CERTIFICATIONS, REPORTS, FORMS, AND OTHER—MATRICES**

**B. APPLICABILITY OF THIRD PARTY CONTRACT PROVISIONS (Continued)**

(excluding micro-purchases, except Davis-Bacon requirements apply to construction contracts exceeding \$2,000)

TYPE OF PROCUREMENT					
PROVISION	Professional Services/A&E	Operations/ Management	Rolling Stock Purchase	Construction	Materials & Supplies
Davis-Bacon Act				>\$2,000 (also ferries).	
Contract Work Hours and Safety Standards Act		>\$100,000 (transportation services excepted).	>\$100,000	>\$100,000 (also ferries).	
Copeland Anti-Kickback Act Section 1 Section 2				All > \$2,000 (also ferries).	
Bonding				\$100,000	
Seismic Safety	A&E for new buildings & additions.			New buildings & additions.	
Transit Employee Protective Arrangements		Transit operations.			
Charter Service Operations		All			
School Bus Operations		All			
Drug Use and Testing		Transit operations.			
Alcohol Misuse and Testing		Transit operations.			
Patent Rights	R & D				
Rights in Data and Copyrights	R & D				
Energy Conservation	All	All	All	All	All
Recycled Products		EPA-selected items \$10,000 or more annually.		EPA-selected items \$10,000 or more annually.	EPA-selected items \$10,000 or more annually.
Conformance with ITS National Architecture	ITS projects.	ITS projects.	ITS projects.	ITS projects.	ITS projects.
ADA Access	A&E	All	All	All	All
Notification of Federal Participation for States	Limited to States.	Limited to States.	Limited to States.	Limited to States.	Limited to States.

**III. General Procurement Workflow**

IFB (Blanket Contracts)	IFB (One Time Purchase)	RFP(s)	LIQ(s)	Sole Source	Disadvantageous	Small Purchase (Undermoney)
Purchasing Department initiates Requisition at 50% expended and/or 6 months prior to current contract expiration	System or User Department initiates Requisition at 50% expended and/or 6 months prior to current contract expiration (one-time purchases can convert to blanket contract depending on usage)	User Department initiates Requisition and develops scope of work	User Department initiates Requisition and develops scope of work	User Department initiates Requisition and develops scope of work  User Department creates sole source justification memo for approval by VP, Purchasing	User Department initiates Requisition and develops scope of work	System or User Department initiates Requisition
Requisition routes to User Department for approval						
Requisition routes to Capital/Budget for approval						
Purchasing creates Bid Documents						
Solicitation issued						
Bid responses received and opened at public Bid opening						
Bid evaluated for responsiveness and responsibility to determine lowest bidder						
DBE analysis completed						
Purchasing, Law and User Department complete Contract Utilization Analysis						
Award Recommendation routed for appropriate signatories (Recommendation Form)						
Recommendation placed on appropriate agenda (only A items are presented to the Board)						
Purchasing, with consultation from Law and User Department negotiate as necessary or permitted						
Pre-proposal conference (if necessary)						
Proposals received						
Evaluation Committee created (VP Purchasing recommends; Proposals evaluated based on criteria created by User Department and Purchasing, including price)						
Purchasing determines which Proposals are within the Best and Final Offer (BAFO) requested						
Final negotiations occur with designated winner, scope and price negotiated						
Final evaluations made and winner declared						
Purchasing determines lowest responsive, responsible Bidder and awards						
Purchasing conducts competitive process by either phone, fax or email						
Recommendation placed on Board (A) Agenda						

**APPENDIX**

**IV. Public Agency Concurrence Requirements**

# CAPITAL GRANT CONCURRENCE REQUIREMENTS FOR THIRD PARTY CONTRACTS AND FORCE ACCOUNT WORK

Activity	Pre-bid	Pre-bid	Pre-award	Pre-award	Pre-award	Post-Award
Total Cost	≤\$500k	>\$500k	≤\$100k	>\$100k - <\$3M	≥\$3M	≥\$1M
<b>I. Contracts competitively bid</b>						
A. Award to lowest of multiple bids						
1) Material	NR	CR	NR	NR	CR	Info
2) Master purchase agreement (material)	NR	CR	NR	NR	NR	NR
2a) Request for specific services	NR	NR	NR	NR	CR	Info
3) Master purchase agreement (buy/rent equipment)	NR	CR	NR	NR	NR	NR
3a) Request for specific services	NR	NR	NR	NR	CR	Info
4) Vehicles (include those that operate on a street or rail ROW)	NR	CR	NR	NR	CR	Info
5) Master purchase agreement (purchase/lease of vehicles)	NR	CR	NR	NR	NR	NR
5a) Request for specific services	NR	NR	NR	NR	CR	Info
6) Equipment other than vehicles	NR	CR	NR	NR	CR	Info
7) Construction	NR	CR	NR	NR	CR	Info
8) Master purchase agreement (construction)	NR	CR	NR	NR	NR	NR
8a) Request for specific services	NR	NR	NR	NR	CR	Info
B. Not awarded to lowest of multiple bids						
9) Single bid	NR	NR	CR	CR	CR	Info
10) Other than responsive and responsible lowest bid	NR	NR	CR	CR	CR	Info
<b>II. Contracts negotiated</b>						
11) Professional Services (from at least 3 qualified firms)	NR	NR	CR	CR	CR	Info
12) Blanket agreements (professional services)	NR	NR	NR	NR	NR	Info
12a) Request for specific services (includes Amendments)	NR	NR	CR	CR	CR	Info
13) Acquisition - real property	NR	NR	Info	>=\$250k: CR	CR	Info
<b>III. Noncompetitive contracts</b>						
14) Sole source	NR	NR	CR	CR	CR	Info
15) Force account (includes railroad force account)	NR	NR	NR	>500k: CR	CR	NR
16) Carrier or cooperative agreements	NR	NR	CR	CR	CR	Info
<b>IV. Miscellaneous</b>						
17) Change orders (\$ & time) [≥\$100k Req. Conc. to Start Work]	NR	NR	CR	CR	CR	NR
18) Addendum: requirements same as "parent contract"	NR	NR	CR	CR	CR	NR
19) General construction allowances—unspecified work	NR	NR	CR	CR	CR	NR
20) Redistribution of professional services contract	NR	NR	CR	CR	CR	NR

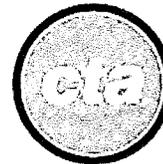
NR = No Requirement  
 CR = Concurrence Required  
 Info = Notification or Information Required

**APPENDIX**

**V. Administrative Procedure #1502: Check Requests**

# ADMINISTRATIVE PROCEDURE # 1502

## Check Requests and P-Cards



Initiating Department:	Finance
Effective Date:	10/15/2012
Supersedes:	AP 1502 (5/10/2012)
Number of Pages:	Page 1 of 7

### 1. PURPOSE AND SUMMARY

To communicate procedures to be followed when using Check Requests and Procurement Cards for the purchase of goods or services necessary to the performance of CTA business outside of CTA's formal procurement process. Payment options are limited to Check Requests and Procurement Cards.

If any provision of this AP conflicts with the terms of any collective bargaining agreement, the collective bargaining agreement shall prevail.

### 2. SUPPORTS THE FOLLOWING POLICY

It is the policy of the CTA to pay for authorized expenditures incurred while performing CTA business.

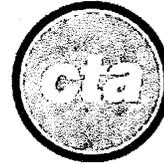
### 3. DEFINITIONS

- 3.1 Chaining** - Chaining means splitting purchases into separate reimbursements in order to circumvent or avoid the requirements of the CTA's procurement regulations. Chaining is prohibited by CTA and may also violate other laws, including the Illinois Criminal Code.
- 3.2 Check Request** - A method of making payments to vendors for material and service expenses that do not go through the CTA's formal procurement process and are not covered by a CTA contract or the CTA's procurement regulations. Check Requests are not to be used as a method for circumventing CTA's procurement regulations. There are two categories of Check Request:
- A. Purchases that are less than \$3,000 ("Micro Purchases"); and
  - B. Other expenses that are authorized by Executive Orders or other administrative directives but not covered by a CTA contract.
- 3.3 Emergency** - A situation of unusual and compelling urgency whereby failure to react to the situation would adversely affect the safety of CTA personnel or the riding public, or the operation of the transportation system.
- 3.4 Procurement Card (also called "P-Card")** - CTA charge card issued to select employees for material and service expenses that do not go through CTA's formal procurement process and are not covered by a CTA contract. P-Cards are not to be used as a method for circumventing CTA procurement regulations. P-Cards can only be used for the following categories of expenses under \$3,000:
- A. Expenses that are authorized by Executive Orders or other administrative directives but not covered by a CTA contract;
  - B. Expenses related to cases of emergency or public exigency that cannot otherwise be resolved by emergency or public exigency purchase as either outlined or specified in the *Procurement Policy and Procedures*, Section 4.2; and
  - C. To provide for employees performing special project functions and job duties during cases of emergency or public exigency and/or outside traditional work hours on a limited basis.
- 3.5 Public Exigency** - Any event or occasional combination of circumstances, calling for immediate action or remedy; a sudden and unexpected happening or a reasonably unforeseen occurrence or condition.

# ADMINISTRATIVE PROCEDURE # 1502

## Check Requests and P-Cards

Initiating Department:	Finance
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### 4. ELIGIBILITY AND PROVISIONS

#### 4.1 Check Request Expenses – Allowable

Check Requests are limited to allowable expenses with a documented CTA business purpose. Allowable expenses include, but are not limited, to the following:

- A. Materials and Supplies: Materials and supply purchases where items are not available from inventory or any current purchase order. The applicable box on the *Check Request (Form 414)* must be checked.
- B. Postage/shipping/mailling: Postal or delivery services not available at CTA or which require immediate action.
- C. Copies and faxes: Copies or other office services not available at CTA or which require immediate action.
- D. Local (within 50 miles of CTA service area) business meals involving non-CTA personnel: Business purpose of meal and names of employees and others in attendance required. Check request amount limited to \$20.00 per person excluding tax and tip; gratuities limited to twenty percent (20%). Check Request requires approval of the President's Office.
- E. Employee Appreciation:
  1. Twice per calendar year, refreshments for Department-sponsored employee appreciation events limited to \$10.00 per person. Gift cards and other merchandise are prohibited.
  2. To provide for employees performing special project functions and job duties outside traditional work hours on a limited basis.
- F. Eligible travel expenses: See Administrative Procedure #1505: *Travel, Seminar and Training Authorization and Reimbursement*.
- G. Dues and Memberships for professional associations related to employee job duties.

#### 4.2 Check Request Expenses – Prohibited

Unallowable material or services include, but are not limited to, the following:

- A. Contracted for materials and Supplies: Materials and shop supply purchases that are available in CTA inventory or through any current purchase order
- B. Expenses which, considered together, would constitute Chaining
- C. Local (within 50 miles of CTA service area) business meals involving only CTA personnel except as noted above (within allowable expenses) and with President's Office approval
- D. Refreshments/snackies for non-business related special events (holiday, picnics, other) including items (flowers, cards, gift cards, fruit baskets, decorations, other) for personal events
- E. Alcoholic beverages, Tobacco Products, Controlled Substances
- F. Personal Items
- G. Sponsorships and Donations
- H. Entertainment and Recreational Activities
- I. Office Furniture and Office Decor
- J. Appliances (e.g. microwaves, refrigerators, coffee makers)
- K. Refreshments/supplies for regular (daily or weekly) consumption by department personnel including kitchen textiles (e.g. napkins, cups, utensils)
- L. Sporting Goods
- M. Electronic Equipment (the purchase of items such as computers, printers and cell phones), unless individually approved in writing by the Vice President, Technology Management (may be demonstrated via e-mail attached to completed Form 414)
- N. Software and Related Licensing Agreements, unless individually approved in writing by the Vice President, Technology Management (may be demonstrated via e-mail attached to completed Form 414)
- O. Home expenses related to use of telephone or internet
- P. Traffic citations or parking fines and penalties

# ADMINISTRATIVE PROCEDURE # 1502

## Check Requests and P-Cards



Initiating Department:	Finance
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- Q. Car Washes
- R. Cash Advances
- S. Capital Equipment / Construction

#### 4.3 Check Request - Terms of Use

Check Requests must be for valid CTA business purposes and supported by original receipts.

- A. Purchase must be for a non-stock or an emergency item. Reimbursements will not be made for materials carried in CTA inventory (stock items) except in cases of public exigency or emergency.
- B. Procurement must be for a one-time purchase. Chaining is expressly prohibited. Requests for purchases considered chained will not be approved.
- C. Purchase price must be considered fair and reasonable, and a justification memorandum supporting a fair and reasonable price and providing a brief explanation as to how the determination was made must be provided as an attachment to the complete Form 414. The employee must exercise the same care as a prudent person would if purchasing items for personal use.
- D. Procurement must be necessary for the conduct of CTA business.
- E. Shipping charges should be included as part of the order costs quoted by the vendor.
- F. Use of Check Requests is subject to periodic audit.

#### 4.4 Check Request - Approvals:

*Check Request* (Form 414) must be completed in its entirety and supported by invoice (for goods and services) or registration, application, or order form when appropriate. A justification memorandum supporting the fair and reasonable purchase price and providing a brief explanation as to how the determination was made must be provided as an attachment.

- A. All Check Requests must be approved by the department Vice-President.
- B. For purchases greater than \$500, approval by the Budget Department is also required.
- C. For purchases funded under CTA's Capital Program, Capital Investment approval is required.
- D. Employee Tuition Aid Reimbursement shall be approved in accordance with the provisions of the "Tuition Aid Reimbursement Plan."
- E. Grievance and Labor Settlements shall be approved by the Labor Relations Department.
- F. Fare box refunds shall be approved by the appropriate GM or VP of Transit Operations.
- G. Costs associated with real estate acquisitions shall be approved by the GM or VP of Real Estate Department and as authorized by an approved CTA Board Ordinance.
- H. Per diem legal services shall be approved by the General Counsel or his/her designee.
- I. For purchases that fall in one of the categories of prohibited purchases outlined in § 4.2, President's Office approval is required.

#### 4.5 Procurement Card - Terms of Use: Use of the P-Card must be for valid CTA business purposes and supported by original receipts.

- A. Only the following employees shall be permitted to hold P-Cards:
  - 1. Chief of Staff;
  - 2. Chief Transit Operations Officer;
  - 3. Chief Safety and Security Officer;
  - 4. Chief Infrastructure Officer; and
  - 5. Vice President, Budget and Capital Finance.
- B. Any issuance of P-Cards beyond the aforementioned designated employees may only be made with approval from the President or designee.
- C. Purchase must be for a non-stock or an emergency item. P-Cards are not to be used for materials carried in CTA storerooms (stock items) except in circumstances described in § 3.4.
- D. Procurement must be for a one-time purchase. Chaining is expressly prohibited.
- E. Purchase price must be considered fair and reasonable, and documentation supporting a fair and reasonable price and how the determination was made must be provided. The employee must exercise the same care as a prudent person would if purchasing items for personal use.

# ADMINISTRATIVE PROCEDURE # 1502

## Check Requests and P-Cards



Initiating Department:	Finance
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- F. Procurement must be necessary for the conduct of CTA business.
- G. Shipping charges should be included as part of the order cost quoted by the vendor.
- H. Only the employee to whom the P-Card is issued is authorized to use it. Delegating the use of the P-Card to another employee, even an employee with his/her own P-Card, is strictly prohibited.
- I. Each P-Card holder shall be assigned a monthly credit limit. Intentional circumvention of this limit is strictly prohibited.
- J. Qualifying P-Card purchases may be requested to be made by the Vice President, Budget and Capital Finance. These requests must be made in writing by a Department Vice President (or above) or designee. The Vice President, Budget and Capital Finance, will be responsible for verifying that the requested purchase falls within the scope of § 3.4.
- K. Transactions made on the P-Card will be subject to review and approval by the Budget and Comptroller's Office after the purchases have been made.
- L. P-Card holders are responsible to monitor transactions on a minimum monthly basis if no transactions are made or as needed to ensure charges match valid, documented purchases. Within forty-eight (48) hours of any transaction, the cardholder must expense and approve all transactions and assign the proper CTA accounting code.
- M. Disputed transactions should be reported promptly and as further detailed in the *Procurement Card Program Cardholder Policies Manual* and the *Purchasing Card Program, User Guide for Cardholders and Managers*.
- N. Lost or stolen cards should be reported promptly and as detailed in the *Procurement Card Program Cardholder Policies Manual*.
- O. Use of the P-Card is subject to periodic audit.
- P. P-Card transactions will be tracked by the Comptroller's Office. The Comptroller's Office will submit a monthly report of the P-Card transactions to the Electronic External Communications Department for posting to the CTA's website.

#### 4.6 Sales Tax

- A. CTA is exempt from the Illinois Retailers' Occupation Tax, the State and Local Service Occupation Tax, the Use Tax and the Service Use Tax.
- B. It is the employee's responsibility to present vendors with a copy of the CTA's tax exemption letter from the Illinois Department of Revenue to indicate that CTA is a tax exempt organization.
- C. A copy of the exemption letter can be obtained from the Accounts Payable Department.

#### 4.7 Travel

Additional guidelines related to CTA travel are outlined in the Administrative Procedure #1505: *Travel, Seminar and Training Authorization and Reimbursement*.

### 5.A. PROCEDURES – CHECK REQUESTS

1.	Employee	<p>With management authorization, employee contacts the vendor and places an order for an allowable expense. Employee notifies vendor that CTA is a tax-exempt organization and provides appropriate proof of tax-exempt status.</p> <p>Upon receipt of an invoice (for goods and services) or registration, application or order form (when appropriate) from the vendor, employee completes a <i>Check Request</i> (Form 414).</p>
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# ADMINISTRATIVE PROCEDURE # 1502

## Check Requests and P-Cards



Initiating Department:	Finance
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		Attaches the invoice or other supporting documentation to the Check Request and receives appropriate approvals.
2.	Department Head	Ensures that all information is accurate, all expenses are allowable and that supporting documentation is included.  Budget Department approval required if check amount is in excess of \$500.  For purchases funded under CTA's Capital Program, Capital Investment approval is required.  If check request is for an allowable business meal, President's Office approval is required.
3.	Budget Department	When applicable, reviews and approves.
4.	Capital Investment	When applicable, reviews and approves.
5.	President's Office	When applicable, reviews and approves.
6.	Accounts Payable	Reviews and processes Check Request. Issues payment.

### 5.B. PROCEDURES – PROCUREMENT CARDHOLDERS

1.	Authorized Employee	Requests <i>Procurement Card Employee Application Form</i> from Comptroller's Office. Returns completed form to Comptroller's Office.
2.	Comptroller's Office	Based on authorization from Section 4.5(A) or approval from the President or designee, establishes cardholder account.
3.	Authorized Employee	As scheduled by the Comptroller's Office, employee attends mandatory P-Card training session prior to P-Card activation. Employee must also review and sign an <i>Acknowledgement &amp; Agreement</i> form, a <i>Procurement Card Program Code of Conduct</i> form, and the <i>Procurement Card Program Cardholder Policies Manual</i> .
4.	Employee	Once a P-Card is activated, an employee must expense and approve all transactions within forty-eight (48) hours of purchase. All expenditures must be documented as further detailed in the <i>Procurement Card Program Cardholder Policies Manual</i> .

# ADMINISTRATIVE PROCEDURE # 1502

## Check Requests and P-Cards



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5.	Budget Department	When applicable, reviews and approves as further detailed in the <i>Procurement Card Program Cardholder Policies Manual</i> .
6.	Comptroller's Office	When applicable, reviews and approves as further detailed in the <i>Procurement Card Program Cardholder Policies Manual</i> . Issues payment. Tracks the P-Card transactions and prepares a monthly report of the transactions made by each P-Cardholder; submits the monthly report to the Electronic External Communications Department.
7.	Electronic External Communications Department	Posts monthly report tracking P-Card transactions by Comptroller's Office to CTA website.

### 5.C. PROCEDURES – NON-PROCUREMENT CARDHOLDERS

1.	Requesting Department	<p>Vice President (or above) or designee submits request in writing to Vice President, Budget and Capital Finance regarding the qualifying purchase and explains support for its justification under § 3.4.</p> <p>The written request must include:</p> <ol style="list-style-type: none"> <li>(1) Vendor name and contact information;</li> <li>(2) Description of goods/services to be purchased;</li> <li>(3) Amount of goods/services to be purchased;</li> <li>(4) Price of goods/services to be purchased (including shipping/handling, tax, etc.);</li> <li>(5) Statement that goods/services requested are not currently in stock and cannot be purchased through a current CTA contract;</li> <li>(6) Justification for purchase price being fair and reasonable;</li> <li>(7) Justification for purchase under categories in § 3.4.</li> </ol>
2.	Vice President, Budget and Capital Finance	<p>Reviews request and verifies accuracy of the following:</p> <ol style="list-style-type: none"> <li>(1) Scope of goods/services falls under the categories provided in § 3.4;</li> <li>(2) Total price of purchase is under \$3,000;</li> <li>(3) Statement that goods/services requested are not currently in stock and cannot be purchased through a current CTA contract;</li> </ol>

# ADMINISTRATIVE PROCEDURE # 1502

## Check Requests and P-Cards



Initiating Department:	Finance
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		<p>(4) Justification for purchase price being fair and reasonable.</p> <p>If request satisfies the criteria, approves the request and facilitates purchase of goods/services.</p> <p>If criteria are not satisfied, contacts the User Department for clarification. If, regardless of discussions with the Requesting Department, some or all of the criteria remain unsatisfied, rejects the request. If, through discussions with the Requesting Department, all criteria are ultimately satisfied, approves the request and facilitates purchase of goods/services.</p> <p>Expenses and approves all transactions within forty-eight (48) hours of purchase. All expenditures must be documented as further detailed in the <i>Procurement Card Program Cardholder Policies Manual</i>.</p>
3.	Budget Department	When applicable, reviews and approves as further detailed in the <i>Procurement Card Program Cardholder Policies Manual</i> .
4.	Comptroller's Office	When applicable, reviews and approves as further detailed in the <i>Procurement Card Program Cardholder Policies Manual</i> . Issues payment. Tracks the P-Card transactions and prepares a monthly report of the transactions made by each P-Cardholder; submits the monthly report to the Electronic External Communications Department.
5.	Electronic External Communications Department	Posts monthly report tracking P-Card transactions by Comptroller's Office to CTA website.

Approved by:

  
 \_\_\_\_\_  
 Doug Kudva  
 Chief of Staff

Title:

Date Approved:

10-3-12  
 \_\_\_\_\_

**APPENDIX**

**VI. Contracts Report Template**



## **APPENDIX**

### **VII. Procedures**

Emergency Contracts (Over \$10,000)

Purchasing Non-Stock, Operating-Funded Supplies and Services,  
Including Urgent Purchases up to \$10,000

LIQs for Architectural or Engineering Services

RFPs for Professional Services

## Procedures for Emergency Contracts (Over \$10,000.00)

An emergency is a situation of unusual and compelling urgency whereby failure to react to the situation would adversely affect the safety of CTA personnel or the riding public, or the operation of the transportation system.

Public exigency is any event or occasional combination of circumstances, calling for immediate action or remedy; or a sudden and unexpected happening or a reasonably unforeseen occurrence or condition.

### PROCEDURES

#### Responsibility

General Manager,  
Using Department

Vice President,  
Using Department

Vice President,  
Purchasing & Warehousing,  
Or Designee

Chairman,  
Chicago Transit Board

Vice President,  
Purchasing & Warehousing,  
Or Designee

General Manager,  
Purchasing or Designee

#### Action

1. Informs their Vice President of the operating emergency or Using Department public exigency.
2. Prepares a request with an explanation of the operating emergency, or public exigency, as well as estimated cost and a list of potential vendors. Enters Purchase Requisition into Oracle and forwards the request, referencing the new Requisition number, to his/her Vice President.
3. Approves the request and the Oracle purchase requisition and forwards the request to the Vice President, Purchasing & Warehousing or designee.
4. Receives, reviews and approves the request and forwards the request to the Chairman of the Chicago Transit Board for authorization of the emergency or public exigency.
5. Receives and reviews the request.
6. Following the review, returns the request to the Vice President, Purchasing & Warehousing or designee either approved or disapproved.
7. Receives request, and if approved forwards to the General Manager, Purchasing or designee for processing. If the request is not approved, notifies the Vice President of the Using Department of the Chairman's decision.
8. Contacts potential vendors for availability of product or service. Requests verbal quote to be confirmed in writing. (Fax or Email is acceptable.)
9. Prepares a memorandum justifying the Emergency Request and recommending award of a contract for the Chicago Transit Board's information.

## Procedures for Emergency Contracts (Over \$10,000.00)

- |   |   |
|---|---|
|   | 10. Forwards contract award justification and purchase order or contract needed for emergency or exigency, to Vice President, Purchasing & Warehousing, or designee for approval. |
| Vice President,<br>Purchasing & Warehousing,<br>Or Designee | 11. Approves and forwards Emergency Request contract award justification and purchase order or contract to General Counsel for approval.  |
| General Counsel   | 12. Approves and forwards Emergency Request contract award justification and purchase order or contract to the President, or designee, for approval.                              |
| President or Designee                                       | 13. Approves and forwards Emergency Request contract award justification and purchase order or contract to the Chairman, or designee, for approval.                               |
| Chairman or Designee  | 14. Approves and returns approved purchase order or contract to Vice President, Purchasing & Warehousing, for further processing.   |
| Vice President,<br>Purchasing & Warehousing,<br>Or Designee | 15. Sends signed purchase order or contract to vendor. Enters data into the Oracle system.  |
|   | 16. Submits report to the Chicago Transit Board, summarizing action taken; places copy in the Purchasing Department file.   |

## Procedures for Purchasing Non-Stock, Operating-Funded Supplies and Services, Including Urgent Purchases up to \$10,000.00

### **Responsibility**

### **Action**

#### **Regular Requests**

Using Department

1. Enters requisition into the Oracle System using Oracle System procedures for Adding a Requisition for Purchase and submits for approval routing.
2. Once approved reviews the online request for required information, such as complete description, specification, drawings, budget's approval, insurance requirements and sole source letters, if applicable, and assigns it to a Buyer to be processed (bid close date should be within 14days) and entered as a Purchase Order.
3. Enters a receipt in Oracle when the Material / Services have been received and inspected.

Manager II,  
Purchasing

Using Department

#### **Short Close Requests**

Using Department

1. Enters a requisition into the Oracle System, using Oracle System procedures for adding a requisition.
  - a. **NOTE:** Upon entering the request into Oracle, the user must check the urgent check box.
  - b. Sends a written justification which includes the requisition number to the Purchasing Manager via e-mail.
2. Reviews the request to determine if it meets the guideline for a Short Close justification.
3. If a Short Close is justified, the bid close date is shortened by 7-10 days from 14 days.
4. If a Short Close is not justified, follow the procedure for regular requests.

Manager II,  
Purchasing

#### **Fast Buy Requests**

Using Department

1. Enters a requisition into the Oracle System, using Oracle System Procedures for Adding a Requisition.
  - a. **NOTE:** Upon entering the request into Oracle, the user must check the urgent check box.
  - b. Sends a written justification which includes the requisition number to the Purchasing Manager via e-mail.
2. Reviews the request to determine if it meets the guideline for a Fast Buy justification.
3. If a Fast Buy is justified, purchase material/service in less than one (1) week.
4. If a Fast Buy is not justified, follows the procedure for regular requests.

Manager II,  
Purchasing

## Procedures for LIQs for Architectural or Engineering Services

The procurement of architectural and engineering services is a qualifications-based selection process. Price is not to be used as a factor in the determination of a firm's qualifications. A Letter of Interest and Qualification (LIQ) process solicits responses from architectural and/or engineering firms, to provide professional services for a specific project. Advertisements are placed by the CTA in a local secular English language daily newspaper of general circulation, the CTA website and other publications deemed appropriate. Announcements of the CTA's LIQ are mailed on the date of publication to firms that have previously expressed an interest in performing project related work. Information detailing LIQ response procedures is included in the solicitation package.

The LIQ process may require proposers to provide the following types of submittal information. Items may be added or deleted, as required by individual projects.

- Staff availability during the life of the project
- Ability to meet schedule
- Promptness of start-up
- Experience and Qualifications of key personnel
- Experience and Qualifications of the firm
- Transit design experience
- Commitment to the project relative to other projects
- Approach to project including schedule
- References on projects of similar type of work
- Commitment to Disadvantaged Business Enterprise (DBE) participation
- Financial statement

The LIQ solicitation includes information on the evaluation and selection processes. The process usually provides for an initial evaluation of the written proposal to the LIQ. After initial evaluation, the CTA will short list firms. These firms will participate in an interview or oral presentations prior to CTA making a determination of the best qualified proposer. The CTA shall seek to negotiate a contract with the best qualified proposer to provide the required scope of services within the internal level of effort estimate. If negotiations are successful then Board approval will be requested for contract award. If negotiations are unsuccessful, then the Authority will negotiate with the second highest qualified proposer after termination of negotiations with the highest qualified proposer. This process will continue with the short listed firms until an agreement is successfully negotiated. If all negotiations are unsuccessful, CTA reserves the right to resolicit the procurement.

The Evaluation Committee will consist of the following:

- Voting member(s) from the originating department and other departments as appointed by the President upon the recommendation of the Vice President, Purchasing & Warehousing.
- One non-voting committee member shall be assigned by the General Manager, DBE Program and Contract Compliance Department to monitor compliance with policies regarding DBE program.
- Non-voting Project Manager
- One or more non-voting members from the Purchasing Department, including the Chair of the Evaluation Committee, to monitor compliance with purchasing procedures, pre-established evaluation criteria and funding agency concerns.

## Procedures for LIQs for Architectural or Engineering Services

### PROCEDURES

<b>Responsibility</b>	<b>Action</b>
Originating Department	<ol style="list-style-type: none"><li>1. Prepares Purchase Requisition in Oracle (ERP) with an attached memorandum stating the purpose and justification for the proposed project and the type of service being sought. The Requisition attachment(s) must also include the following requirements: brief statement of the scope; schedule; budget of the proposed project; recommended firms. The requisition approval process follows the steps established through ERP.</li><li>2. Prepares evaluation criteria including the scoring system to be used in the evaluation process. Prepares evaluation criteria to be used by the Evaluation Committee.</li></ol>
Capital Investment Department	<ol style="list-style-type: none"><li>3. Reviews Purchase Requisition package; identifies funding sources (e.g., FTA, IDOT, RTA, City of Chicago, or other funding sources); and identifies organization, activity and account numbers. Approves and forwards ERP Requisition package and memorandum to Grant Accounting.</li></ol>
Grant Accounting Department	<ol style="list-style-type: none"><li>4. Reviews Requisition package; confirms organization, activity and account numbers; and forwards Requisition package through ERP process.</li></ol>
Purchasing & Warehousing, Programs	<ol style="list-style-type: none"><li>5. Ensures insurance and other requirements are met for each requisition prior to routing the Requisition package to GM, Purchasing.</li></ol>
General Manager, Purchasing	<ol style="list-style-type: none"><li>6. Arranges for LIQ solicitation to be prepared and issued to be submitted to the Bid Office by the date and time established in the solicitation.</li></ol>
Purchasing & Warehousing, Programs	<ol style="list-style-type: none"><li>7. Coordinates the placement of advertisements announcing the LIQ solicitation (Exhibit 1) in a local secular English language daily newspaper of general circulation, the CTA website and other publications deemed appropriate.</li><li>8. Selects a representative from the Purchasing Department who will serve as a non-voting member and Chair of the Evaluation/Selection Committee. The Chair is responsible for advising committee members of their appointments and scheduling and conducting all committee meetings.</li></ol>

## Procedures for LIQs for Architectural or Engineering Services

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| Vice President<br>Purchasing & Warehousing  | 9. Selects a sufficient number of individuals with appropriate qualifications from throughout the Authority to serve on the Evaluation and Selection Committee.  |
| President                                   | 10. Approves members of the Evaluation and Selection Committee.  |
| Bid Office                                  | 11. Receives and logs LIQ responses; transmits sealed proposals to Purchasing.   |
| Purchasing Department                       | 12. Opens and records LIQ responses received; schedules a meeting of the Evaluation/Selection Committee to review and evaluate the LIQ responses.  |
| Evaluation Committee                        | 13. Attends committee meeting, at which time the Chair distributes LIQ responses, evaluation guidelines and evaluation score sheets. Project Manager or designee presents the project scope and schedule; clarifies and elaborates on the evaluation criteria. Chair forwards to the DBE representative all DBE goal compliance documents that have been submitted with the LIQs. Chair establishes the date for submitting evaluation score sheets. |
| DBE Program/ Contract<br>Compliance         | 14. Evaluates DBE goal submittals. Prepares a compliance memorandum and forwards it to the Chair, Evaluation Committee prior to the date established for submitting the evaluation score sheets. This memorandum is advisory regarding the apparent commitment indicated by prospective consultants.   |
| Purchasing Department                       | 15. Receives evaluations from the Evaluation committee members. Reviews DBE compliance memorandum and applies weighting factor to evaluation scoring. (Evaluation and Selection Committee members are not provided with criteria weight.) Prepares memo to the Vice President of Purchasing & Warehousing, which summarizes the Evaluation Committee scoring.  |
| Vice President,<br>Purchasing & Warehousing | 16. Establishes competitive range. If required and different from the Evaluation Committee, nominates a Selection Committee for approval by the President to evaluate consultants in the competitive range. A representative from Purchasing shall chair the Selection Committee as non-voting member.   |

## Procedures for LIQs for Architectural or Engineering Services

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| Selection Committee                                       | 17. Participates in interviews and/or oral presentations with each of the consultants in the competitive range. Evaluates and ranks the firms according to the evaluation criteria established prior to the interviews or oral presentations.  |
| Procurement Administrator,<br>Purchasing                  | 18. Prepares a final list of consultants ranked according to the results of the Selection Committee evaluations. Forwards results to the General Manager of Purchasing.  |
| General Manager,<br>Purchasing                            | 19. Reviews results and forwards to Vice President, Purchasing & Warehousing.  |
| Vice President,<br>Purchasing & Warehousing               | 20. Reviews and approves recommended consultant based on results from the Selection committee. If required and different from the Evaluation or Selection Committee, nominates a Negotiating Committee to negotiate with the selected consultants in the ranked order. A representative from Purchasing shall chair the Negotiating Committee. |
| Negotiating Committee                                     | 21. Establishes a negotiation strategy.<br>22. Conducts negotiations with the highest ranked consultant to reach agreement on scope of services, schedule, labor hours, costs, and compliance with DBE goal commitments.   |
| General Manager,<br>Purchasing                            | 23. Reviews, approves and forwards recommendation to the Vice President, Purchasing & Warehousing.   |
| Vice President,<br>Purchasing & Warehousing               | 24. Reviews, approves and provides consent to proceed with Contract Award Recommendation to the General Manager, Purchasing.   |
| General Manager,<br>Purchasing & Warehousing,<br>Programs | 25. Coordinates for routing a Contract Award Recommendation Summary and other supporting documents and arranges for appropriate signatures; places recommendation for contract award on the CTA Board's agenda for approval.<br>26. Obtains approval to award contract according to the CTA's Procurement Policy & Procedures                  |
| Purchasing Department                                     | 27. Submits contract to funding agency for concurrence, if required by capital funding regulations.<br>28. After CTA approval and/or funding agency concurrence, arranges for contract to be executed by the CTA.  |

## Procedures for RFPs for Professional Services

A RFP may require the following information from potential consultants. Items may be added or deleted, as required by individual projects.

- Approach to project task accomplishment, including proposed work schedule
- Technical skills
- Quality of work program
- Experience, evaluations, and implementation
- Staff availability during the life of the project
- Ability to meet schedule
- Prompt start up
- Name(s) of committed top talent, key personnel
- Key personnel credentials
- Experience and tenure
- Commitment to this project relative to other projects
- Report preparation capabilities
- Client relationship record
- Performance history associated with distinctive and efficient problem-solving methods
- DBE participation
- Cost

Evaluation of a professional service contract is based on qualifications, proposed scope of work, and cost. However, unlike contracts for supplies or construction, the CTA is not obligated to take the lowest bid received when evaluating professional service proposals. The CTA reserves the right to negotiate a contract with one or more of the firms responding to the RFP based solely upon its assessment of the qualifications and ability of the firm, and the content of the proposal relative to the project task.

Selection is based on the competence and qualifications necessary for the type of service required. An evaluation is normally based on the written response and may be augmented by an oral presentation by the finalist(s) if so required by the CTA. The firm selected may be required to participate in negotiations, and re-submit price, or other revisions that may be required as a result of the negotiations.

Price is not the sole basis in determining award of contract. The CTA reserves the right to negotiate price proposals with prospective consultants.

Overall responsiveness and indication of the ability to start on the project and to complete the project in the time available, in addition to the experience in the type of work requested, are also considered before an award of the contract.

The Evaluation Committee will consist of the following:

- Voting member(s) from the originating department.
- Voting committee members, as deemed appropriate, from a pool of qualified staff appointed by the President upon the recommendation of the Vice President, Purchasing & Warehousing.
- One non-voting committee member shall be assigned by the General Manager, DBE Program and Contract Compliance Department to monitor compliance with policies regarding DBE program.
- One or more non-voting members from the Purchasing Department, including the Chair of the Evaluation Committee, to monitor compliance with purchasing procedures, pre-established evaluation criteria and funding agency concerns.

## Procedures for RFPs for Professional Services

### PROCEDURES

<b>Responsibility</b>	<b>Action</b>
Originating Department	1. Prepares Purchase Requisition in Oracle, with an attached memorandum stating the purpose and justification for the proposed project and the type of service being sought. The Oracle Requisition or attachment(s) must also include the following requirements: brief statement of the scope; schedule; budget of the proposed project; names of the firms recommended for solicitation, where available; a statement indicating whether operating or capital funds are to be used; and the organization, activity and account numbers.
Budget or Capital Investment Department	2. Reviews Purchase Requisition and memorandum; identifies funding (Operating, FTA, IDOT, RTA, City); and confirms organization, activity and account numbers. Approves and if necessary forwards Requisition and memorandum to Grant Accounting.
Grant Accounting Department	3. Reviews Requisition and memorandum; confirms organization, activity and account numbers; and forwards Requisition and Memorandum to Purchasing.
Originating Department Project Manager	4. Submits to the Purchasing Department recommended evaluation guidelines and criteria weights.
General Manager, Purchasing	5. Arranges for RFPs to be prepared and issued; requests the number of copies of the responses, as deemed appropriate, to be submitted to the Bid Office before closure of the advertisement date.
Manager, Purchasing & Warehousing/Programs	6. Arranges for an advertisement to be placed in a local secular English language daily newspaper of general circulation, the CTA website and other publications deemed appropriate, announcing request for proposals.
General Manager, Purchasing	7. Selects a representative from Purchasing who will serve as a non-voting member and Chair of the Evaluation Committee. The Chair is responsible for advising committee members of their appointments and scheduling and conducting all committee meetings.
Vice President Purchasing & Warehousing	8. Selects at random a sufficient number of individuals with appropriate qualifications from throughout the Authority to serve on the Evaluation and Selection Committee.

## Procedures for RFPs for Professional Services

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| President                                   | 9. Approves members of the Evaluation and Selection Committee.  |
| Bid Office                                  | 10. Receives and logs RFPs; transmits sealed proposals to Purchasing.   |
| Purchasing Department                       | 11. Opens and records RFP responses received; schedules a meeting of the Evaluation and Selection Committee to review and evaluate the RFP responses.   |
| Evaluation Committee                        | 12. Attends committee meeting, at which time the Chair distributes RFP, evaluation guidelines and evaluation score sheets. Project Manager or designee presents the project scope, schedule, and estimated cost; clarifies and elaborates on the evaluation criteria. Chair forwards to the DBE representative all DBE goal compliance documents that have been submitted with the RFPs. Chair establishes the date for submitting evaluation score sheets. |
| Purchasing Department                       | 13. Receives evaluations from committee members and applies weighting factor to scoring. (Evaluation and Selection Committee members are not provided with criteria weight.) Identifies firms' scores and prepares memo to the Vice President of Purchasing & Warehousing summarizing the scoring.  |
| Vice President,<br>Purchasing & Warehousing | 14. Establishes competitive range. If required and different from Evaluation and Selection Committee, nominates a Selection Committee to evaluate consultants in the competitive range. A representative from Purchasing shall chair the Selection Committee as a non-voting member.  |
| Selection Committee                         | 15. Participates in interviews or oral presentations with each of the consultants in the competitive range. Evaluates and ranks the firms according to the evaluation criteria established prior to the interviews or oral presentations.   |
| Procurement Administrator,<br>Purchasing    | 16. Prepares a final list of consultants ranked according to the results of the Selection Committee evaluations. Forwards results to the General Manager of Purchasing.   |
| General Manager,<br>Purchasing              | 17. Reviews the results and forwards to Vice President, Purchasing & Warehousing.   |

## Procedures for RFPs for Professional Services

Vice President,  
Purchasing & Warehousing

18. Reviews and approve recommended consultant based on results from the Selection committee. If required and different from the Evaluation or Selection Committee, nominates a Negotiating Committee to negotiate with the selected consultant in the ranked order. A representative from Purchasing shall chair the Negotiating Committee.

Negotiating Committee

19. Establishes a negotiation strategy.

20. Conduct negotiations with the highest ranked consultant to reach agreement on scope of services, schedule, labor hours, costs, and compliance with DBE goal commitments.

General Manager,  
Purchasing

21. Reviews, approves and forwards recommendation to the Vice President, Purchasing & Warehousing.

Vice President,  
Purchasing & Warehousing

22. Reviews, approves and provides consent to proceed with Contract Award Recommendation to the General Manager, Purchasing.

General Manager,  
Purchasing

23. Prepares a Contract Award Recommendation Summary and arranges for appropriate signatures; places recommendation for contract award on the CTA Board's agenda for approval.

24. Obtains approval to award contract according to the CTA's Procurement Policy and Procedures.

Purchasing Department

25. Submits contract to funding agency for concurrence, if required by capital funding regulations.

26. After CTA approval and/or funding agency concurrence, arranges for contract to be executed by the CTA.