

D-34 (DJB) Federal Procurement

This policy and its accompanying regulation shall apply to the purchase of services, supplies, equipment or other property with federal funds that are subject to the federal Uniform Grant Guidance (UGG) and other applicable federal law, including but not limited to the Education Department General Administration Regulations (EDGAR) and the United States Department of Agriculture (USDA) regulations governing school food service programs. In the event this policy or its accompanying regulation conflict or are otherwise inconsistent with mandatory provisions of the UGG, EDGAR or other applicable federal law, the mandatory provisions of such laws shall control.

District employees shall follow Board policy concerning employee purchasing authority when making any purchase with federal funds and shall obtain prior Board approval in those instances when it is required by Board policy. District employees shall also follow applicable state law and Board policy concerning competitive bidding, to the extent state law and/or Board policy establish additional requirements that are not inconsistent with this policy and its accompanying regulation.

Micro-purchases (less than \$3,500)

A "micro-purchase" is a purchase that, in an aggregate amount, is less than \$3,500.

NOTE: The micro-purchase dollar amount is adjusted periodically by the federal government. The threshold most recently established and published in the Federal Register is \$3,500.

Micro-purchases may be made or awarded without soliciting competitive quotations, to the extent district staff determine that the cost of the purchase is reasonable. For purposes of this policy, "reasonable" means the purchase is comparable to market prices for the geographic area.

To the extent practicable, the district will distribute micro-purchases equitably among qualified suppliers when the same or materially interchangeable products are identified and such suppliers offer effectively equivalent rates, prices and other terms.

Small purchases (\$3,500 to under \$150,000)

A "small purchase" is a purchase that, in an aggregate amount, is \$3,500 or more, but less than \$150,000.

NOTE: Given that the federal government periodically adjusts the micro-purchase dollar amount as well as the amount that requires competitive bidding, the amount considered to be a "small purchase" is currently \$3,500 or more but less than \$150,000.

For small purchases, price or rate quotes shall be obtained in advance from a reasonable number of qualified sources, as detailed in this policy's accompanying regulation, unless:

1. a valid basis exists under the federal Uniform Grant Guidance for relying on procurement by a noncompetitive proposal (i.e., "single source" procurement); or
2. the district elects to use a more formal competitive bid or request for proposal process.

Large purchases (\$150,000 or more)

A large purchase is a purchase that, in an aggregate amount, is \$150,000 or more.

NOTE: The dollar amount at which competitive bidding is required is adjusted periodically by the federal government. The threshold most recently established and published in the Federal Register is \$150,000.

The district shall conduct a cost or price analysis for large purchases that, at a minimum, includes making an independent estimate before receiving bids or proposals (including noncompetitive proposals). A cost analysis means evaluating the separate cost elements that make up the price. A price analysis means evaluating the total price, without looking at the individual cost elements.

Whenever appropriate and relevant to the specific transaction, the cost analysis may include life-cycle cost estimates which shall then be incorporated into any solicitations of bids or proposals.

Unnecessary or duplicative items

The district shall avoid the acquisition of unnecessary or duplicative items.

Consideration shall also be given to consolidating or breaking out purchases to obtain a more economical purchase.

Recordkeeping

The district shall maintain records sufficient to detail the history of procurements made with federal funds. These records may include, but not necessarily be limited to, the following: rationale for the method of procurement, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

Retention of such procurement records shall be in accordance with applicable law and Board policy.

LEGAL REFS.: 2 C.F.R. Part 200 Subpart D (*post-award requirements under the federal Uniform Grant Guidance*)

2 C.F.R. 200.318 (*general standards for procurement supported by federal funds*)

2 C.F.R. 200.319 (*written procurement standards required*)

2 C.F.R. 200.320 (*methods of procurement to be followed*)

2 C.F.R. 200.323 (*cost or price analysis*)

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2 C.F.R. 200.333 (*record retention requirements*)
2 C.F.R. 200.336 (*access to records*)
7 C.F.R. 3016.36 (*USDA's procurement standards*)
7 C.F.R. 3016.37 (*USDA's procurement requirements for subgrants*)
34 C.F.R. Parts 75, 76 (*EDGAR - Education Department General
Administrative Regulations*)
48 C.F.R. Subpart 2.1 (*micro-purchase and competitive bidding
thresholds*)

CROSS REFS.: [BCB](#), School Board Member Conflict of Interest
[DAC*](#), Federal Fiscal Compliance
[DJ/DJA](#), Purchasing/Purchasing Authority
[DJE](#), Bidding Procedures
[DKC](#), Expense Authorization/Reimbursement (Mileage and Travel)
[EHB](#), Records Retention
[GBEA](#), Staff Ethics/Conflict of Interest

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D-34 (DJB) Federal Procurement Guidelines

"Single source" procurement

One or more of the following conditions justify procurement of a small or large purchase pursuant to a noncompetitive proposal (i.e., "single source" procurement):

1. The item is only available from a single source;
2. A public exigency or emergency exists and does not permit the delay that would result from a competitive solicitation;
3. After solicitation of a number of sources, the district determines that competition is inadequate; or
4. The federal awarding agency or the state as the pass-through entity has expressly authorized noncompetitive proposals in response to a written request from the district.

The district shall document the grounds for using a single source procurement process in lieu of an otherwise-required competitive method of procurement.

Standards for obtaining price or rate quotations

The following standards apply to district procurement decisions that include the consideration of price or rate quotations:

1. Obtain at least two price or rate quotations that represent acceptable procurement options.
2. Price or rate quotations may be obtained from an online search, publicly advertised prices, written quotations prepared upon request or by documenting verbal quotations.
3. The specific price or rate quotation need not be the sole determining factor in the procurement decision if:
 - a. other relevant and material differences exist among the quotations (e.g., quality, functionality, vendor-supplied support services, life-cycle cost estimates, vendor experience in connection with the purchase of services, etc.); and
 - b. such differences predominate over a strict cost comparison.
4. If the district determines that it is in the district's best interests to not select the lowest price or rate quotation based upon the criteria listed in the above paragraph,

the reason for deviating from using cost as the determining factor shall be documented.

Additional standards applicable to procurements under the federal Uniform Grant Guidance

Unless expressly authorized by the federal Uniform Grant Guidance and/or other applicable federal law, the following standards shall apply to district purchases made in whole or in part with federal funds:

1. The district shall take affirmative steps to assure that minority businesses, women's business enterprises and labor surplus area firms are used when possible. These affirmative steps include, but are not limited to, placing qualified small and minority businesses and women's business enterprises on solicitation lists and ensuring the small and minority businesses and women's business enterprises are solicited whenever they are potential sources.
2. A time and materials contract may be used 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.
3. District procurement supported by federal funds may be subject to the federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The general requirements include procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative program for procurement of recovered materials as identified in Environment Protection Agency (EPA) guidelines.

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