

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☐ Action ☒ Information

MEAD Number:
202192

Resolution:
☒ Yes ☐ No

TITLE:

Update on Improved Procurement Process

PRESENTATION SUMMARY:

Staff is providing information and seeking approval to increase the micro-purchase and simplified acquisition threshold and allow commercial off-the-shelf (COTS) purchases.

PURPOSE:

Provide the Board of Directors with an overview of progress in improving WMATA procurement and seeking approval of two changes that will increase the efficiency of procurement.

DESCRIPTION:

Vice President and Chief Procurement Officer seeks approval to increase the micro-purchase and simplified acquisition thresholds to align with industry standards and to modernize the commercial off-the-shelf (COTS) purchases.

Key Highlights:

After evaluating and analyzing Metro's Office of Procurement and Materials processes, the Chief Procurement Officer determined that increasing the simplified acquisition threshold to align with industry standards and the need to establish procedures for the acquisition of "commercial items" without additional competition.

Background and History:

The current purchasing thresholds were implemented via Policy Memorandum in December 2015.

Discussion:

Increasing purchasing thresholds to federal levels based on the Office of Budget and Management (OMB) Memorandum M-18-18, Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition

thresholds for Financial Assistance, which increases micro-purchase limits from \$3,500 to \$10,000 and simplified acquisitions limits from \$150,000 to \$250,000. This will decrease wait times and increase customer service by speeding up the procurement process, allow for advance procurement planning, and contribute to the growth of small and local business by allowing them greater access to higher value procurements.

Establishing procedures for the acquisition of "commercial items" without additional competition will decrease wait time by purchasing directly in the marketplace. Executing an additional competitive process adds no value to the purchase.

FUNDING IMPACT:

There is no funding impact on aligning the spending thresholds with the industry standards or allowing COTS purchases.	
Project Manager:	Tonyon Moore
Project Department/Office:	Office of Procurement and Materials

TIMELINE:

Previous Actions	12/15– The current purchasing thresholds were implemented by the then Chief Procurement officer
Anticipated actions after presentation	07/20 – Vice President and Chief Procurement Officer will issue separate Policy Memorandums increasing the micro-purchase and simplified acquisition thresholds and establishing procedures for COTS purchases.

RECOMMENDATION:

Approve the proposed resolution to increase the micro-purchase and simplified acquisition thresholds and allowing the Chief Procurement Officer to establish policy for commercial item purchases.

SUBJECT: APPROVAL OF REVISIONS TO THE PROCUREMENT PROCEDURES MANUAL

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Pursuant to Board Resolutions 2011-30 and 2014-19, the Board adopted changes to the Procurement Procedures Manual (PPM); and

WHEREAS, Article XVI, Section 73 of the WMATA Compact and Section 300 of the PPM requires full and open competition in WMATA procurements, except as otherwise provided in the Compact and PPM; and

WHEREAS, The Board acknowledges the need for efficiency, timeliness, and cost-effectiveness in WMATA procurements; and

WHEREAS, Increasing the maximum thresholds for micro purchases and simplified acquisitions to the thresholds approved by the Federal Transit Administration (FTA), as amended from time to time, will enable WMATA to deliver efficient, timely, and cost-effective procurement of goods and services; ~~and~~

~~WHEREAS, Direct purchase of commercial off the shelf (COTS) products that are ready-made and available for sale to the general public will enable WMATA to deliver efficient, timely, and cost-effective procurement of COTS products;~~

NOW, THEREFORE, be it

RESOLVED, That the Chief Procurement Officer may establish appropriate maximum dollar thresholds for micro purchases and simplified acquisitions, provided that the maximum dollar thresholds do not exceed the currently-prevailing maximum thresholds set by the FTA for such purchases; and be it ~~finally~~ further finally

~~*RESOLVED*, That the Chief Procurement Officer may establish procedures for the direct purchase of COTS products, as that term is defined in 41 U.S.C. § 104, without requiring additional, WMATA initiated competition; and be it finally~~

RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with § 8(b) of the WMATA Compact.

Reviewed as to form and legal sufficiency,

/s/ Patricia Y. Lee

Patricia Y. Lee

Executive Vice President & General Counsel

WMATA File Structure No^s.:

17.9.1 Procurement Procedures Manual

PROPOSED