

Uniform Guidance: Updating Procurement Policies

Background Information

Uniform Guidance (2 CFR 200) has replaced the old OMB circulars so don't refer to them in RFP any more.

- Circular A-133; Circular OMB A-133
- Circular A-87

The new super circular (2 CFR 200) combined all prior Circulars into one place. All federal agencies now follow this super circular.

Major Areas of Change

2 CFR 200.303 – Requires to maintain effective internal controls over federal awards.

2 CFR 200.305 – Advance payments and reimbursements (3 day rule)

Subpart E Allowable Costs

2 CFR 200.318 – Conflict of interest policies

2 CFR 200.317 – Procurement standards

Written Internal Controls

Standards for Internal Control in the Federal Government (the Green Book) issued by the Comptroller General of the United States

OR

Internal Control – Integrated Framework issued by the Committee of Sponsoring Organization of the Treadway Commission.

Conflict of Interest Policies

Two parts:

Employee – “No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.”

(This includes employee of a family member or partner)

Potential conflicts of interest at the entity-wide level – component units or separate NPOs

Must also discuss the disciplinary actions applied for violations of the conflict of interest policy.

Consider no solicit or accept gratuities, favors, or anything of monetary value from contractors.

Grace Period

2 year grace period from fiscal year end to implement new policies

December 31	January 1, 2017
June 30	July 1, 2017

But why wait the policies are generally more relaxed then before so it's beneficial to implement earlier.

Five Methods of Procurement

Purchase Type	Characteristics & Requirements
Below simplified acquisition threshold of \$150,000	
Micropurchases	Under the micropurchase threshold (\$3,500) No bid or quote process required No cost or price analysis required Should be distributed among a range of qualified vendors
Small purchases	Under \$150,000 Price or rate quotes required from an adequate number of sources Should be distributed among a range of vendors

Above simplified acquisition threshold of \$150,000

<p>Sealed bids</p>	<p>Typically used for construction contracts Bids must be publicly solicited Two or more bidders are willing and able to complete and qualified to do the work Complete, adequate, and realistic specification or purchase description is available</p>
<p>Competitive proposals</p>	<p>Requires request-for-proposal process and solicitation of an adequate number of bidders Written method of evaluations, considering price as well as other factors advantageous to the program</p>

Above or below simplified acquisition threshold

Noncompetitive proposals

Falls into one or more of these four circumstances:

Item available only from a single source

Public exigency or emergency won't permit a delay resulting from competitive solicitation

Expressly authorized by the awarding agency or pass-through entity

Competition is determined to be inadequate after solicitation

Maintain Written Policies and Standards

Your written policy should detail, among other things:

- Thresholds and appropriate process for each of the five procurement methods
- How conflicts of interest involving employees engaged to select, award and administer contracts will be governed
- How conflicts of interest involving parent entities, affiliates, and subsidiaries will be governed at the organizational level.

System for Awards Management (SAM)

Not new but now explicit. You must search SAM for the vendor by name, tax identification number or another characteristic to be sure they are not debarred from performing federally funded work.

Especially important for covered transactions – goods or services over \$25,000.

Document, Document, Document

Keep records of:

- Bids and proposals solicited
- Selection criteria considered
- Quotes from vendors

Example:

Bid starts as a sealed bid, but only on qualified vendor bids on the work, make sure you have documentation to support the fact that you solicited offers from a range of vendors rather than a sole source from the beginning.