**Procurement – Necessity Determination Worksheet**

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| **Grantee:** | Click or tap here to enter text. |
| **Completed by:** | Click or tap here to enter text. |
| **Item to Procure:** | Click or tap here to enter text. |
| **Date Completed:** | Click or tap to enter a date. |

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| **2 CFR Part §200.318(d)** The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items.  **4220.1F Chapter IV. Section 1.b. Necessity**  The Uniform Guidance requires the recipient to establish procedures to avoid the purchase of unnecessary property and services (including duplicative items and quantities or options it does not intend to use or whose use is unlikely). In monitoring whether a recipient has complied with its procedures to determine what property or services are unnecessary, FTA bases its determinations on what would have been a recipient’s reasonable expectations at the time the recipient entered into the contract.  (4220.1F Chapter III. Section 3.a.(2)) | | | | | |
| **Needs for this Procurement (Item/Service)**  Enter the quantity of items or services required for the procurement and the projected start date of a contract to be entered into with the selected vendor and the end date for the delivery of items or services. | | | | | |
| **Procurement** | **Quantity** | **Contract Start Date** | **Contract End Date** | | |
| Item/Service | # | Click or tap to enter a date. | Click or tap to enter a date. | | |
|  | | | | **True** | **False** |
| Do the quantities and/or performance period noted represent a reasonable expectation of the recipient’s current need? | | | |  |  |
| Do the quantities and/or performance period noted not create duplicative items or services or unnecessary reserves? | | | |  |  |

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| **Options Consideration** | | | | | |
| The recipient’s contracts may include options to ensure the future availability of property or services based on a reasonably foreseeable need, and so long as the recipient is able to justify those options as needed for its public transportation or project purposes. **An option is a unilateral right in a contract by which, for a specified time, a recipient may acquire additional equipment, supplies, or services than originally procured**. An option may also extend the term of the contract.  (4220.1F Chapter IV Section 1.d.) | | | | | |
|  | | | | **True** | **False** |
| This acquisition will include options allowing the recipient to acquire additional equipment, supplies, or services than originally procured? | | | |  |  |
| **If true**, enter the quantities and or performance service periods to be requested for option quantities or extended service periods in the item or service contract. | | | | | |
| **Options** | **Quantity** | **Option # Start Date** | **Option # End Date** | | |
| **Option 1** | # | Click or tap to enter a date. | Click or tap to enter a date. | | |
| **Option 2** | # | Click or tap to enter a date. | Click or tap to enter a date. | | |
| **Option 3** | # | Click or tap to enter a date. | Click or tap to enter a date. | | |
|  | | | | **True** | **False** |
| Do the quantities and/or performance period for the options noted represent a reasonable expectation of the recipient’s current need? | | | |  |  |
| Do the quantities and/or performance period for the options noted not create duplicative items or services or unnecessary reserves? | | | |  |  |

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| **Not for Assignability**  (4220.1F.V.7.a.(2))  FTA expects the recipient to limit its procurements to the amount of property and services required to meet its reasonably expected needs without adding excess capacity simply for the purpose of assigning contract rights to others at a later date. FTA expects the recipient to be able to justify the quantities it procures. Having written statements of its anticipated material requirements in the recipient’s contract files may prove helpful. | | |
|  | **True** | **False** |
| **Not for Assignability**  The consideration of need for the procurement is only for the grantee’s current and reasonably expected foreseeable needs and do not include amounts solely to permit assignment to another party at a later date?  (4220.1F.V.7.a.(2)) |  |  |

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| **Current Need Rationale**  Discuss the procurement need rationale for the items or services. For example, an item could be needed based on the history of previous usage, but only for the recipients reasonable foreseeable need. For items or services that are not easily documented through previous usage, discuss how acquiring items or services will achieve performance needs, such as timeliness, avoidance of delays, greater efficiencies, cost savings, etc. As much as possible quantify timeliness, avoidance of delays, greater efficiencies, cost savings, etc. for demonstration of future economic value and effectiveness. |
| Click or tap here to enter text. |

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| **Consolidate or Break out Quantities Consideration**  (2 CFR Part §200.318(d))  Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. |
| **Small Procurement Considerations.**  In other circumstances, breaking out procurements may provide greater opportunities for Disadvantaged Business Enterprises (DBEs), small and minority firms, and women’s business enterprises to participate.  (4220.1F Chapter IV Section 1.c.(2))  **Discuss small, break out procurement considerations for DBE participation.**  *Smaller quantities may not be considered to avoid procurement rules of larger thresholds***.** |
| Click or tap here to enter text. |
| **Consolidation or Break Out Considerations.**  … Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. …  (2 CFR 200.318(d))  **Discuss the consolidation or break out of procurements for economic purchase considerations.**  *Smaller quantities* ***may not*** *be considered to avoid procurement rules of larger thresholds***.** |
| Click or tap here to enter text. |
| **Joint Procurement Considerations.**  It may be economically advantageous for a recipient to enter into a joint procurement with others that have similar needs. The recipient responsible for undertaking the joint procurement may, upon contract award, assign to the other participants responsibilities for administering those parts of the contract affecting their property or services.  (4220.1F.IV.1.c.(1))  **Discuss joint procurement considerations.** |
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| **Lease Versus Buy Consideration** | | |
| To obtain the best value, the recipient should review lease versus purchase alternatives for acquiring property and, if necessary, should obtain an analysis to determine the more economical alternative. Before the recipient may lease an asset, FTA regulations require the recipient to make a written comparison of the cost of leasing the asset compared with the cost of purchasing or constructing the asset. Costs used in the comparison must be reasonable, based on realistic current market conditions, and based on the expected useful service life of the asset.  (4220.1F Chapter IV Section 1.e.) (“Capital Leases,” 49 CFR Part 639, Subpart C) (2 CFR 200.318(d)) | | |
|  | **True** | **False** |
| Is this acquisition a lease? |  |  |
| **If yes,** provide an explanation of lease versus buy considerations for this procurement. This analysis is required if this is a lease procurement. | | |
| Click or tap here to enter text. | | |

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| **Necessity Determination** | | |
|  | **True** | **False** |
| Based on the necessity analysis, the amounts and schedules of items or services to be procured appear to represent a reasonable expectation of need at the time of acquisition and avoid unnecessary or duplicative purchases of items/services?  (4220.1F Chapter III Section 3.a.(2)) (4220.1F Chapter IV Section 1.b.) (2 CFR Part §200.318(d)) |  |  |