



OFFICE OF THE SELECTMEN

115 Main Street, PO Box 96, Voluntown, CT 06384

PURCHASING POLICY

I. AUTHORITY FOR PROCUREMENT

All procurements made pursuant to this policy shall be made within the appropriate allocations as provided in the line-item budget of the Town of Voluntown (the “Town”).

II. CODE OF CONDUCT AND CONFLICTS OF INTEREST

In addition, when engaged in the selection, award and/or administration of contracts procuring property or services under a Federal or State award, the Town, including the BOE will comply with State and Federal procurement policies.

III. REQUIREMENTS APPLICABLE TO PURCHASES OF ALL GOODS AND SERVICES

A. Definition

For the purposes of this policy:

1. “Goods” includes, but is not limited to materials, consumables, and equipment, including vehicles.
2. “General services” include all services which result in a measurable end product that can be defined by bid specifications and all services used in the process of building or altering property (excluding architectural, engineering and other design services).
3. “Special or Professional Services” involve the furnishing of judgment, expertise, advice or effort by persons other than Town employees, and not involving the delivery of a specific end product that is defined by bid specifications.
4. “Property” means real property or personal property.

B. Consultation with Local Board of Education Regarding Contracts for Goods or Services, Including Insurance and Payroll Software

When possible, the Board of Selectmen and the BOE will consult with each other regarding the joint purchasing of goods and services.

IV. THRESHOLD PROCUREMENT AMOUNTS

The following thresholds shall apply to the Town's procurements for goods or general services and special or professional services.

	Anticipated Expenditure	Procedure
Goods or General Services	Under \$5,000	Direct purchase from the vendor. Competitive quotes and/or bidding not required.
Goods or General Services	\$5,000 to \$24,999.99	Competitive quotes or proposals required. See Section VI.
Goods or General Services	\$25,000 or more	Competitive bidding required. See Section V.
Special or Professional Services	Under \$5,000	Competitive proposals not required.
Special or Professional Services	\$5,000 to \$24,999.99	Informal competitive proposals required. See Section VII.
Special or Professional Services	\$25,000 or more	Formal competitive proposals required. See Section VII.

V. GOODS OR GENERAL SERVICES: COMPETITIVE BIDDING PROCESS

A. Purchases Requiring Competitive Bidding Process \$25,000 or amount set by the Town

Purchases of goods or general services, including technology equipment, expected to involve an expenditure of \$25,000 or more must be made by sealed competitive bid. Waivers are available from the bidding process, as explained in Section VIII.

B. Bid Specifications

When competitive bidding is required, all requirements, terms and conditions describing and detailing the goods or general services to be purchased must be included in the bid specifications. The bid specifications should define the requirements for quality of materials, equipment and/or services to be procured, and as such, they should clearly and accurately reflect the required characteristics of the goods and services.

The bid specifications should also include any vendor or contractor qualification requirements, a Town contact person responsible for all communications with prospective bidders, a requirement that all communications between the Town contact person and prospective bidders be in writing and, if the purchase will require entering into a contract, a draft contract whenever possible.

The First Selectman or designee shall develop the proposed bid specifications and other bid documents.

C. Advertising

A legal notice inviting sealed bids shall be published by the First Selectman or designee on the Town's website and the State Contracting Portal. At least five (5) calendar days must intervene between the date of the website publication and the final date for submitting bids. The notice shall contain a general description of the goods or services being bid, the Town contact person, the day, hour and place of the bid opening and may contain other information relating to the bid including, but not limited to, where and when bid packages may be obtained.

D. Bid Openings and Awards

All bids, along with any applicable bid security, must be submitted to the First Selectman or designee in sealed envelopes and show on the face of the envelopes the bid number, the title of the bid and the bidder's name. All envelopes will be date stamped as received.

All bids shall be opened in public and read aloud at the time stated in the bid notice. No bids shall be accepted, or opened, that were not submitted in compliance with the procedures set forth in the notice advertising the bid including any bid delayed due to courier delivery.

Within a reasonable time following the bid opening, the First Selectman or designee will tabulate and analyze the bids. The Board of Selectmen shall subject to the right of rejection, award the bid to the Lowest Responsible Qualified Bidder, as defined below.

A record of all bids submitted, giving the names of the bidders, the amounts of the bids and indicating the successful bidder, shall be preserved by the First Selectman or designee in accordance with State law.

E. Bid Security

When, in the judgment of the First Selectman or designee, bid security is advisable, all bids must be accompanied by security in one of the following forms - certified check, cashier's check, personal money order, letter of credit or bid bond. The

requirement for, and the amount of, the security must be set forth in the bid advertisement. All security presented must show the "Town of Voluntown" as the payee.

F. Requirements Governing Bid Awards

The award shall be made to the bidder whose bid meets the requirements, terms and conditions contained in the bid specifications and is the lowest among those bidders possessing the skill, ability and integrity necessary for faithful performance of the work based on objective criteria considering past performance and financial responsibility (the "Lowest Responsible Qualified Bidder"), and after consideration of a cooperative agreement with the local board of education, if applicable, as described in Section III. B.

In determining the Lowest Responsible Qualified Bidder, the following criteria will be considered, as applicable:

- (1) The ability and capacity of the bidder to perform the work based on an evaluation of the character, integrity, reputation, and experience of the bidder. Consideration shall be given to previous work performed by the bidder for the Town, including the quality and degree of satisfaction with the work performed.
- (2) The financial resources of the bidder and the bidder's ability to secure any required bonds and/or insurance.
- (3) Compliance by the bidder with all applicable federal, state and local laws, including any licensing requirements.
- (4) Delivery or completion time.
- (5) Cost.
- (6) Involvement in litigation.
- (7) Town based bidders must be current on Voluntown Taxes.

G. Rejection Of Bids

The First Selectman or designee has the right to reject any and all bids in whole or in part. Any or all bids may be rejected if there is any reason to believe that collusion exists among the bidders. Individual bids may be rejected for irregularities of any kind, including, without limitation, alteration of form, additions not called for, conditional bids, incomplete bids and unexplained erasures.

The First Selectman or designee retains the right to waive any formality or procedural irregularities in the bids received. Nothing in this Section should be construed to limit in any way the right of the First Selectman or to reject any and all bids.

H. Advisement Of Bid Award

Upon acceptance of the Lowest Responsible Qualified Bidder, the First Selectman or designee will notify the successful bidder by email announcing the award of the bid. Results will be posted to the Town's website.

VI. GOODS OR GENERAL SERVICES: COMPETITIVE QUOTATION PROCESS

A. Purchases of goods or services which involve an expenditure of less than \$5,000 may be made directly, without regard to any competitive bid or quotation process. Waivers are available from the bidding process. (See Section VIII.)

B. Purchases Requiring Competitive Quotation Process

Price quotations should be requested for all purchases of goods or general services, including technology equipment, expected to involve an expenditure of at least \$5,000 but less than \$25,000.

C. Process For Obtaining Quotations

Quotations, either oral or written, should be solicited by the First Selectman or designee from at least three (3) vendors or obtained from current catalogues or price sheets. The refusal of an otherwise valid supplier to quote shall qualify as a quotation. The quotation process does not require a public opening, and the First Selectman or designee may send requests to a limited number of selected vendors. However, vendors must furnish all of the necessary information to the First Selectman or designee by the specified date.

The purchase shall be awarded to the provider whose quote is deemed to best provide the good and/or services desired, taking into account cost and the project requirements, and after consideration of a cooperative agreement with the local board of education, as applicable and as described in Section III. B.

VII. SPECIAL OR PROFESSIONAL SERVICES: COMPETITIVE PROPOSAL PROCESS

A. Purchases of Special or Professional Services that are expected to be less than \$5,000 shall be made directly by the First Selectman or designee, without regard to a competitive proposal process.

B. Purchases Requiring Competitive Proposal Process

Purchases of Special or Professional Services may be made by competitive proposal should the situation warrant if the purchase exceeds the monetary thresholds set forth below. Special or Professional Services involve the furnishing of judgment, expertise, advice or effort by persons other than Town employees, and not involving the delivery of a specific end product that is defined by bid specifications.

Funds must be available in order to begin development of a Request for Proposals ("RFP"). Waivers are available from the bidding process. (See Section VIII.)

C. Informal Competitive Proposal Process (\$5,000 to \$24,999)

Purchases of Special or Professional Services for at least \$5,000 but less than \$25,000 shall be based upon a reasonable and documented attempt to solicit proposals. Where possible, proposals should be solicited from at least three (3) potential service providers. The refusal to submit a proposal from an otherwise valid provider shall qualify as a proposal. The process shall be documented in writing by the First Selectman] or designee. If a single reasonable source exists for the service, this fact shall be documented in writing.

An evaluation of the proposals received will be made by the First Selectman or designee. The First Selectman or designee shall award the contract to the service provider whose proposal is deemed to best provide the services desired, taking into account cost and the project requirements.

A record of all proposals submitted, giving the names of the service providers, the amount of the proposal and indicating the successful bidder, shall be preserved by the First Selectman or designee in accordance with State law.

D. Formal Competitive Proposal Process \$25,000 or more

Request for Proposals for Purchases of Special or Professional Services for \$25,000 or more shall be prepared by the First Selectman or designee. All requirements, terms and conditions, including provider qualifications, should be included in the RFP, as well as a draft contract whenever possible. The award of any such contracts for \$25,000 or more shall be approved by the Board of Selectmen.

The First Selectman or designee will arrange to have a legal notice requesting proposals published on the Town's website and the State of Connecticut DAS Contracting Portal at least five (5) business days prior to the deadline for submitting proposals. Whenever the First Selectman or designee determines that the service requested is so specialized that few appropriate providers can reasonably be expected to

respond to the notice, the First Selectman may substitute another means of notifying potential providers of the RFP in lieu of website and state contracting portal. Any advertisement or other notice of the RFP shall include the general description of the services sought and the location where RFPs may be obtained.

An evaluation of the proposals will be made by the Board of Selectmen. The contract shall be awarded to the service provider whose proposal is deemed to best provide the services desired, taking into account cost and the requirements, terms and conditions contained in the RFP.

A record of all proposals submitted, giving the names of the service providers, the amount of the proposal and indicating the successful provider, shall be preserved by the First Selectman or designee in accordance with State law.

VIII. WAIVERS

In certain situations, the bidding, quotation and proposal processes described above may be waived even though the estimated cost exceeds the dollar threshold established by the Town. The formal processes may be waived for any of the following reasons:

- (1) Only one (1) reasonable or qualified source can be identified. This shall include situations such as the purchase of copyrighted materials.
- (2) Time is a critical factor and taking the time necessary to comply with the formal process would not be in the best interest of the Town.
- (3) In the opinion of the First Selectman or designee, an emergency requires the purchase of goods or services to avoid injury or damage to human life or property.
- (4) A special source, including but not limited to a sale, purchasing plan, government discount or trade-in allowance, will supply a lower cost than that which would result from a bid process.
- (5) A formal process would result in substantially higher costs to the Town, or inefficient use of personnel, or cause substantial disruption of Town operations.
- (6) Regional or cooperative purchases.
- (7) Cooperative agreement with the local board of education.

In addition, the First Selectman or designee, in his/her sole determination, may grant a Waiver for any of the above-listed reasons. Upon granting such a Waiver, the First Selectman or designee must, in writing, state the reason(s) for granting such Waiver.

IX. PROCUREMENT OF PROPERTY AND SERVICES UNDER A FEDERAL/STATE AWARD

When procuring goods or services pursuant to a Federal or State grant or award, the Town will comply with applicable grant or award requirements and assurances made in connection with such funds. Such requirements may include, but are not limited to, use of such funds for authorized purposes and the inclusion of required contract provisions in any contract funded by Federal or State grants.

When procuring property and/or services under a Federal award, the Town will comply with relevant regulations in the Code of Federal Regulations, as described in 2 C.F.R. § 200.318 through 2 C.F.R. § 200.327, as amended from time to time, to the extent it is required to do so. See Appendix A

In addition, when procuring goods and services pursuant to a municipal public works contract, as defined by state law, the Town will comply with all applicable laws and regulations, including any requirements regarding bid notices and bid language, as required by the State.

X. DISPOSAL OF ASSETS

Plans for disposing of a capital asset must be communicated to the First Selectman or designee before final disposition. This may also be done via e-mail or by using an established form. The notice of disposal should include:

- The estimated current market value
- How the market value was determined
- Reason for disposal
- The recommended removal method from the Town (i.e., transfer, donation to another organization, trash, or use for parts)

A donation or sale of a Town asset must have Board of Selectmen approval prior to the sale or donation.

Computer equipment and software must be wiped clean by the Town's IT service before disposal.

XII. AUDITS

The Town may periodically engage an independent audit firm to review the purchasing procedures outlined in this policy.

Legal References:

State Law:

- Conn. Gen. Stat. §10-241c Local board of education to consult with municipality re joint purchasing of property insurance, casualty insurance and workers' compensation insurance
- Conn. Gen. Stat. §10-241d Local board of education consultation with municipality re goods and services. Cooperative arrangements
- Conn. Gen. Stat. §10-241e Local board of education consultation with municipality prior to purchase of payroll processing or accounts payable software program
- Conn. Gen. Stat. §4a-60 Nondiscrimination and affirmative action provisions in awarding agency, municipal public works and quasi-public agency project contracts
- Conn. Gen. Stat. §4a-60a Provisions re nondiscrimination on the basis of sexual orientation required in awarding agency, municipal public works and quasi-public agency project contracts
- Conn. Gen. Stat. §4a-60g Set-aside programs for small contractors and minority business enterprises
- Conn. Gen. Stat. §§46a-68b through 4a-68f

State Guidance:

Commission on Human Rights and Opportunities, *Contract Compliance Forms and Reports – Forms and Reports for State Agencies, Quasi-Public Agencies and Municipalities*, available at <https://portal.ct.gov/CHRO/Contract-Compliance/Contract-Compliance/Contract-Compliance-Forms-and-Reports>.

Federal Law:

- 2 C.F.R. § 200.317 through 2 C.F.R. 200.327.
- 2 C.F.R. § 200.81 (definition of property).

ADOPTED BOS MEETING DATE:_____

SIGNATURE OF FIRST SELECTMAN:_____

APPENDIX A

Procurement Standards for the Acquisition of Property or Services Under a Federal Award **2 C.F.R. §§ 200.317-300.327**

This Appendix addresses procurements of property and services under a Federal award. Whenever these Federal Uniform Guidance Procurement Standards, as may be amended from time to time, are applicable to procurements made by the Town, the Town shall apply the more restrictive procurement rules, to the extent it is required to do so.

2 C.F.R. §	FULL TEXT OF C.F.R. SECTION	BRIEF SUMMARY
200.317	Procurements by States	
	When procuring property and services under a Federal award, a State must follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will comply with §§ 200.321, 200.322, and 200.323 and ensure that every purchase order or other contract includes any clauses required by § 200.327. All other non-Federal entities, including subrecipients of a State, must follow the procurement standards in §§ 200.318 through 200.327.	A State must follow the same policies and procedures when making procurements under a Federal award and when making procurements using non-Federal funds. The Town must follow 2 C.F.R. §§ 200.318 through 200.327 when making procurements under a Federal award.
200.318	General Procurement Standards	
200.318(a)	The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's	The Town must have and use documented procurement procedures consistent with State, local, and Federal requirements for

	documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327.	procurements made under a Federal award.
200.318(b)	Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.	The Town must maintain oversight of its contractors.
200.318(c)(1)	The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts. 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. Such conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.	The Town must have written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. Town officers and employees (and their immediate family members, partners, and organizations which employ or are about to employ them) must not have a financial or other interest in a contract and must not solicit or accept gifts from contractors or subcontractors. The standards of conduct must provide for disciplinary actions for violations. <i>See</i> Code of Conduct Governing Procurements Under a Federal Award.
200.318(c)(2)	If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization,	The Town's conflict of interest policy must cover relationships with certain parent, affiliate, or subsidiary organizations, if any.

	the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.	
200.318(d)	The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.	The Town must avoid acquisition of unnecessary or duplicative items.
200.318(e)	To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.	The Town is encouraged to use intergovernmental agreements or inter-entity agreements.
200.318(f)	The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.	The Town is encouraged to use Federal excess and surplus in lieu of purchasing new, when feasible.
200.318(g)	The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.	The Town is encouraged to use value engineering clauses in construction contracts of sufficient size.
200.318(h)	The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.	The Town must award contracts to responsible contractors, after considering contractor integrity, compliance with public policy, past performance, and financial and technical resources.

200.318(i)	The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily 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.	The Town must maintain procurement records.
200.318(j)(1)	The non-Federal entity may use a time-and-materials type contract only after a determination that no other contract is suitable and 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 a non-Federal entity is the sum of: (i) The actual cost of materials; (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.	The Town may only use time-and-materials type contracts in limited circumstances.
200.318(j)(2)	Since 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, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.	The Town must set a ceiling price and assert a high degree of oversight on time-and-materials type contracts.
200.318(k)	The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.	The Town must be responsible for settling contract disputes and administrative issues arising out of procurements.
200.319	Competition	

200.319(a)	All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and § 200.320.	The Town must conduct procurement transactions in a manner providing full and open competition.
200.319(b)	In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and 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 that 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.	Contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. The Town must avoid practices that are restrictive of competition.
200.319(c)	The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.	The Town is generally prohibited from using geographical preference in the evaluation of bids or proposals.
200.319(d)	The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations: (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not,	The Town must have written procedures for procurement transactions that ensure that solicitations (1) incorporate a clear

	<p>in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.</p>	<p>and accurate description of technical requirements and (2) identify all requirements the offeror must fulfill and all other factors to be used in evaluating bids or proposals.</p>
200.319(e)	<p>The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.</p>	<p>The Town must ensure all prequalified lists are current and include enough qualified sources to ensure open and free competition.</p>
200.319(f)	<p>Noncompetitive procurements can only be awarded in accordance with § 200.320(c).</p>	<p>Noncompetitive procurements must be awarded in accordance with § 200.320(c).</p>
200.320	Methods of Procurement to be Followed	
200.320	<p>The non–Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.</p>	<p>The Town must have and use documented procurement procedures for procurements made under a Federal award or sub-award.</p>
200.320(a)	<p>Informal procurement methods. When the value of the procurement for property or services under a Federal award does not exceed the simplified</p>	<p>For purchases under the simplified acquisition threshold, or a lower</p>

	<p>acquisition threshold (SAT), as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:</p>	<p>threshold established by the Town, the Town may use informal procurement methods (micro-purchases and small purchases).</p>
200.320(a)(1)	<p>(1) Micro-purchases—</p> <p>(i) Distribution. The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (See the definition of micro-purchase in § 200.1). To the maximum extent practicable, the non-Federal entity should distribute micro-purchases equitably among qualified suppliers.</p> <p>(ii) Micro-purchase awards. Micro-purchases may be awarded without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents it[s] files accordingly. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-Federal entity.</p> <p>(iii) Micro-purchase thresholds. The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations. Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.</p> <p>(iv) Non-Federal entity increase to the micro-purchase threshold up to \$50,000. Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a</p>	<p>Micro-purchases should be distributed equitably among qualified suppliers and may be awarded without soliciting competitive price or rate quotations if the Town considers the price to be reasonable based on research, experience, purchase history, or other information and documents its files accordingly.</p>

	<p>threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with § 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:</p> <p>(A) A qualification as a low-risk auditee, in accordance with the criteria in § 200.520 for the most recent audit;</p> <p>(B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,</p> <p>(C) For public institutions, a higher threshold consistent with State law.</p> <p>(v) Non-Federal entity increase to the micro-purchase threshold over \$50,000. Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The non-federal entity must submit a request with the requirements included in paragraph (a)(1)(iv) of this section. The increased threshold is valid until there is a change in status in which the justification was approved.</p>	
200.320(a)(2)	<p>(2) Small purchases—</p> <p>(i) Small purchase procedures. 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. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity.</p> <p>(ii) Simplified acquisition thresholds. The non-Federal entity 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 FAR. When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.</p>	<p>For small purchases, the aggregate dollar amount of which is higher than the micro-purchase threshold but lower than the simplified acquisition threshold, price or rate quotations must be obtained from an adequate number of qualified sources.</p>

200.320(b)	Formal procurement methods. When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with <u>§ 200.319</u> or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:	For purchases that exceed the simplified acquisition threshold, or a lower threshold established by the Town, formal procurement methods must be used and public advertising may be required.
200.320(b)(1)	(1) Sealed bids. A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions [stet]. (i) In order for sealed bidding to be feasible, the following conditions should be present: (A) A complete, adequate, and realistic specification or purchase description is available; (B) Two or more responsible bidders are 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 on the basis of price. (ii) If sealed bids are used, the following requirements apply: (A) Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised; (B) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond; (C) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly; (D) A firm fixed price contract award will	In sealed bid procurements, bids are publicly solicited and the Town awards the contract to the lowest responsible bidder. The Town should use sealed bidding for procuring construction whenever complete, adequate, and realistic specifications are available, two or more responsible bidders are able to compete, and selection of a successful bidder can be made principally on the basis of price. If sealed bids are used, they must meet certain requirements. Any or all bids may be rejected if there is a sound documented reason.

	be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and (E) Any or all bids may be rejected if there is a sound documented reason.	
200.320(b)(2)	(2) Proposals. A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They are awarded in accordance with the following requirements: (i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Proposals must be solicited from an adequate number of qualified offerors. Any response to publicized requests for proposals must be considered to the maximum extent practical; (ii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and making selections; (iii) Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the non-Federal entity, with price and other factors considered; and (iv) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation. The 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 that are a potential source to perform the proposed effort.	Proposals for fixed price or cost-reimbursement type contracts are generally used when conditions are not appropriate for the use of sealed bids. Proposals are awarded after requests for proposals are publicized with evaluation factors identified; an adequate number of offerors are solicited, considered and evaluated; and contracts are awarded to the responsible offeror with the most advantageous proposal.
200.320(c)	Noncompetitive procurement. There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply: (1) The acquisition of property or services, the aggregate dollar amount of	The Town may procure goods via noncompetitive procurement only when the aggregate dollar amount does not exceed the micro-purchase

	<p>which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);</p> <p>(2) The item is available only from a single source;</p> <p>(3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;</p> <p>(4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or</p> <p>(5) After solicitation of a number of sources, competition is determined inadequate.</p>	threshold; the item is available only from a single source; in times of public emergency; when the Federal awarding agency expressly authorizes noncompetitive procurement; or competition is determined inadequate after solicitation of a number of sources.
200.321	Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms	
200.321(a)	The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.	The Town must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
200.321(b)	Affirmative steps must include: (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises; (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; (5) Using the services and assistance, as appropriate of such organizations as the Small Business Administration and the Minority Business Development Agency of	Affirmative steps include, among other things, placing qualified small and minority businesses and women's business enterprises on solicitation lists; assuring such businesses are solicited whenever they are potential sources; dividing total requirements, when economically feasible, into smaller tasks or quantities; and establishing delivery schedules, where the

	the Department of Commerce; and (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.	requirement permits, which encourage participation by such businesses.
200.322	Domestic Preferences for Procurements	
200.322(a)	As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.	The Town will, to the greatest extent practicable, provide a preference for goods, products or materials produced in the United States.
200.322(b)	For purposes of this section: (1) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States. (2) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.	
200.323	Procurement of Recovered Materials	
200.323	A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of	The Town must follow standards in procuring certain items over \$10,000 to ensure, among other things, the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

	competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and recourse recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.	
200.324	Contract Cost and Price	
200.324(a)	The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.	The Town must perform a cost or price analysis for every procurement in excess of the simplified acquisition threshold.
200.324(b)	The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. To establish a fair and reasonable profit, consideration must be 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.	The Town must negotiate profit for sole-source procurements and for procurements where cost analysis is performed.
200.324(c)	Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E [Cost Principles] of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.	Costs incurred or estimated costs are allowable only to the extent they comply with Federal Cost Principles.
200.324(d)	The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.	The cost plus a percentage of cost and percentage of construction cost

		methods of contracting must not be used.
200.325	Federal Awarding Agency or Pass-Through Entity Review	
200.325(a)	The non-Federal entity must make available, upon request of the Federal awarding agency or passthrough entity, technical specifications on proposed procurements when the Federal awarding agency or passthrough entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or passthrough entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.	The Town must make technical specs for procurements available upon request by the Federal awarding agency or passthrough entity.
200.325(b)	The non-Federal entity must make available upon request, for the Federal awarding agency or passthrough entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when: (1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part; (2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; (3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product; (4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or (5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.	Upon request, the Town must make procurement documents available for pre-procurement review by the Federal awarding agency or passthrough entity in a number of circumstances.

200.325(c)	<p>The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part. (1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis; (2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.</p>	<p>The Town is exempt from pre-procurement review if the Federal awarding agency or passthrough entity determines that its procurement systems comply with the standards of this part.</p>
200.326	Bonding Requirements	
200.326	<p>For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or passthrough entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:</p>	<p>For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the Federal awarding agency or passthrough entity may accept the Town's bonding requirements if it determines that its interest is adequately protected.</p>
200.326(a)	<p>A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as</p>	<p>The Town must require a bid guarantee of 5% of the bid price if the awarding agency or passthrough</p>

	assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.	entity does not accept the Town's bonding requirements.
200.326(b)	A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.	The Town must require a performance bond for 100% of the contract price if the awarding agency or passthrough entity does not accept the Town's bonding requirements.
200.326(c)	A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided in the contract.	The Town must require a payment bond for 100% of the contract price if the awarding agency or passthrough entity does not accept the Town's bonding requirements.
200.327	Contract Provisions	
200.327	The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200- Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.	The Town must include the Federal contract provisions in its contracts.

