

**Procedure 7400-P(2): Miscellaneous Procurement Standards -
Procurement Methods Under a Federal Award**

Status: ADOPTED

Original Adopted Date: 11/13/2018 | **Last Revised Date:** 04/09/2019, 4-22-2020,8-13-2024 |
Last Reviewed Date: 11/13/2023

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. The District must have a written method for conducting technical evaluations of the proposals received and making selections;
3. Proposals must be solicited from an adequate number of qualified sources; and
4. 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 the District's simplified procurement threshold or 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 CFR §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 References

2 CFR § 200.317

2 CFR § 200.318

2 CFR § 200.320

Description

Procurement by States

General Procurement Standards

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

Code	Description
7218	Federal Grant Financial Management System
7235	Fiscal Accountability and IDEA Part B Funds
7235	Fiscal Accountability and IDEA Part B Funds
7235	Fiscal Accountability and IDEA Part B Funds
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7235	Fiscal Accountability and IDEA Part B Funds
7235	Fiscal Accountability and IDEA Part B Funds
7235	Fiscal Accountability and IDEA Part B Funds
7237	Retention of Records Relating to Federal Grants
7320	Allowable Uses for Grant Funds
7320	Allowable Uses for Grant Funds
7320	Allowable Uses for Grant Funds
7405	Public Works Contracting and Procurement
7405	Public Works Contracting and Procurement
7408	Entering into Professional Service Contracts
7410	Petty Cash Funds
7420	Personal Reimbursements