

**SCHOOL DISTRICT OF PITTSVILLE
BOARD POLICY**

FISCAL MANAGEMENT

PURCHASING

PROCUREMENT METHODS FOR SERVICES, SUPPLIES, EQUIPMENT, AND OTHER PROPERTY 672.1

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 Business Services 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, School Board 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 is consistent with the Uniform Guidance as summarized at a general level in the following chart:

| Cost Threshold | Allowable Federal Procurement Methods |
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| A purchase of supplies or services that, in an aggregate amount, does not exceed \$3,000, as federally indexed | Such “micro-purchases” of supplies or services may be made or awarded without soliciting competitive quotations to the extent any of the following determines that the cost of the purchase/contract is reasonable: a district employee who is authorized to make the purchase directly. 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. |

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| <p>Purchases below \$150,000, as federally indexed (unless the purchase qualifies as a “micro-purchase”)</p> | <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> a valid basis exists under the Uniform Guidance for relying on procurement by a noncompetitive proposal (i.e., “single source” procurement).</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> |
| <p>Purchases of \$150,000 or more, as federally indexed</p> | <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.</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 Guidelines will follow Policy 672: Purchasing Authority to Make Purchases and Enter into Procurement Contracts.

LEGAL REFERENCES:

Wisconsin Statutes

- Section 16.73 [cooperative purchasing]
- Section 66.0131 [local government purchasing, including intergovernmental purchases without bids, recycled and recyclable content of procured goods, and life-cycle cost estimates]
- Section 66.0133 [energy savings performance contracting; procedures and bidding]
- Section 66.0135 [contracts and orders, receipt of invoices, and payments]
- Section 66.0301 [intergovernmental agreements]
- Section 66.0903 [prevailing wage requirements and the related suspension and debarment requirements]
- Section 120.10 [powers of the annual meeting, including authorizing or directing the district to purchase/provide certain property or services]

Federal Law

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| <u>2 C.F.R. Part 180</u> | [federal suspension and debarment requirements] |
| <u>2 C.F.R. §200.212</u> | [Uniform Guidance regulation that applies federal suspension and debarment requirements to non-federal entities that spend federal funds] |
| <u>2 C.F.R. §200.318</u> | [general standards for procurement supported by federal funds] |
| <u>2 C.F.R. §200.319</u> | [competition in procurement supported by federal funds; written procurement standards required] |
| <u>2 C.F.R. §200.320</u> | [methods of procurement to be followed for purchases supported by federal funds; includes specific requirements for competitive bids and proposals and the list of circumstances under which noncompetitive procurement is allowable for federally-supported purchases] |
| <u>2 C.F.R. §200.321</u> | [federal funds contracting with small and minority businesses, women's business enterprises, and labor surplus area firms] |
| <u>2 C.F.R. §200.325</u> | [<u>bid guarantee, performance bond, and payment bond requirements for construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold</u>] |
| <u>2 C.F.R. §200.326</u> | [contract provisions for non-federal entity contracts under federal awards] |
| <u>2 C.F.R. App. II to Pt 200</u> | [contract provisions for non-federal entity contracts under federal awards] |
| <u>7 C.F.R. §§210 to 226</u> | [child nutrition program regulations; including allowances of geographic preference in the procurement of certain unprocessed locally grown or locally raised agricultural products] |
| <u>7 C.F.R. §210.16</u> | [contracting for the participation of food service management company in connection with school meal programs] |
| <u>34 C.F.R. §75.135</u> | [U.S. Department of Education direct grant competition exception for proposed implementation sites, implementation partners, or service providers] |

CROSS REFERENCES:

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| Policy 679 | Purchasing, Authority to Make Purchases and Enter Into Procurement Contracts |
| Policy 672.2 | Standards of Conduct in Purchasing and Contracting |

First Reading: April 9, 2018