



**Procedure Name:** Federal Procurement Procedure

**Related to which policy:** [F41](#)

**Date Last Updated:** May 11, 2021

**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
- 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
  - 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

**Procurement Steps:**

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

**Step 2:** Determine method of procurement. There are 5 allowable methods of procurement:

**Micro-purchase-** The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the Micro-Purchase Threshold as set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 currently \$0.00 - \$10,000.00.

- To the extent practicable, purchases must 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 does not exceed the Simplified Acquisition Threshold as set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 currently \$10,000.01 - \$250,000.00

- Must attempt to obtain three prices and document the reason the vendor was selected. If you cannot obtain three price quotes you must document the attempt and results. 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 (<https://legislature.vermont.gov/statutes/section/16/009/00559>)



**Sealed Bids**-Formal advertising when a complete, adequate and realistic specification or purchase description is available.

- Bids must be solicited from an adequate number of 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
- A firm fixed price contract will be awarded to the lowest responsive and responsible bidder
- 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**-Formal advertising when a sealed bid is not appropriate.

- Proposals must be solicited from an adequate number of sources
- 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 vendor whose proposal is most advantageous to the program, with price and other factors considered
- May be subject to Vermont bid Law (16 V.S.A. §559) must meet both VT Statutes and federal standards

**Non-Competitive (Sole Source)**-Procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- Micro-Purchases
- The item is available only from a single source
- A public exigency or emergency that will not permit a delay resulting from a competitive solicitation
- The Federal awarding agency or pass-through entity (AOE) authorizes in writing
- After solicitation of a number of sources, competition is determined inadequate

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

**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](http://www.sam.gov)

- Suspended or Debarred vendors may not be selected.
- Vendors with expired or inactive SAM.GOV may not be selected. If you receive search results “No Results Found”, make sure you have checked both active and inactive and select “apply” in your search again. If you still receive “No Results Found”, then this is acceptable documentation and you can use this vendor
- Retain a copy of search results for Step 5

**Step 5:** Document your procurement process by using the [Procurement Documentation](#) form for Addison Northwest School District and attach all necessary documentation to it.

Documentation must include:

- Method of procurement
- Solicitation method (advertisement, invitation, internet research, etc.)\*
- All vendor proposals (print-outs of internet research, phone conversation notes, bids, etc.)\*
- Rationale for vendor selection\*
- Suspension/Debarment results from Step 4
- All Procurement Documentation forms must be signed by person completing the form, dated, and include the fund number and strategy number if applicable

\*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 or rate of pay
- 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 local 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
- Allowable cost only (sales tax, alcohol, donations, entertainment, lobbying, gift cards...are not allowable)

You are ready to enter your requisition into the ADS software. Please follow the [regular purchasing procedure](#) which includes attaching all requisition and procurement documentation to the requisition in ADS. If you do not have your documentation attached, your requisition will be returned to you. **You may not continue with your purchase or order of services until you have a valid approved Purchase Order in hand. If an order is placed or services are provided prior to the approved Purchase Order, you will not be allowed to use Federal Funds for your purchase and will need to locate an alternative source for your purchase.**

**Step 7:** You have now completed the additional steps necessary for Federal Procurement. When you have received your approved Purchase Order you may proceed with your purchase or order for services.

**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 is within the grant period
- Verify the expenditure is allowable (sales tax, alcohol, donations, entertainment, lobbying, gift cards...are not allowable)
- Your invoice must be signed “Okay to Pay” and dated by the authorized person in charge of the grant or program
- **The approved Purchase Order must be attached to the invoice and passed to Accounts Payable for a payment to be processed**