



Office of Passenger Transportation

Guidelines for Local Vehicle Purchase on State Administered Grants Checklist for Purchase

Revised July 1, 2025

If you require assistance accessing this information or require it in an alternative format, contact the Michigan Department of Transportation's (MDOT) Americans with Disabilities Act (ADA) coordinator at Michigan.gov/MDOT-ADA.

Purpose

To provide guidelines for public transit agencies desiring to purchase vehicles locally using a combination of local, state, and federal funds.

Information

- A. These guidelines provide a uniform local procurement procedure for vehicles and should be used as a supplement to local procurement requirements.
 - i. When a transit agency is given written authorization by the Michigan Department of Transportation (MDOT) Office of Passenger Transportation (OPT) to procure vehicles, they may choose to procure their own vehicles, participate in a vehicle procurement consortium (two or more transit agencies with one as procuring agent developing procurement documents, specifications, Etc...), work through a local governmental agency, or purchase vehicles through another transit agency's existing vehicle contract (piggyback). In all cases, the transit agency remains the responsible party, even when another agency is designated as the procuring agent.
 - ii. Transit agencies agree to adhere to the terms and condition of MDOT's master agreement with the Federal Transit Administration (FTA) when they execute their master agreement and project authorization.
- B. The federal requirements are extensive, and the FTA has prepared detailed guidance on these requirements:
 - [FTA Circular 4220.1G Third-party Contracting Guidance](#)
 - [FTA Best Practices Procurement Manual](#)
- C. The transit agency will develop a bid package which will include the vehicle specification. If federal funds are administered by MDOT the agency must submit their bid/solicitation package for review and approval prior solicitation. A transit agency may use any specification as a guideline including OPT specifications, those of other transit agencies, and local government agencies, states, or the federal government. As a minimum, the vehicle specification must require the manufacturer to meet all applicable:
 - i. Michigan Motor Carrier Vehicle Codes

- ii. Federal Motor Vehicle Safety Standards (FMVSS)
 - iii. American with Disabilities Act (ADA)
 - iv. Any other federal requirements for vehicle specifications outlined in MDOT/FTA master agreement.
- D. Specifications shall be written with a clear and accurate description (salient characteristics) of the vehicle, components, and equipment options. When it is impractical or uneconomical to write a clear and accurate description of the technical requirements of the property or services to be acquired, a “brand name or equal” description may be used to define the performance or other salient characteristics of the property or services sought. The specific features or salient characteristics of the named brand which must be met by offerors of “an equal” proposal must be clearly stated.
- E. Agencies should conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This ensures the maximum amount of competition for federally funded programs.
- F. Federal contract clauses shall be incorporated in all federally funded solicitations; however, not all clauses apply to vehicle contracts. For instance, the Buy America clause applies to contracts over \$150,000 while Davis-Bacon Act does not apply to vehicle contracts. Transit agencies should review each contract clause and verify applicability. MDOT has created specific vehicle procurement clauses:
 - i. Revenue Vehicle Clauses:
 - [3652 – Rolling Stock More Than \\$150,000](#)
 - [3653 – Rolling Stock Less Than \\$150,000](#)
 - ii. Administrative and service vehicles:
 - [3164 – Materials and Supplies Less Than \\$250,000](#)
 - [3165 – Materials and Supplies More Than \\$250,000](#)
- G. It is extremely important transit agencies contract only for their reasonably anticipated needs and do not add quantities or options to contracts solely to assign these quantities at a later date. Document, in the bid, other authorized transit agencies purchasing vehicle(s) from the contract (piggybacking). The lead transit agency will provide the vendor with a letter authorizing specific agencies to purchase vehicles from their contract.
 - i. The eligible cost in the state/local project authorization between the transit agency and MDOT should include the total cost of the

vehicle and administrative expense (up to 2% of the total cost of the vehicle) attributed to the purchase of the vehicle.

- ii. For procurements of \$10,000 to less than \$250,000, transit agencies shall document competitive quotations and follow small purchase procedures of \$10,000 to less than \$250,000. For procurements \$250,001 and over, transit agencies shall utilize the competitive bid/solicitation process. Required procurement documents are listed on the [Form 3174 - MDOT Review of Procurements](#). If your local procurement policy has lower thresholds, you must follow the method per your policy. Under this process, transit agencies are required to post a public notice, in a newspaper, trade publication, Internet Web Site, or circulation that specifically targets the vehicles and equipment being purchased. Procurements of more than \$100,000 require MDOT approval of a third-party contract. Those transit agencies receiving federal funds directly from FTA are not required to obtain this approval. It is also highly recommended that transit agencies notify potential vendors about the bid. This can be via mail, e-mail, telephone, or in-person. The goal is to get at least three (3) competitive bids from multiple vendors; otherwise, if only one bid is received then it will be considered a single bid and will require further analysis per the FTA.
 - iii. Rural and urban transit agencies using federal funds administered by MDOT must designate the **State of Michigan Department of Transportation; Office of Passenger Transportation; 425 W. Ottawa; Lansing, Michigan, 48909**, as the “**First Secured Party**” on all vehicle titles purchased locally from state administered grants.
 - iv. The transit agency will be responsible for paying any additional cost for the vehicle if the bid price is more than the eligible amount of awarded project authorization between the transit agency and MDOT. The transit agency is not entitled to excess funds in the project authorization when a bid price is less than the state/local contract amount unless the federal funds are administered by FTA.
 - v. The costs for additional vehicle options that are not contained in the local bid/award are not eligible for state/federal reimbursement. Local funds may be used to purchase these additional options; however, local procurement requirements should be followed.
- H. Transit agencies should use caution when making specification changes as it can affect prices, product quality, or even be considered a cardinal change. All these reasons can cause the procurement to no longer be competitive and/or federally compliant. Prior to any changes to specifications agencies must receive MDOT OPT approval. Changes must

be noted on the required [Form 3574 - Vehicle Purchase Specification Certification](#).

- I. [Form 3140 - Written Record of Procurement History](#). Transit agencies shall maintain records detailing the history of procurement. Keep a file of all procurement related actions and documentation. A good rule of thumb is “if you did not document it, you did not do it!” At a minimum, these records shall include:
 - The rationale for the method of procurement,
 - Selection of contract type,
 - Reasons for contractor selection or rejection, and
 - The basis for the contract price.

Procedure

- A. Transit agencies desiring to purchase vehicles locally shall indicate their intent on their annual application and/or during the vehicle verification process. An awarded authorization will be emailed to the agency authorizing the agency to begin the vehicle procurement process.
- B. If funds are directly administered by MDOT the agency needs to ensure that MDOT is listed as a secured party on the title.
- C. If federal funds are administered by MDOT the agency must submit their bid/solicitation package for review and approval, in two approval stages, to the MDOT OPT Vehicle Procurement Analyst prior to making an award.
 - i. **Stage A** review consists of submitting the pre-bid/solicitation documents to MDOT (refer to Section VI. Local Vehicle Checklist, subsection A). Following the MDOT review, the agency shall make any corrections or updates prior to bid. Once an approval letter is received by the agency, the solicitation can proceed, but not before. A Stage A review does apply if purchasing through a consortium (two or more transit agencies), another state purchasing program, a local governmental agency, or through another transit agency’s existing vehicle contract (piggyback) as the contract is already executed.
 - ii. **Stage B** review consists of submitting the post-bid/solicitation and third-party contract documents to MDOT (refer to Section VI. Local Vehicle Checklist, subsection B).
- D. Bid packages/third-party contracts shall be submitted to the MDOT Vehicle Procurement Analyst. After notification of MDOT approval, the rural transit agencies should proceed to execute the third-party contract and provide a signed copy per the email package directions.

- E. Upon the receipt of a signed and MDOT awarded third-party contract, the transit agency may submit a purchase order to the vendor.
- F. Pre-award and post-delivery audits shall be completed (refer to Section VI. Local Vehicle Checklist, subsection C) utilizing attachments A-1 through A-13.
- G. After the acceptance of the vehicle(s), transit agencies shall forward the required documentation to their MDOT project manager requesting payment. Please refer to Section VI, subsection D “Local Vehicle Purchase Checklist” for required documentation.

Technical Assistance

For additional assistance regarding the local purchase process or to arrange a meeting between MDOT and your agency, please contact:

Jeff Turner

Vehicle Procurement Analyst

Office of Passenger Transportation

Michigan Department of Transportation

Phone: 517-335-1700

Email: MDOT-Vehicle-Procurement@Michigan.gov

Resources and Tools

- A. [MDOT Procurement Guidelines](#)
- B. [FTA Circular 4220.1G Third-party Contracting Guidance](#)
- C. [FTA Best Practices Procurement Manual](#)
- D. [Pricing Guide for FTA Grantees](#)
- E. [FTA Procurement System Self-Assessment Guide](#) (common procurement issues are listed here)
- F. [FTA Bus Testing Requirements](#)
- G. [FTA Conducting Pre-Award and Post-Delivery Audits for Bus Procurements](#)
- H. [Federal System for Award Management](#)

- I. [APTA Standard Bus Procurement Guidelines RFP/IFB](#) (Model bus RFP/IFB included)
- J. [RTAP Procurement PRO](#)

Local Vehicle Purchase Checklist/Timeline

Rural and urban agencies that receive federal funds from MDOT		
	A	Pre-Bid/Solicitation - Prior to going out for bid/solicitation , the following steps shall be completed, and appropriate documentation submitted to the MDOT Vehicle Procurement Analyst for review/approval:
<input type="checkbox"/>	1.	*Fully executed MDOT project authorization along with MDOT approval to proceed with procurement
<input type="checkbox"/>	2.	* If purchasing through a consortium (two or more transit agencies), another state purchasing program, a local governmental agency, or through another transit agency's existing vehicle contract (piggyback) then proceed to section B
<input type="checkbox"/>	3.	*Completed and signed Form 3138 - Method of Procurement Decision Matrix .
<input type="checkbox"/>	4.	*Completed and signed Form 3142 - Independent Cost Estimate (ICE) (if procurement is over \$100,000).
<input type="checkbox"/>	5.	* Approved Vehicle Specifications
<input type="checkbox"/>	6.	*Federally required clauses. Appropriate clauses found under MDOT Forms Search website .
<input type="checkbox"/>	7.	Solicitation documents such as request for quotes (RFQ), sealed bids/invitation for bids (IFB), competitive proposals/request for proposals (RFP), and sole source.
<input type="checkbox"/>	8.	*A price schedule or cost model listing all vehicle features and equipment options. This form is used for bidders to complete.
<input type="checkbox"/>	9.	*Updates and corrections made to documentation following MDOT review.
<input type="checkbox"/>	10.	*Written approval from MDOT Vehicle Procurement Analyst to proceed with the bid/solicitation.

	B	Post Bid/Solicitation - Prior to making an award or purchase , the following steps shall be completed, and appropriate documentation submitted to the MDOT Vehicle Procurement Analyst for approval.
<input type="checkbox"/>	1.	Unsigned and completed Form 5634 -Standard Third Party Contract . Under terms and conditions section use “unit price” in Contract Price terms.
<input type="checkbox"/>	2.	Advertisement or public notice in a newspaper, trade magazine, Internet website, or a circulation that specifically targets the vehicles and equipment you are purchasing. Form 3148 - Advertisement and Solicitation
<input type="checkbox"/>	3.	*A minimum of three (3) responsive bidders or quotes. Responsive bidders shall possess the ability, willingness, and integrity to perform successfully under the terms and conditions of the contract. If fewer than 3 responsive bidders use Form 3144 - Fewer Than Three Offers Received Evaluation . MDOT must approve vendor if fewer than three responses are received.
<input type="checkbox"/>	4.	Evaluation of all proposal’s responsiveness Form 3147 - Responsibility Determination
<input type="checkbox"/>	5.	Complete Form 3150 - Proposal Tabulation and include documents with selection criteria
<input type="checkbox"/>	6.	*A completed purchase order, price schedule, or cost model listing all vehicle features and equipment options (total costs must match terms in the third-party contract prepared for MDOT review. All prices shall match what was bid by the selected contractor.
<input type="checkbox"/>	7.	Fair and reasonable price determination (small purchases only) refer to Form 3147 - Responsibility Determination . Check the System for Award Management and include a copy of the search results.
<input type="checkbox"/>	8.	*Cost analysis or price analysis (if required). For procurements over \$50,000 refer to Form 3145 - Price Analysis or Form 3146 - Cost Analysis .
<input type="checkbox"/>	9.	Award selection and justification shall be provided to Vehicle Procurement Analyst.
<input type="checkbox"/>	10.	*Authorization to participate in a vehicle procurement consortium (two or more transit agencies), to purchase off another state purchasing program, to work through a local governmental agency, or to purchase vehicles through another transit agency’s existing vehicle contract (piggyback) (if applicable).

	C	Award, Delivery, and Contract Administration
<input type="checkbox"/>	1.	*Complete Form 3187 -Pre-award Purchaser's Requirement Certification to be included with third-party contract documents prior to award.
<input type="checkbox"/>	2.	*Issue a Form 3574 - Vehicle Purchase Specification Certification to the vendor.
<input type="checkbox"/>	3.	*Complete Pre-award Audit Checklist, Certifications and Worksheets (Attachment A-1 through A-7) . Buy America A4 & A5 do not apply to total rolling stock purchases less than \$150,000.
<input type="checkbox"/>	4.	Receive written approval from MDOT to proceed with executing the third-party contract
<input type="checkbox"/>	5.	After receiving approved third-party contract, sign and complete the third-party contract with vendor and send a copy to MDOT-OOR-OPT-Contracts@Michigan.gov
<input type="checkbox"/>	6.	Forms found under State Vehicle Contracts and Procurement webpage at www.michigan.gov/mdot/travel/mobility/pub-transit/state-vehicle-contracts-and-procurement
<input type="checkbox"/>	7.	*Issue purchase order to vendor
<input type="checkbox"/>	8.	*Prior to new vehicle delivery and acceptance, request Post Delivery Audit information from vendor (Attachment A-8 through A-13) . (Buy America A10, A11, & A12 do not apply to total rolling stock purchases less than \$150,000.)
<input type="checkbox"/>	9.	*New vehicle delivered. Complete Post Delivery Audit Checklists, Certifications and Worksheets (Attachment A-8 through A-13) (Buy America A10, A11, & A12 do not apply to total rolling stock purchases less than \$150,000.)
	10.	*Complete Form 3568 - New Vehicle Delivery & Inspection .
<input type="checkbox"/>	11.	Document progress and challenges of project in TA procurement folder.
<input type="checkbox"/>	12.	Provide all "Change Orders" and associated Form 3145 - Cost Analysis or Form 3146 - Price Analysis .
	D	Payment Request - The following documents shall be submitted to the MDOT project manager requesting payment:

<input type="checkbox"/>	1.	*Transit Agency payment request (including budget summary for urban agencies) submitted in Project Wise. This should include the MDOT project authorization number (ie. 20XX-####/P1/S1) Instructions can be accessed at 1. Transit Agency Instructions with Pictures 8-13-19.pdf
<input type="checkbox"/>	2.	*Copy of the vendor's invoice. The vendor's invoice shall have sufficient detail and include: (1) Quantity of buses, vehicle information/seating (ie. 11+1 passenger with front passive lift)/unit cost. (2) Local contract options quantity/description/unit cost. (3) Quantity/description/unit cost. Additional options not included in local contract (not eligible for reimbursement).
<input type="checkbox"/>	3.	*Copy of the signed Vehicle Acceptance form (provided by the vendor). This form acknowledges the transit agency's receipt and acceptance of the vehicle(s).
<input type="checkbox"/>	4.	*Application for Michigan Title (Form RD108), showing MDOT as secured party if federal funds are not received directly from FTA or if vendor is out of state, use Application for Michigan Title (Form TR-11L).
<input type="checkbox"/>	5.	* Pre-award & Post-delivery Audit Checklist, Certifications & Worksheets (Attachment A-1 through A-13). (Buy America A4, A5, A10, A11, A12 do not apply to total rolling stock purchases of less than \$150,000.)
<input type="checkbox"/>	6.	Copy of cover page from Altoona Test for vehicle(s) being purchased (if applicable).
<input type="checkbox"/>	7.	* Completed 3187 Pre-award Purchaser's Requirement Certification form. Form shall be included with third-party contract documents prior to award.
<input type="checkbox"/>	8.	*Completed Form 3568 -New Vehicle Delivery & Inspection .
<input type="checkbox"/>	9.	*Completed Form 3188 -Post-delivery Purchaser's Requirement Certification .
<input type="checkbox"/>	10.	*Completed Form 3189 - Post-delivery FVMSS Compliance Certification (verify decal is in place on vehicle).

<input type="checkbox"/>	11.	*Completed 3574 Vehicle Purchase Specification Certification form with one of the applicable boxes checked and signed and dated by both transit agency and vendor.
<input type="checkbox"/>	12.	*Receive payment from MDOT and pay vendor for vehicle(s) within 10 days of receipt of reimbursement.
	E	Contract Closeout
<input type="checkbox"/>	1.	Continue to follow procurement guidelines for any remaining projects on the authorization.
<input type="checkbox"/>	2.	Review final project file for completeness and file to be reviewed at triennial review.
<input type="checkbox"/>	3.	Request approval for project closeout by marking payment final when all lines on project authorization have been completed. Urban agencies must submit a final TrAMS draw down report with final payments.

* Elements of a small purchase.

Urban Transit Agency That Receives Federal Funds Directly from FTA Payment Request Checklist

	A	Payment Request - The following documents shall be submitted to MDOT project manager requesting payment:
<input type="checkbox"/>	1.	Transit Agency payment request (including attached budget summary) submitted in Project Wise Instructions can be accessed in ProjectWise/Reference Documents/Invoicing/Instructions.
<input type="checkbox"/>	2.	Copy of the vendor's invoice.
<input type="checkbox"/>	3.	*Complete 3568 New Vehicle Delivery & Inspection form (if not supplied by vendor).
<input type="checkbox"/>	4.	Application for Michigan Title (Form RD108) or if vendor is out of state, Application for Michigan Title (Form TR-11L). MDOT must be shown as the first secured party if funds administered by MDOT.
<input type="checkbox"/>	5.	Copy of cover page from Altoona Test for vehicle(s) being purchased (if applicable).
<input type="checkbox"/>	6.	Receive payment from MDOT and pay vendor for vehicle(s) within 10 days of receipt of reimbursement.

Note: Item needed for compliance review. Does not need to be submitted with vehicle payment request.

- Confirm this type of vehicle received is included in the agency's MDOT approved Vehicle Maintenance Plan. If it isn't in the plan, update the plan and send it to the compliance analyst for approval.

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