

SULLIVAN SCHOOL DISTRICT

FEDERAL FUNDS PURCHASING PROCEDURES

I. PURPOSE

- A. The primary purpose of this procedure is to prescribe the manner in which materials, supplies, equipment and contracted services are obtained for the School District when Federal funds are to be utilized. In providing a framework for purchasing activities, the procedure also makes clear the District's position that all vendors have an opportunity to do business with the School District. This procedure also provides direction that, whenever possible, the School District will direct its business to local vendors.
- B. The procedure is intended to provide sufficient flexibility to allow for small individual purchases, purchases of an emergency nature and alternate methods of purchasing as specifically approved by the Superintendent of Schools or his/her designee.
- C. All purchases for property and services using federal funds are to be conducted in accordance with all applicable Federal, State, and local laws and regulations, the Uniform Grant Guidance, CFR 200.317 through 200.327 and the District's relevant written policies and procedures. See Board Policy DAF.
- D. General Considerations should include the following:
 - i) Avoid the acquisition of unnecessary or duplicative items
 - ii) Consider consolidation or breaking out procurements to obtain a more economical purchase
 - iii) Consider lease vs purchase
 - iv) Consider state and local intergovernmental purchasing agreements
 - v) Consider use of excess and surplus property
 - vi) Situations that restrict competition
 - vii) Specify a brand name only, instead of allowing "an equal"
 - viii) State or local preference except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference
 - ix) Conflicts of interest
 - x) Unreasonable requirements on vendors to qualify to do business
 - xi) Requiring unnecessary experience or excessive bonding
 - xii) Noncompetitive pricing practices
 - xiii) Noncompetitive awards to consultants on retainer
 - xiv) Any arbitrary action in the procurement process

II. PURCHASING AGENT

- A. The Superintendent of Schools, (or his/her designee) shall serve as the designated Purchasing Agent.

B. Powers and Duties - The Superintendent or his/her designee shall have the following powers, duties and responsibilities:

1. To oversee and manage the purchase of materials, supplies and equipment, and the procurement of contracted services requisitioned by any School, Department, Board, or Committee of the School District, subject to the provisions of federal, state and local regulations;
2. To maintain high standards of quality in materials, supplies, equipment and services for the lowest reasonable cost;
3. To take advantage of bulk, seasonal or cooperative purchasing, where possible;
4. To coordinate and assist departments and agencies of the School District in purchasing and contract matters, and otherwise observe practices in the best interests of the School District.

III. PURCHASING PROCEDURE

A. The following set of procedures is established. These procedures recognize the need for convenience and flexibility in making individual purchases. This is balanced with the principles of effective budget management at the school level and the interests of the School District in making purchases with consistently high standards of quality at reasonable prices.

B. Purchase Orders

1. Purchase orders shall be required for all individual purchases. Purchase orders must be requested and approved by the Business Office prior to placement of an order. The distribution of copies of the approved completed purchase order is as follows:
 - a. Original copy to vendor, where necessary;
 - b. One copy for requesting department files; and
 - c. One copy for Finance Department files.
2. The following information must be included on the purchase order:
 - a. A statement of Domestic Preference for the goods being procured.
 - b. Date;
 - c. Amount of Purchase, including an estimate for shipping, etc.;
 - d. Vendor's name and address;
 - e. Quantity and description of item(s); and
 - f. Department and account to be charged.
3. The Purchasing Agent may require further information regarding the purchase.
4. Approved purchase orders shall either be returned to the department placing the order, or mailed directly to the vendor, as appropriate. Vendor order forms must accompany direct mail purchase orders where necessary.
5. Purchase orders that are not approved by the appropriate designee shall be returned to the department placing the order accompanied by a memorandum explaining why the purchase order was not approved.
6. Purchase orders over \$10,000 and under \$100,000 shall require the signature of the Superintendent or his/her designee.
7. Purchases \$100,000 and over shall require the approval of the Superintendent.
8. Purchases over \$25,000 that were not budgeted, or any purchase that commits the District to more than one fiscal year, shall require the approval of the Superintendent and of the School Board.

C. Procurements Steps

Step 1: Identify a need for a non-salary and benefit purchase. Requester should notify the grants manager of the need via an email or purchase requisition. The grants manager will determine if the cost is necessary, reasonable and /or allocable. The Allowability of Cost Procedure Form, see appendix, should be issued by the Grants Manager and follow the 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 at 48 CFR Subpart 2.1 currently \$10,000.

- i) To the extent practicable, purchase must be distributed among qualified suppliers
- ii) Purchases exceeding the threshold cannot be divided solely to meet this threshold
- iii) Davis-Bacon Act applies to any purchase over \$2,000.

Small Purchases – 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 \$250,000.

- i) Must obtain two or more prices and document the reason vendor was selected
- ii) Vendor/costs may be identified through internet search, telephone calls, advertisement, email or written requests for information.

Sealed Bids – Formal advertising when a complete, adequate and realistic specification or purchase description is available. In order for sealed bidding to be feasible, the following conditions shall be present:

- i) Bids must be solicited from a minimum of two (2) of sources, subject to the availability of qualified vendors.
- ii) Sufficient time must be allowed for potential vendors to submit bids
- iii) Invitation for bids will be publicly advertised and include any specifications for the bidder to properly respond
- iv) All bids will be publicly opened at the time and place determined by the invitation to bid
- v) A firm fixed price contract will be awarded to the lowest responsive bidder
- vi) Any or all bids may be rejected if there is a sound documented reason

Competitive Proposals – Formal advertising when a sealed bid is not appropriate.

- i) Proposals must be solicited from an adequate number of sources
- ii) Requests for proposals must be publicized and identify all evaluation factors and their relative importance
- iii) A written method of conducting technical evaluations must be established prior to the evaluation of proposals.
- iv) A contract will be awarded to the vendor whose proposal is most advantageous to the program, with price and other factors considered

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:

- i) The item is available only from a single source
- ii) A public emergency
- iii) The Federal awarding agency of pass-through entity expressly authorizes the noncompetitive proposals 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.
- iv) After solicitation of a number of sources, competition is determined to be inadequate.
- v) The cost is below the micro-purchase threshold (above).

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

- i) Suspended or Debarred vendors may not be selected.
- ii) Retain a copy of search results for Step 5

Step 5: Document procurement process, see appendix for Procurement Documentation Form. Documentation must include:

- i) Method of procurement
- ii) Solicitation method (advertisement, invitation, internet research, etc.) *
- iii) All vendor proposals (printouts of internet research, phone conversation notes, bids, etc.) *
- iv) 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. Contracts (only) shall comply with the requirements in Exhibit A. Both purchase orders and Contracts must include the following:

- i) Accurate and detailed description of good or services as approved in grant investment
- ii) Clear definition of unit cost or rate of pay
- iii) 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).
- iv) Signature by authorized individual as per procedure
- v) Contracts must be signed dated by both parties prior to start of work
- vi) Allowable cost only (sales tax, alcohol, donations, entertainment, lobbying, gift cards are NOT allowable)

IV. AWARD

- A. The award of a contract, or purchase of property follows the competitive selection process. Consistent with the other provisions of these guidelines, the criteria for award are flexible enough to allow consideration of all factors involved, yet still provide a clear sense of public policy intent.
- B. After bids or proposals have been received through the competitive selection process, the bids or proposals must be reviewed for completeness, including the submission of any such security established within the RFP. The bids or proposals must be reviewed to determine how well they meet the specifications or scope of work, the input from references, or other aspects indicating the overall ability of the prospective vendor to provide the good or service desired.

In all cases, the goal of the award shall be to select the vendor offering the best overall value to the School District; the “lowest, best” bidder. Price, quality, service, and experience, either demonstrated through other clients or within the School District, should be included in the determination of award.

V. REVIEW

- A. The District must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such a review is needed to ensure that the item or service specified is the one being proposed for acquisition.
- B. The District must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates.
- C. The District is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

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████████ Allowability of Cost Procedure

Obligation of Federal Funds require the SU/SD must determine the allowability of costs in accordance with Subpart E cost principals (2 CFR §200.400) and the terms and conditions of the award. The cost must be:

- Reasonable
- Necessary
- Allocable
- Consistent treatment of Direct and Indirect costs (2 CFR §200.412-§200.415)
- Meets the conditions of Selected Items of Cost (2 CFR §200.420-§200.475)

Task	Title of Responsible Party	Stage of Process (requisition, PO, Contract, Invoice)
Determines the cost is necessary		
Determines the cost is reasonable		
Determines the cost is included in the grant		
Verifies the cost is within the grant period		
Determines the cost is allocable		
Determines the cost is correctly treated as a direct cost or indirect admin		
Determines the cost is allowed as a selected item of cost (ex. sales tax, entertainment ... are not allowable)		
Verifies adequate documentation is on file to support the invoice (ex. Packing slip for supplies, proof of attendance for conferences...)		
Verifies the cost is covered by a contract and that procurement procedures/ conflict of interest procedures have been followed		
Verifies suspension and debarment has been checked		
Verifies contract administration procedures have been followed		

██████████ Procurement Documentation Form

For purchases made with Federal funds

Vendor Name: _____ Fiscal Year: _____

Description and purpose of the purchase:

Procurement Method (check one): *see procurement procedure for additional details on the methods of procurement*

- Micro-Purchase (\$0 - \$10,000)
- Small Purchase (\$0 - \$250,000)
- Competitive Proposal
- Non-Competitive Proposal (if selected, indicate reason why below)
 - The item is available only from a single source
 - A public emergency
 - Received authorization from pass-through entity (AOE)
 - Competition is determined to be inadequate (after solicitation)

(Please Note: If the purchase is over \$15,000, contact the Business Office to ensure all bid laws are followed.)

Reasons for selecting the vendor (Check all that apply): *does not apply to micro-purchase method*

- Lowest Price Availability Accessibility Expertise
- Reputation Continuity of Service Location (venue)
- Bid Process/State Contract Other Considerations: _____

Vendor Cost/Price Comparison: *does not apply to micro-purchase method*

	<u>Vendor Name</u>	<u>Total Cost</u>	<u>Comments</u>
1.	_____	—	_____
2.	_____	—	_____
3.	_____	—	_____

Attach supporting documentation identifying potential vendors to this form. This may include quotes, internet research, telephone calls, advertisement, email or written requests for information, etc.

Suspension/Debarment Check: check www.sam.gov to ensure the vendor has not been suspended/debarred from receiving Federal funds. Completed and copy of proof attached to this form. _____ (initials)

Signature of individual who completed procurement Date Grant/Investment #

Exhibit A

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable [Appendix II to Part 200].

a. Contracts for more than the SAT (currently \$250,000), which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1907, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate [Appendix II to Part 200 (A)].

COMPLIANT NOT COMPLIANT NOT APPLICABLE

b. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement [Appendix II to Part 200 (B)].

COMPLIANT NOT COMPLIANT NOT APPLICABLE

c. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor [Appendix II to Part 200 (C)].”

COMPLIANT NOT COMPLIANT NOT APPLICABLE

d. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”) [Appendix II to Part 200 (D)].

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e. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5) [Appendix II to Part 200 (E)].

COMPLIANT NOT COMPLIANT NOT APPLICABLE

f. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency [Appendix II to Part 200 (F)].

COMPLIANT NOT COMPLIANT NOT APPLICABLE

g. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended- Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards orders or regulation issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387) [Appendix II to Part 200 (G)].

COMPLIANT NOT COMPLIANT NOT APPLICABLE

h. Debarment and Suspension (Executive Order 12549 and 12689) - A contract award must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension [Appendix II to Part 200 (H)].”

COMPLIANT NOT COMPLIANT NOT APPLICABLE

i. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contractors that apply or bid for an award exceeding \$100,000 must file the required certification [Appendix II to Part 200 (I)].

COMPLIANT NOT COMPLIANT NOT APPLICABLE