

PROCUREMENT METHODS FOR FEDERAL FUND USE AND WISCONSIN UNIFORM GUIDANCE

This policy sets forth requirements and expectations related to methods of procurement, including purchases made, in whole or in part, using federal funds that have been awarded to the District. The District Administrator and Director of Finance and Operations have primary administrative responsibility for directing and overseeing the implementation of this policy as a component of the District's overall procurement procedures and within a system of internal controls that supports the District's processes for budgeting, procurement management, accounting and financial management, and property disposition.

While this policy grants authority for employee or non-employee procurement agents to utilize relatively informal competitive processes and even noncompetitive methods in some situations, such authority does not:

1. Permit any District procurement agent to disaggregate a purchase into multiple transactions with the intent and purpose of avoiding a cost threshold that requires a more demanding procurement method.
2. Preclude District procurement agents from lawfully going beyond any minimally-required and minimally-acceptable procurement procedures for the purpose of (a) enabling the District to make a more informed decision, (b) enhancing the District's competitive and bargaining position with respect to a procurement decision, or (c) otherwise increasing the tangible or intangible value that the District can derive from a particular purchase or contract.

All persons involved in the procurement of services, supplies, equipment, or other property on behalf of the District are responsible for ensuring that (1) their actions and decisions are within the scope of their authority, and (2) they sufficiently understand and make all reasonable efforts to comply with applicable laws, Board of Education policy, and established District procedures.

Methods of Procurement for Purchases Supported by Federal Funds

When procuring services, supplies, equipment, or other property involving the use of federal funds that are subject to the procurement standards found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), the District shall use a procurement method that (1) at a minimum, is consistent with the Uniform Guidance, as summarized at a general level in the following chart; and (2) implements any additional standard locally-defined procurement procedures/requirements that are not in conflict with the Uniform Guidance:

Cost Threshold	Allowable Federal Procurement Methods
A purchase of "supplies" or "services" (as defined in the federal regulations) that, in	Such "micro-purchases" of supplies or services (as defined in the federal regulations) may be made or awarded without soliciting competitive quotations to the extent any of the following determines

an aggregate amount, does not exceed \$10,000 or, if different, the federal “micro-purchase” threshold that is in effect at the time of the purchase	<p>that the cost of the purchase/contract is reasonable.</p> <p>Where multiple qualified suppliers of the same or materially interchangeable products have been identified and such suppliers offer effectively equivalent rates/prices and other terms, repeated micro-purchases that are subject to the Uniform Guidance are to be reasonably distributed among different suppliers when practical.</p>
Unless the purchase qualifies as a federal “micro-purchase,” purchases below \$250,000 or, if different, below the federal “simplified acquisition threshold” that is in effect at the time of the purchase	<p>Price or rate quotations must be obtained in advance from a reasonable number of qualified sources, as further detailed in District procurement procedures, <u>unless</u> (1) a valid basis exists under the Uniform 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.</p> <p>To the extent required by federal regulations, the District will negotiate profit as a separate element of the price for each contract that is awarded in the absence of price competition.</p>
Purchases of an amount that equals or exceeds \$250,000 or, if different, the federal “simplified acquisition threshold” that is in effect at the time of the purchase	<p>The District shall conduct a cost or price analysis for these purchases that, at a minimum, shall include making an independent estimate before receiving bids or proposals (including noncompetitive proposals). Whenever appropriate and relevant to the specific transaction, the cost analysis may include life-cycle cost estimates which shall then be incorporated into any solicitation of bids or proposals.</p> <p>Procurement shall be made by sealed bids or by competitive proposals <u>unless</u> a valid basis exists under the Uniform Guidance for relying on procurement pursuant to a noncompetitive proposal (i.e., “single source” procurement). However, no construction, facility remodeling, or other public works capital project with an aggregate cost of \$150,000 or more shall be conducted under a “single source” rationale without the express approval of the Board of Education.</p> <p>To the extent required by federal regulations, the District must negotiate profit as a separate element of the price for each contract involving expenditures at or above this cost threshold.</p>

The above chart represents a starting point for identifying an appropriate and lawful procurement method for purchasing that is subject to the Uniform Guidance. Many additional details, requirements, restrictions, and procedures are established in the federal regulations. In certain cases, other federal laws and regulations establish additional requirements and/or affect the specific application of the Uniform Guidance.

Methods of Procurement for Purchases NOT Involving the Use of Federal Funds Subject to the Uniform Guidance Regulations

The following parameters for methods of procurement apply when the District procures services, supplies, equipment, or other property and the expenditure does NOT involve the use of federal funds that are subject to the Uniform Guidance procurement regulations:

1. The District shall adhere to any other state or federal requirements that dictate the use of a certain procurement method for a particular purchase or contract.
2. When no separate state or federal requirement applies and the Board of Education has not directed or approved a more specific procurement method for a particular purchase or contract, the Board of Education directs its authorized employee and non-employee procurement agents to utilize the following procurement methods:

Cost Threshold	District-Authorized Procurement Method(s)
A purchase that, in an aggregate amount, does not exceed the dollar amount of the federal-funds “micro-purchase” threshold at the time of the purchase	Such purchases may be made or awarded under a reasonable business judgment standard without soliciting quotations, bids, or proposals. The Board of Education will consider this standard satisfied to the extent that the District Administrator or Director of Finance and Operations has determined that the cost of the purchase/contract was reasonable. The administration may also elect to use any of the methods approved for the higher cost thresholds.
A purchase in an amount greater than the dollar amount of the applicable federal “micro-purchase” threshold, but less than the federal “simplified acquisition threshold,” as determined at the time of the purchase	Such purchases may be based on any of the following: 1. multiple price or rate quotations obtained in advance from qualified sources, as further detailed in District procurement procedures applicable to purchases involving federal funds; 2. “single source” procurement to the extent there are grounds for doing so as specified under the federal Uniform Guidance or as separately approved by the Board; 3. the administration’s election to use a more formal competitive bid or request for proposal process. Whenever appropriate and relevant to the transaction and a bid or proposal process, the District will make life-cycle cost estimates and incorporate consideration of life-cycle costs into the solicitation and evaluation of competitive bids or proposals.
Purchases of an amount that equals or exceeds the amount of the federal “simplified acquisition threshold” that is in effect at the time of the purchase	Such purchases may be based on any of the following: 1. competitive bids; 2. competitive proposals; 3. “single source” procurement to the extent there are grounds for doing so as specified under the federal Uniform Guidance or as separately approved by the Board of Education except that no construction, facility remodeling, or other public

	<p>works capital projects with an aggregate cost of \$150,000 or more shall be conducted without the solicitation of competitive bids or competitive proposals without the express approval of the Board of Education.</p> <p>Whenever appropriate and relevant to the specific transaction, the District will make life-cycle cost estimates and incorporate consideration of life-cycle costs into the solicitation and evaluation of competitive bids or proposals.</p>
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The Board of Education authorizes “single source” (i.e., noncompetitive) procurement for non-federal purchases if at least one of the following justifications has been verified and documented by the District Administrator or Director of Finance and Operations:

1. Any of the circumstances is present under which noncompetitive procurement would be allowable under the federal Uniform Guidance.
2. The purchase involves the District’s choice to exercise a renewal or extension option found in an existing license or other contracting arrangement where the underlying contract was either previously approved by the Board of Education or procured via the solicitation of competitive bids or competitive proposals.
3. The District is choosing to continue to use (or expand the use of) a specific product or service (such as a specific curriculum element or computer application or software system) that is already in use in the District and in which a significant investment of time and/or money has already been made. In such a situation, the District may consider a particular brand or particularly proprietary version of a product to be a “single source,” and may further consider a specific vendor or contractor to be “single source” when such vendor or contractor has exclusive rights to purvey the goods or services in question.
4. The District makes the purchase from another unit of government or the procurement is pursuant to a contract or other agreement with a Cooperative Educational Service Agency or via an intergovernmental agreement.
5. The procurement is pursuant to pre-negotiated state contract pricing.
6. Grant monies are involved and the grant mandates the participation of expressly-identified grant partners, subcontractors, or vendors.
7. The Board of Education has otherwise expressly authorized or approved a noncompetitive and non-reoccurring procurement process.

The Board of Education acknowledges that the procurement of professional services, such as legal services, can present unique situations such that a contract or other service agreement may not be readily amenable to the typical procurement methods and procedures outlined in this policy. Accordingly, whenever such procurement decisions are legally left to the District’s discretion, the Board of Education relies heavily on its own oversight function. Therefore, except in emergency circumstances where the District Administrator reasonably relies on an authorized “single source” rationale for such procurement, the Board of Education expects the District Administrator to work jointly with the Board of Education to define (1) a situation-appropriate procurement or selection

process; (2) the scope of any current or potential future professional services the Board of Education is being asked to approve or authorize; and (3) the scope of any District agent's authority, if different from standard policy-based purchasing authority, to engage a pre-approved provider of professional services in the future without obtaining advance approval from the Board of Education for the specific engagement.

Legal Ref: 16.73; 66.0131; 66.0133, 66.0135; 66.0301; 66.0903; 118.03; 120.10; 120.12(24); 120.13(3); 120.13(5); 779.14 WSS; 2 C.F.R. Part 180; 2 C.F.R. §200.212; 2 C.F.R. §200.318; 2 C.F.R. §200.319; 2 C.F.R. §200.320; 2 C.F.R. §200.321; 2 C.F.R. §200.322; 2 C.F.R. §200.323; 2 C.F.R. §200.325; 2 C.F.R. §200.326; 2 C.F.R. App. II to Pt 200; 7 C.F.R. §210 to 226; 7 C.F.R. §210.16; 34 C.F.R. §75.135

Cross Ref: 672 Purchasing; 672.4 Vendor Relations

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