

Procurement Requirements – Uniform Grants Guidance

Requirements

Procurement standards are a component of Subpart D, Post-Award Requirements, and are contained in Sections 200.317 through 200.326 of the Uniform Grants Guidance. Five procurement methods are outlined in Section 200.320 of the Uniform Grants Guidance. The chart below outlines the threshold for each method under federal and state guidelines.

The Uniform Grants Guidance allows the non-Federal entity to use its own documented procurement procedures which reflect applicable state and local laws and regulations, provided that the standards also conform to applicable federal laws and standards. **The most restrictive of local, state or federal procurement regulations must be followed when purchases are made with federal funds.**

Implementation

The USDOE provided for a two year extension of the implementation of the new procurement regulations found in 2 CFR 200.318 through 200.326. What this means is that non-federal entities had the option of delaying the implementation of the procurement standards until the end of the second fiscal year that begins after December 26, 2014. If a non-federal entity exercised the option of the two year extension, the decision must have been documented in the non-federal entity's procurement policy. The final date to update LEA procurement procedures and implement the new procurement standards is **July 1, 2017**.

Documentation

At a minimum, procurement documentation must include the following.

- The rationale for the method of procurement,
- Selection of the contract type,
- Contractor selection or rejection, and
- Basis for the contract price.

Required Action

- All non-Federal entities must ensure that their internal procurement policies reflect the changes described in the Uniform Grants Guidance. It is important that a recipient's procurement policies identify the five allowable methods outlined in Section 200.320 and summarized in the chart attached.
- Review Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts under Federal Awards to ensure your organization's contracts include the required specifications.

Conflict of Interest Policies

Section 200.318 requires written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts.

1. **Employee Conflict of Interest** - Ensure your organization's current employee conflict of interest policies include the required language in section 200.318 of the Uniform Grants Guidance.
2. **Organizational Conflict of Interest** – Required where the non-Federal entity has a parent, affiliate or subsidiary organization that is not a state, local government, or Indian tribe.

Note: This document serves to highlight certain items relative to the new procurement standards contained in the Uniform Grants Guidance. All LEAs must become familiar with the provisions of the Uniform Grants Guidance and assure the effective implementation of these standards.

Methods of Procurement – Uniform Grants Guidance

Procurement Methods	Federal Requirement Uniform Grants Guidance Section 200.320	State Requirement Title 38 La. Bid Law R.S. 38:2212.1	State Requirement Title 39 La. Procurement Code R.S. 39:1551-1736	Action required
Micro Purchases (new method)	Purchases less than \$3,500 per Federal Acquisition Regulations at 48 CFR 2.101 ** No competitive process required.	Purchases less than \$1,000 No competitive process required.	Purchases less than \$5,000 No competitive process required.	Title 38 - Follow more restrictive state requirement. Title 39 – Follow more restrictive federal requirement.
Small Purchases (informal)	\$3,500 - \$150,000 Price or rate quotation from adequate number of qualified sources.	\$1,000 - \$10,000 3 or more quotes suggested but not required.	Purchases less than \$5,000 No competitive process required.	Title 38 - Follow more restrictive state requirement. Title 39 – Follow more restrictive federal requirement.
		\$10,000 - \$30,000 Solicit 3 or more quotes.	\$5,000 - \$15,000 Solicit 3 or more quotes.	Title 38 and Title 39 align with federal requirement.
			\$15,000 - \$25,000 Solicit 5 or more quotes.	Title 39 - Follow more restrictive state requirement.
Sealed Bids (formal advertising)	Exceeding \$150,000 Publicly bid and award to lowest responsible bidder.	Materials and Supplies Exceeding \$30,000 Public Works Exceeding \$152,400 Publicly bid and award to lowest responsible bidder.	Exceeding \$25,000 Refer to LA Procurement Code (R.S. 39:1551-1736)	Title 38 – Follow more restrictive state requirements for materials and supplies; use more restrictive federal requirements for public works. Title 39 –Follow more restrictive state requirements.
Competitive Proposals	Exceeding \$150,000 Request for Proposal from adequate number of sources; must have written method for selecting recipients.	Materials and Supplies Exceeding \$30,000 Public Works Exceeding \$152,400 Publicly bid and award to lowest responsible bidder.	Exceeding \$25,000 Refer to LA Procurement Code (R.S. 39:1551-1736)	Follow more restrictive state requirements.
Noncompetitive Proposals – Sole Source Purchases	Sole source purchases are appropriate only under the circumstances listed below. These circumstances must be adequately documented. <ol style="list-style-type: none"> 1. The item procured is only available from a single source, 2. The purchase is in response to a public emergency that will not permit a delay resulting from the competitive process, 3. The purchase is expressly authorized by awarding or pass-through agency in response to written request from LEA, or 4. After soliciting a number of sources competition is deemed inadequate. Process must be adequately documented. 			

Notes: LEAs may choose by ordinance or resolution to adopt the La. Procurement Code in part or in its entirety. LEAs may also purchase from vendors with state contracts that have been pre-approved by the Office of State Procurement (OSP).

** Refer to 48 CFR Subpart 2.101 to identify the current micro-purchase threshold designated by the Federal Acquisition Regulations (FAR) and are subject to adjustment due to inflation.