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6325 - PROCUREMENT – FEDERAL GRANTS/FUNDS

Procurement of all supplies, materials, equipment, and services paid from Federal funds or School Corporation matching funds shall be made in accordance with all applicable Federal, State, and local statutes and/or regulations, the terms and conditions of the Federal grant, and School Board policies and administrative procedures.

The Superintendent shall have and use a procurement and contract administration system in accordance with the U.S. Department of Education requirements (2 C.F.R. 200.317-200.327), including consideration of small businesses, minority businesses, and women's business enterprises, veteran-owned businesses, and labor surplus area firms for the administration and management of Federal grants and Federally-funded programs. The Corporation shall maintain oversight that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the Corporation's documented general purchasing Policy 6320 and AG 6320A.

All Federally-funded contracts in excess of \$2,000 related to construction, alteration, repairs, painting, or decorating of public buildings or public works must comply with Davis-Bacon and Related Acts prevailing wage requirements.

All Corporation employees, officers, agents, and Board members who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, officers, agents, and Board members engaged in the selection, award, and administration of contracts as established in Policy 1130, Policy 3113 and Policy 4113 – Conflict of Interest.

The Corporation shall avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. When appropriate, an analysis should be made between leasing and purchasing property or equipment to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

To foster greater economy and efficiency, the Corporation may enter into State and local intergovernmental agreements, where appropriate, for procurement or use of common or shared goods and services.

Competition

All procurement transactions under the Federal award shall be conducted in a manner that provides full and open competition and is in accordance with 2 C.F.R. 200.319 and 200.320, good administrative practice and sound business judgement. To ensure objective contractor performance and eliminate unfair competitive advantage, the Corporation shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids from competition for such procurements.

Examples of situations that may restrict competition include, but are not limited to:

- A. unreasonable requirements on firms for them to qualify to do business;
- B. unnecessary experience and excessive bonding requirements;
- C. noncompetitive pricing practices between firms or between affiliated companies;

- D. noncompetitive contracts to consultants that are on retainer contracts;
- E. organizational conflicts of interest;
- F. specification of only a "brand name" product instead of allowing for an "or equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- G. any arbitrary action in the procurement process.

To the extent that the Corporation uses a pre-qualified list of persons, firms or products to acquire goods and services that are subject to this policy, the pre-qualified list includes enough qualified sources to ensure maximum open and free competition. The Corporation allows individuals to apply for consideration to be placed on the list once a year.

The Corporation shall ensure prequalified lists of persons, firms, or products that are used in procurement transactions are current and include enough qualified sources to provide maximum open competition. When establishing or amending prequalified lists, the Corporation (or subrecipient) must consider objective factors that evaluate price and cost to maximize competition. The Corporation shall not preclude potential bidders from qualifying during the solicitation period.

To the extent consistent with established practices and legal requirements applicable to the Corporation, the Corporation is not prohibited from developing written procedures of procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job-training for employees making work products or provided services on a contract, and other worker protections. The Corporation may also make inquiries of bidders about these subjects and assess the responses. Scoring mechanisms must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award.

Solicitation Language (Purchasing Procedures)

The Corporation shall have written procedures for procurement transactions. These procedures must require that all solicitations made pursuant to this policy:

- A. adhere to the competition requirements and restrictions listed above;
- B. incorporate a clear and accurate description of the technical requirements for the property, equipment, or service being procured;

The description may include a statement of the qualitative nature of the property, equipment, or service to be procured. When necessary, the description must set forth those minimum essential characteristics and standards to which the property, equipment, or service shall conform. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to clearly and accurately describe the technical requirements, a "brand name or equivalent" description of features to provide procurement requirements may be used. The specific features of the named brand must be clearly stated; and

- C. identify any additional requirements that the offerors must fulfill and all other factors that will be used in evaluating bids or proposals.

The Board will not approve any expenditure for an unauthorized purchase or contract.

Procurement Methods

The Corporation shall have and use documented procedures, consistent with the standards described above, for the following methods of procurement:

A. Informal Procurement Methods

Informal procurement methods for small purchases expedite the completion of transactions, minimize administrative burdens, and reduce costs. Informal procurement methods may be used when the value of the procurement transaction under a Federal award does not exceed the simplified acquisition threshold or a lower threshold established by the State. The informal procurement methods include:

1. Micro-purchases

Procurement by micro-purchase is the acquisition of property or services, the aggregate dollar amount of which does not exceed ~~\$10,000~~ **\$15,000**. To the extent practicable, the Corporation should distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive price or rate quotations if the Purchasing Agent identified in Policy 6320 considers the price to be reasonable based on research, experience, purchase history, or other relevant information and maintains documents to support the Purchasing Agent's conclusion. The Corporation shall maintain evidence of this reasonableness in the records of all purchases made by this method. Unless otherwise defined by State or local law, the Corporation is responsible for determining and documenting an appropriate micro-purchase threshold in accordance with 2 C.F.R. 200.320(a)(1)(iv) based on internal controls, an evaluation of the risk, and its documented procurement procedures. The micro-purchase threshold used by the Corporation shall be authorized or not prohibited under State, local, or tribal laws or regulations. An eligible Corporation may self-certify a threshold of up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal agency or pass-through entity and auditors in accordance with 2 C.F.R. 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

- a. a qualification as a low-risk auditee, in accordance with the criteria in 2 C.F.R. 200.520 for the most recent audit;
- b. an annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,
- c. for public institutions, a higher threshold is consistent with State law

2. Simplified Acquisitions

Simplified acquisitions include the acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold of ~~\$250,000~~ **\$350,000**. Simplified acquisition procedures require price or rate quotations shall be obtained from an adequate number of qualified sources.

The Corporation is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures which must not exceed the threshold established in the Federal Acquisition Regulations (FAR). When applicable, a lower simplified acquisition threshold used by the Corporation must be authorized or not prohibited under State, local, or tribal laws or regulations.

B. Formal Procurement Methods

When the value of the procurement for property or services under a Federal award exceeds the simplified acquisition threshold, or a lower threshold established by the State, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public a notice and must be competitive. The formal methods of procurement are:

1. Sealed Bids

Sealed bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment amounts to more than ~~\$250,000~~ **\$350,000** and when the Board determines to build, repair, enlarge, improve, or demolish **any building or other property** ~~a school building/facility~~ the cost of which will exceed the amount allowed by Indiana statute.

In order for sealed bidding to be feasible, the following conditions shall be present:

- a. a complete, adequate, and realistic specification or purchase description is available;
- b. two (2) or more responsible bidders have been identified as willing and able to compete effectively for the business; and
- c. the procurement lends itself to a firm fixed-price contract and the selection of the successful bidder can be made principally based on price.

When sealed bids are used, the following requirements apply:

- a. Bids shall be solicited in accordance with the provisions of State law and Policy 6320. Bids shall be solicited from an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.
- b. The invitation for bids must define the items or services with specific information, including any required specifications, for the bidder to properly respond, and comply with the requirements of I.C. 5-22-7-2.
- c. All bids shall be opened at the time and place prescribed in the invitation for bids; bids shall be opened publicly.
- d. A firm fixed-price contract is awarded in writing to the lowest responsive bid and responsible bidder. When specified in the invitation for bids, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts must be used to determine the low bid only when the Corporation determines they are a valid factor based on prior experience.
- e. The Board reserves the right to reject any or all bids, but must document and provide justification for all bids it rejects.

2. Proposals

Procurement by proposals is a method in which either a fixed price or cost-reimbursement contract is awarded. This method is used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method. Indiana law stipulates a threshold for which sealed bids are required. (See Policy 6320.)

If this method is used, the following requirements apply:

- a. Requests for proposals require public notice, and must identify all evaluation factors and their relative importance. To the maximum extent practicable, any proposals submitted in response to the public notice must be considered.
- b. Proposals shall be solicited from an adequate number of sources.
- c. The Corporation must have written procedures for conducting technical evaluations and for making selections.
- d. Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the Corporation considering price and other factors.

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

3. Noncompetitive Procurement

Procurement by noncompetitive proposals may be used only when one (1) or more of the following circumstances apply:

- a. the aggregate amount of the procurement transaction does not exceed the micro-purpose threshold;
- b. the procurement transaction can only be fulfilled by a single source;
- c. the public exigency or emergency for the requirement will not permit a delay resulting from provided public notice of a competitive solicitation;
- d. the Corporation requests in writing to use a noncompetitive procurement method, and the Federal agency or pass-through entity provides written approval; or
- e. after soliciting several sources, competition is determined inadequate.

Domestic Preference for Procurement

The Corporation should, to the extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. Such requirements shall be included in all subawards, contracts, and purchase orders under the Federal award.

Procurement of Recovered Materials

The Corporation must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6962. These requirements include:

- A. procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000;
- B. procuring solid waste management services in a manner that maximizes energy and resource recovery; and
- C. establishing an affirmative procurement program for the procurement of recovered materials identified in the EPA guidelines.

The Corporation should, to the greatest extent practicable and consistent with law, purchase acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water-efficient; and are sustainable.

This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products.

Contract/Price Analysis

The Corporation shall perform a cost or price analysis for every procurement transaction, including contract modifications, in excess of the Simplified Acquisition threshold identified above. The method and degree of analysis conducted depend on the facts surrounding the particular procurement transaction. 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 Corporation must not use the "cost plus a percentage of cost" and "percentage of construction costs" methods of contracting.

Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that the costs incurred or cost estimates included in negotiated prices would be allowable for the Corporation according to cost principle requirements.

Time-and-Materials Contracts

The Corporation may use a time-and-materials type contract only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the Corporation is the sum of the actual costs of materials and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Because this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, the Corporation sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the Corporation shall assert a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Doing Business with Other Persons

The Corporation shall award contracts only to responsible contractors that possess the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions shall be made in the best interests of the Corporation and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the Corporation shall consider such factors as (1) contractor integrity; (2) public policy compliance; (3) proper classification of employees; 4) record of past performance; and (5) financial and technical resources. If the Purchasing Agent determines a contractor is not responsible, that determination must be made in writing.

The Corporation shall not subcontract with or award subgrants to any person or company who is excluded or disqualified. For contracts over \$25,000, the Corporation shall confirm that the person with whom the Corporation intends to do business is not excluded or disqualified by checking the Federal Government's System for Award Management Exclusions at www.sam.gov; collecting a certification from that person; or adding a clause or condition to the covered transaction with that person.

Bid Protest

The Corporation maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the Federal agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (RFPs) or the individual bid specifications package for resolution. Bid protests shall be filed in writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest or failure to file a formal written protest within the time prescribed shall constitute a waiver of proceedings.

Maintenance of Procurement Records

The Corporation shall maintain records sufficient to detail the history of each procurement transaction. These records shall include, but are not limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

Record Retention

The Corporation must retain all Federal award records for three (3) years from the date of submission of the final financial report, or as otherwise required pursuant to the Board-adopted records retention schedule, whichever is longer. For awards that are renewed quarterly or annually, the Corporation must retain records for three (3) years from the date of submission of the quarterly or annual financial report, respectively, or as otherwise required pursuant to the Board-adopted records retention schedule if longer. Records to be retained include but are not limited to, financial records, supporting documentation, and statistical records. Other records retention requirements shall be in accordance with 2 C.F.R. 200.334 and the Board-adopted records retention schedule.

The Corporation must collect, transmit, and store Federal award information in a machine-readable format. The Corporation may substitute electronic versions of original paper records through duplication or other forms of electronic conversion, provided that the procedures are subject to periodic quality control reviews. Quality control reviews must ensure that electronic conversion procedures provide safeguards against the alteration of records and assurance that records remain in a format that is readable by a computer system.

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Legal	I.C. 5-22-2-21
	I.C. 5-22-2-30
	I.C. 5-22-2-38
	I.C. 5-22-3-3
	I.C. 5-22-6-1
	I.C. 5-22-6-2
	I.C. 5-22-7-1 et seq.
	I.C. 5-22-8-2

I.C. 5-22-8-3

I.C. 5-22-10-1 et seq.

I.C. 5-22-16-1

I.C. 5-22-16-2

I.C. 20-26-4-6

I.C. 20-26-4-8

I.C. 20-26-5-4

2 C.F.R. 180.300

2 C.F.R. 180.305

2 C.F.R. 200.317 - .327

2 C.F.R. 200.334 - 200.337

2 C.F.R. 200.520

Appendix II to Part 2 C.F.R. 200