



# Pasco School District #1

Tom Hitt, Manager of Compliance and Enrollment  
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## INTERNAL MEMORANDUM

To: Susana Reyes, Assistant Superintendent of Operations and Employee Services  
Erich Bolz, Assistant Superintendent of Instructional Services  
Steve Story, Exec. Director of Maintenance and Operations  
Randy Nunamaker, Exec. Director of Capital Programs  
Mark Garrett, Exec. Director of Information Systems  
Jenny Rodriguez, Exec Director of Teaching and Learning  
Tracy Wilson, Exec. Director of Special Services  
Carla Lobos, Exec. Director of Curriculum and Professional Development  
Brian Leavitt, Exec. Director of Learning Support  
Alma Duran, Director of Special Programs  
Kristen Blair, Director of Nutrition Services

From: Tom Hitt, Manager of Compliance and Enrollment

Date: August 24, 2018

Subject: New Federal Bid Law including Conflict of Interest Standards

New Uniform Guidance Standards contained in 2 CFR Parts 200.112 and 200.320 have been implemented by the federal government starting with the 2018-19 year. Key components are:

- For any annual purchases greater than \$25,000 there must be a copy of a suspended/debarment certification form on file or the results of searching the federal Excluded Parties Listing System (EPLS) at <https://www.sam.gov>
- 1) Purchase of furniture, supplies, and equipment
    - a. \$10,000 - \$75,000
      - i. Requires three competitive quotations through telephone or requested in writing
      - ii. Include tax and shipping costs
      - iii. Award to lowest responsible bidder
        1. Ability, capacity, and skill of the bidder to perform contract or service
        2. Character, integrity, reputation, judgment, experience and efficiency of the bidder
        3. Whether the bidder can perform the contract within the time specified
        4. Quality of performance of previous contracts or services
      - iv. \$75,000 or more
        1. Must be formal competitive bid

- i. Complete plans and specifications must be prepared
    - ii. Advertise once a week for two consecutive weeks in newspaper of general circulation within the district
    - iii. Sealed Bid Process
    - iv. Public Bid Opening
    - v. Bids must be filed for public inspection
    - vi. Include tax and shipping costs
- 2) Purchase of services
  - a. \$10,000 - \$150,000
    - i. Documented quotes are required that are impartial and competitive
    - ii. General rule is to solicit three quotations
    - iii. Keep documentation on file of all quotations submitted
  - b. \$150,000 or more
    - i. Formal Competitive Bid Process (see above process for \$75K and more)
- 3) Sole Source Purchase
  - a. Purchase is clearly and legitimately limited to a single source of supply or service provider is exempt from bid law
  - b. Sole source purchases are the exception rather than the norm
  - c. Sole source refers to one source available from which that product or service can be purchased.
    - i. Does the vendor/contractor have exclusive distribution or production capacity?
    - ii. Is the item or service clearly unique?
    - iii. Can the item or service be adequately substituted?
    - iv. Sole Source Justification must be completed – see <https://www.psd1.org/Page/368>
- 4) Standards of Conduct
  - a. No employee, officer or agent may participate in the selection, award, or administration of a contract supported by a federal, state, or local award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when an employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract
  - b. The officers, employees and agents of the non-federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-federal entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value (less than \$25).
  - c. Employees found to be in violation of district purchasing standards of conduct are subject to disciplinary action. Based on the severity of the infraction, the penalties could include a written reprimand to their personnel file, a suspension with or without pay, or termination.