

South Burlington School District 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
- 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 \$10,000 (\$2,000 if Davis-Bacon Act applies).

- 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 \$250,000.

- 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

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 publically 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

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

- The item is available only from a single source
- A public emergency
- The Federal awarding agency or 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.
- 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

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

Step 5: Document procurement process

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

*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, and 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).

Step 7: You have now completed the additional steps necessary for Federal procurement and may proceed based on District 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 is 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

ALLOWABLE COST PROCEDURES

Obligation of Federal Funds require the School District must determine the allowability of costs in accordance with Subpart E cost principles (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	Grant Manager	Requisition
Determines the cost is reasonable	Grant Manager	Requisition
Determines the cost is included in the grant	Grant Manager	Requisition
Verifies the cost is within the grant period	Grant Manager	Requisition
Determines the cost is allocable	Grant Manager	Requisition
Determines the cost is correctly treated as a direct cost or indirect admin	Grant Coordinator	Requisition
Determines the cost is allowed as a selected item of cost (ex. sales tax, entertainment...are not allowable)	Grant Coordinator	PO
Verifies adequate documentation is on file to support the invoice (ex. Packing slip for supplies, proof of attendance for conferences...)	Accounts Payable Coordinator	Invoice
Verifies the cost is covered by a contract and that procurement procedures/conflict of interest procedures have been followed	Grant Coordinator	Invoice
Verifies suspension and debarment has been checked	Grant Coordinator	Requisition
Verifies contract administration procedures have been followed	Superintendent	Contract