

Procurement Methods Under a Federal Award

This procedure shall apply to purchases with federal funds not solicited through a sealed bid process.

Competitive Proposals

The technique of competitive proposals is normally conducted when more than one source submits an offer, and either a fixed price or cost-reimbursement type contract is to be awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
2. Proposals must be solicited from an adequate number of qualified sources; and
3. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. This method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

Contract/Price Analysis

The District performs a cost or price analysis in connection with every procurement action, (including contract modifications), in excess of \$50,000, whichever amount is lower. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District Superintendent must come to an independent estimate prior to receiving bids or proposals.

When performing a cost analysis, the District Superintendent negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the

complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Documentation of all such cost and price analyses shall be kept for three years beyond the current year for review.

Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District; or
4. After solicitation of a number of sources, competition is determined inadequate.

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$50,000.

Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 C.F.R §200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

1. Placing unreasonable requirements on firms in order for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Noncompetitive pricing practices between firms or between affiliated companies;
4. Noncompetitive contracts to consultants who are on retainer contracts;
5. Organizational conflicts of interest;
6. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
7. Any arbitrary action in the procurement process.

Legal Reference:	2 CFR §§ 200.317	Procurement by States
	2 CFR §§ 200.318	General Procurement Standards
	2 CFR §§ 200.320	Methods of Procurement to be Followed
	2 CFR §§ 200.67	Micropurchase

2 CFR §§ 200.88 Simplified Acquisition Threshold
 IC § 18-1351 Bribery and Corrupt Practices – Definitions
 IC § 33-316 Cooperative Contracts to Employ Specialized
 Personnel and/or Purchase Materials

Cross References	7218	Federal Grant Financial Management System
	7235	Fiscal Accountability and IDEA Part B Funds
	7235-P1	Fiscal Accountability and IDEA Part B Funds – Written Compensation Procedure (Time & Effort)
	7235-PF1	Fiscal Accountability and IDEA Part B Funds – Personnel Activity Report
	7235-PF2	Fiscal Accountability and IDEA Part B Funds – Single Federal Award or Cost Objective
	7235-F1	Fiscal Accountability and IDEA Part B Funds – Federal funds Semi-Annual Certification Form
	7235-F2	Fiscal Accountability and IDEA Part B Funds – Personnel Activity Report
	7236-F3	Fiscal Accountability and IDEA Part B Funds – Multiple Cost Objective Time and Effort Certification
	7237	Retention of Records Relating to Federal Grants
	7320	Allowable Uses for Grant Funds
	7320-P1	Allowable Uses for Grant Fund – Determining Necessity and Reasonableness of Expenses
	7320-P2	Allowable Uses for Grant Funds – Selected Items of Cost
	7405	Public Works Contracting and Procurement
	7405-P1	Public Works Contracting and Procurement – Procuring Public Works, Services, and Personal Property
	7408	Entering into Professional Service Contracts
	7410	Petty Cash Funds
	7420	Personal Reimbursements

Procedure History:

Promulgated on: November 2018

Revised on: April 15, 2019

Reviewed on: May 18, 2020

Revised on: November 18, 2024