

## Federal Procurement

Colorado school districts that receive federal funds are required by federal law to adopt procurement procedures and the law contains a specific direction as to the content or language. This sample policy and its accompanying regulation contain the content/language that CASB believes best meets the intent of the law. However, the district should consult with its own legal counsel to determine appropriate language that meets local circumstances and needs.

As of July 1, 2017, districts that receive federal funds must comply with the UGG for all purchases made with federal funds and must implement procurement procedures that meet the UGG's requirements.

This policy and its accompanying regulation apply to the purchase of services, supplies, equipment, or other property with federal funds that are subject to the federal Uniform Grant Guidance (UGG) and other applicable federal law, including but not limited to the Education Department General Administration Regulations (EDGAR), and the United States Department of Agriculture (USDA) regulations governing school food service programs. In the event this policy or its accompanying regulation conflict or are otherwise inconsistent with mandatory provisions of the UGG, EDGAR, or other applicable federal law, the mandatory provisions of the federal laws control.

District employees must follow Board policy concerning employee purchasing authority when making any purchase with federal funds and must obtain prior Board approval in those instances when it is required by Board policy. District employees must also follow applicable state law and Board policy concerning competitive bidding, to the extent state law and/or Board policy establish additional requirements or procedures when federal funds are involved--including conducting criminal background checks for any person providing direct services to students pursuant to a written contract--that do not conflict with this policy and its accompanying regulation.

### Federal micro-purchases (less than \$10,000)

NOTE: While the federal micro-purchase threshold will remain at \$10,000, districts may have a lower threshold or may self-certify a micro-purchase threshold up to \$50,000. This self-certification must be done annually and include a justification, clear indication of the new threshold, and supporting documentation of any of the following: (1) a qualification as a low-risk auditee in accordance with the criterion in 2 CFR 200.520 or (2) an annual internal institutional risk assessment to identify, mitigate, and manage financial risk.

A "micro-purchase" is a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold.

Micro-purchases may be made or awarded without soliciting competitive price or rate quotations if, district staff considers the price to be reasonable based on research, experience, purchase history, or other information and documents its files accordingly.

To the extent practicable, the district may distribute micro-purchases equitably among qualified suppliers when the same or materially interchangeable products are identified and such suppliers offer effectively equivalent rates, prices, and other terms.

**Federal simplified acquisition threshold (\$10,000 to under \$250,000)**

“Simplified acquisition threshold” means the dollar amount below which the district may purchase property or services using small purchase methods. These small purchase procedures expedite the purchase of items costing less than the simplified acquisition threshold.

For small purchases, price or rate quotes must be obtained in advance from a reasonable number of qualified sources, as detailed in this policy’s accompanying regulation, unless:

1. a valid basis exists under the federal Uniform Grant Guidance for relying on procurement by a noncompetitive proposal (i.e., “single source” procurement); or
2. the district elects to use a more formal competitive bid or request for proposal process.

**Competitive bidding threshold (\$250,000 or more)**

The district must conduct a cost or price analysis for purchases that exceed the simplified acquisition threshold. At a minimum, this must include making an independent estimate before receiving bids or proposals (including noncompetitive proposals). A cost analysis means evaluating the separate cost elements that make up the price. A price analysis means evaluating the total price, without looking at the individual cost elements.

Whenever appropriate and relevant to the specific transaction, the cost analysis may include life-cycle cost estimates which must then be incorporated into any solicitations of bids or proposals.

**Unnecessary or duplicative items**

The district must avoid the acquisition of unnecessary or duplicative items.

Consideration must also be given to consolidating or breaking out purchases to obtain a more economical purchase.

**Recordkeeping**

The district must maintain records sufficient to detail the history of procurements made with federal funds. These records may include, but not necessarily be limited to, the following: rationale for the method of procurement, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

Retention of federal procurement records must be in accordance with applicable law and Board policy.

ADOPTED: December 2020

Revised: April 2022

LEGAL REFS.: 2 C.F.R. Part 200 Subpart D (*post-award requirements under the federal Uniform Grant Guidance*)

2 C.F.R. 200.318 (*general standards for procurement supported by federal funds*)  
 2 C.F.R. 200.319 (*written procurement standards required*)  
 2 C.F.R. 200.320 (*methods of procurement to be followed*)  
 2 C.F.R. 200.323 (*cost or price analysis*)  
 2 C.F.R. 200.333 (*record retention requirements*)  
 2 C.F.R. 200.336 (*access to records*)  
 7 C.F.R. 226 (*USDA procurement thresholds*)  
 7 C.F.R. 3016.36 (*USDA's procurement standards*)  
 7 C.F.R. 3016.37 (*USDA's procurement requirements for subgrants*)  
 34 C.F.R. Parts 75, 76 (*EDGAR - Education Department General Administrative Regulations*)  
 48 C.F.R. Subpart 2.1 (*micro-purchase and competitive bidding thresholds*)  
 C.R.S. 22-32-144 (4) (*background check provision required in service contracts*)

CROSS REFS.: BCB, School Board Member Conflict of Interest  
 DAC\*, Federal Fiscal Compliance  
 DJ/DJA, Purchasing/Purchasing Authority  
 DJE, Bidding Procedures  
 DKC, Expense Authorization/Reimbursement (Mileage and Travel)  
 EHB, Records Retention  
 GBEA, Staff Ethics/Conflict of Interest

NOTE: The Federal government periodically adjusts the threshold amounts for federal procurement. See USDA Memo SPO2CACFP03SFSP01-2022 (December 15, 2021). The table lists the amounts effective as a November 2020:

<b>Procurement Method</b>	<b>Amount</b>
Micro Purchase Threshold	\$10,000 or less
Simplified Acquisition Threshold (for small purchases)	\$10,000 - \$250,000
Competitive Bidding Threshold	\$250,000 or more
*Districts may self-certify a micro-purchase threshold up to \$50,000	