

Federal Procurement Procedures

Purpose

The purpose of this procedure is to ensure that all expenditures from federal grants other than salaries and benefits are made in an open and competitive manner and in compliance with federal regulations.

General Standards Include (2 CFR §200.318)

- Avoid the acquisition of unnecessary or duplicative items
- Consider consolidation or breaking out procurements to obtain a **more** economical purchase
- Consider lease vs purchase
- Consider state and local intergovernmental purchasing agreements
- Consider use of excess and surplus property
- Consider use of value engineering clauses and contracts for construction projects per [2 CFR §200.318 \(g\)](#)
- Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement
- May use a time-and-materials type [contract](#) only after a determination that no other [contract](#) is suitable and if the [contract](#) includes a ceiling price that the [contractor](#) exceeds at its own risk. [2 CFR §200.318 \(i\)](#)
- Must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements.
- Buy American provision per 7 CFR 210.21(d) applies to the purchase of domestic food used in the school district's child nutrition program.

Competition (2 CFR §200.319)

- Situations that restrict competition
 - Specifying a brand name only, instead of allowing "an equal"
 - State or local preference except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference
 - Conflicts of interest (for details see 'ACSD Prevention of Conflict of Interest in Procurement Policy' in finance drive – ACSD folder – Policies and Procedures folder – ACSD Prevention of... word document)
 - Unreasonable requirements on vendors to qualify to do business
 - Requiring unnecessary experience or excessive bonding
 - Noncompetitive pricing practices
 - Noncompetitive awards to consultants on retainer
 - Any arbitrary action in the procurement process

- [Contractors](#) that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.
- Procedures for procurement transactions must ensure that all solicitations meet the requirements detailed in [2 CFR §200.319 \(d\)\(1\)\(2\)](#)
- Noncompetitive procurements can only be awarded in accordance with [§ 200.320\(c\)](#).

Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms (2 CFR §200.321)

(a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.

Domestic preferences for procurements. (2 CFR §200.322)

(a) As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

(b) For purposes of this section:

(1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

Bonding Requirements (2 CFR §200.326)

Construction contracts or subcontracts exceeding the Simplified Acquisition Threshold are subject to bonding requirements of 2 CFR §200.326. Applicable provisions must be included in the procurement process and resulting contract.

Procurement Steps

These steps are required to comply with federal procurement procedures. They may be in addition to the district’s normal procurement process. Each district will need to merge these steps into their process.

Step 1: Identify a need for a non-salary and benefit purchase

Step 2: Determine method of procurement.

There are three types of procurement informal, formal, and non-competitive. Furthermore, informal and formal procurement are each broken down into two different methods.

1. Informal procurement methods:
 - Micro-purchase
 - Small purchase
2. Formal procurement methods:
 - Sealed bids
 - Proposals
3. Non-Competitive

Informal Procurement Methods:

Micro-purchase— The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold as set annually by the district. Information on the current threshold can be found on the ACSD website by going to Departments – Finance and Operations – Business Office Procedures/Forms and opening the Micro and Small Purchase Decision document (\$2,000 if Davis-Bacon Act applies).

- Purchases may be award without soliciting competitive price or quotes if the price is considered reasonable based on research, experience, purchase history, or other information. Proof of reasonableness must be documented.
- To the maximum extent practicable, purchases should be distributed among qualified suppliers.
- Purchases exceeding the threshold cannot be divided solely to meet this threshold.

Small Purchase- The acquisition of services, supplies, or other property, the aggregate dollar amount of which is higher than the micro-purchase threshold and does not exceed the Simplified Acquisition Threshold as set annually by the district. Information on the current threshold can be found on the ACSD website by going to Departments – Finance and Operations – Business Office Procedures/Forms and opening the Micro and Small Purchase Decision document.

Must obtain two or more prices and document the reason vendor was selected

- Vendor/costs may be identified through internet research, telephone calls, advertisement, email or written requests for information
- Purchases subject to Vermont bid Law (16 V.S.A. §559) must meet both VT Statutes and federal standards

Formal Procurement Methods:

Sealed Bids— The acquisition of services, supplies, or other property, the aggregate dollar amount of which is higher than the Simplified Acquisition Threshold as set annually by the district and when a complete, adequate and realistic specification or purchase description is available.

- Bids must be solicited from an adequate number of qualified sources
- Sufficient time must be allowed for potential vendors to submit bids
- Invitation for bids will be publicly advertised and include any specifications for the bidder to properly respond
- All bids will be publicly opened at the time and place determined by the invitation to bid
- The selection of the successful bidder can be made principally on the basis of price.
- Any or all bids may be rejected if there is a sound documented reason
- May be subject to Vermont bid Law (16 V.S.A. §559) must meet both VT Statutes and federal standards

Proposals— The acquisition of services, supplies, or other property, the aggregate dollar amount of which is higher than the Simplified Acquisition Threshold as set annually by the district and when a sealed bid is not appropriate such as a fixed price or cost reimbursement type contract.

- Proposals must be solicited from an adequate number of qualified offerors (two or more)
- Requests for proposals must be publicized and identify all evaluation factors and their relative importance
- A written method for conducting technical evaluations must be established
- A contract will be awarded to the responsible offeror whose proposal is most advantageous to the district, with price and other factors considered
- The district may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms that are a potential source to perform the proposed effort.

- May be subject to Vermont bid Law (16 V.S.A. §559) must meet both VT statutes and federal standards

Non-Competitive Proposals— Procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold or trigger the VT bid law
- The item is available only from a single source
- The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation
- The Federal awarding agency or pass-through entity (normally the AOE) expressly authorizes the noncompetitive procurement in response to a written request. Naming a vendor in a grant application, strategy, investment, or award does not constitute a sole source approval. A separate written request and approval are both still required
- After solicitation of a number of sources, competition is determined inadequate

Step 3: Use the method selected in step 2 to select a vendor

Step 4: Check for vendor suspension or debarment at www.sam.gov

- Suspended or Debarred vendors may not be selected.
- Retain a copy of search results for step 5.

Step 5: Document procurement process on ACSD’s procurement documentation form. The form can be found on the ACSD website by going to Departments – Finance and Operations – Business Office Procedures/Forms and opening the Procurement Documentation Form document.

Documentation must include:

- Method of procurement
- Rationale for vendor selection
- Solicitation method (advertisement, invitation, internet research, etc.)*
- All vendor proposals (print-outs of internet research, phone conversation notes, bids, etc.)*
- Suspension/Debarment results from Step 4

*does not apply when using Micro-purchase method

Step 6: Prepare for a purchase order and or contract

A purchase order or contract must include the following:

- Accurate and detailed description of goods or services as approved in grant investment.
- Clear definition of unit cost, rate of pay, or basis for the contract price
- Invoice requirements, clear billing information and break down of charges (Note: For contracted services only, payment cannot be made until after services have been provided.)
- Signature by authorized individual as per district procedures

- Contracts must be signed dated by both parties prior to start of work
- Contracts in excess of \$10,000 must address termination for cause and convenience per 2 CFR §200 Appendix II
- If the contract is for construction services, exceeds your Simplified Acquisition Threshold, or exceeds \$100,000 refer to 2 CFR §200 Appendix II for additional required contract provisions that may be applicable.
- Allowable cost only (sales tax, alcohol, donations, entertainment, lobbying, gift cards...are not allowable)

Step 7: You have now completed the additional steps necessary for federal procurement and may proceed based on your District's / SU's purchasing process.

Step 8: Prepare to pay the invoice.

- Do not pay an invoice for contracted services in advance of the work being completed
- Verify work billed on invoice for contracted services was completed satisfactorily and per contracted terms and matches the deliverables in the contract (i.e. invoice signed and dated by grant manager)*
- Verification of receipt of goods (i.e. signed packing slip or other documentation of receipt)*
- Verify proof of attendance where applicable (i.e. sign-in sheet and agenda)*
- Unit on invoice is consistent with the contract (i.e. if contract is based on a daily rate then billing is based on a daily rate)
- If invoice contains charges for non-federal work or multiple federal programs, the invoice must be clearly written to be able to separate the charges
- Verify the expenditure was obligated within the grant period
- Verify the expenditure is allowable (sales tax, alcohol, donations, entertainment, lobbying, gift cards...are not allowable)

*maintain documentation with expenditure packet