



RISE CHARTER SCHOOL

Policy 7400P2: Procurement Methods Under a Federal Award

Status: ADOPTED

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Last Reviewed Date:

~~Procurement Methods Under a Federal Award~~

~~This procedure shall apply to purchases with federal funds not solicited through a sealed bid process.~~

Documented Procurement Programs

The Charter School shall maintain and use documented procedures for procurement transactions under a federal award or subaward, including for acquisition of property or services. These document procurement procedures must be consistent with state, local, and tribal laws and regulations and the standards identified in 2 CFR 200.318 through 200.327.

Informal Procurement Methods

Micro purchases are defined as a transaction with an aggregate purchase value less than or equal to the Charter School's chosen micro purchase threshold. The Charter School's micro purchase threshold is \$10,000, unless the Charter School has self-certified a higher micro purchase threshold of up to \$50,000 with the State Department of Education. Self-certification must be done annually to remain in effect and must be documented based on internal controls, the Charter School's evaluation of risk, and documented procurement procedures. This documentation shall be made available to the federal agency responsible for the grant, the State Department of Education, and auditors as described in 2 CFR 200.334. The self-certification shall also include:

1. A justification;
2. The specific threshold; and
3. Supporting documentation of:
 - A. A qualification as a low-risk audited according to the criteria in 2 CFR 200.520 for the Charter School's most recent audit;
 - B. An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or
 - C. A higher threshold is consistent with State law.

~~1.2.3.1.2.3.4.5.6.7.8.1.~~ Micro purchases may be awarded without soliciting competitive price or rate quotes if the Charter School considers the price reasonable based on research, experience, purchase history, or other relevant information, and maintains documentation to support the choice. To the extent practicable, the Charter School will make an effort to distribute micro purchases equitably among qualified suppliers.

Simplified acquisitions are for transactions whose aggregate value is greater than the micro purchase threshold but not more than the simplified acquisition threshold. The Charter School's simplified acquisition threshold is \$150,000 or a lower amount determined by the Board based on internal controls, an evaluation of risk, and the Charter School's documented procurement procedures.

Simplified acquisitions require rate or price quotes from an adequate number of qualified sources. The Charter School may exercise judgment on a case-by-case basis to determine how many quotes are considered adequate.

Formal Procurement Methods

Formal procurement methods are required when the aggregate value of a transaction exceeds the simplified acquisition threshold. Formal procurement methods include either the collection of sealed bids or the collection of proposals. Formal procurement methods are competitive and require public notice.

Sealed bidding is used when:

1. A complete, adequate, and realistic specification of the purchase description is available.
2. Two or more responsible bidders have been identified as willing and able to compete for the contract.
3. The procurement lends itself to a firm price contract, and the selection of the final bid is made principally on price.

Sealed bids are publicly solicited from vendors, and a firm fixed price contract is awarded to the responsible bidder whose proposal conforms with all material terms and conditions and is lowest in price.

The following shall be required for sealed bids:

1. Bids must be solicited from an adequate number of qualified vendors, and vendors shall be provided sufficient response time to submit bids.
2. Invitations for bids must be publicly advertised.
3. Invitations for bids must define the items or services with specific information and must include the required specifications for bidders to properly respond.
4. All bids will be opened at the same time and place prescribed in the invitation for bids.
5. Bids will be opened publicly.
6. A firm-fixed-price contract shall be awarded in writing to the lowest responsive bid from a responsible bidder.
7. When specified in the invitations for bids, factors such as discounts, transportation costs, and life cycle costs must be considered in determining which bid is lowest. Payment

discounts must only be used to determine the low bid when the Charter School determines that discounts are a valid factor based on prior experience.

8. The Charter School will provide and document a justification for all rejected bids.

Proposals are collected when the aggregate value of the transaction is greater than the simplified acquisition threshold, but conditions are not appropriate for using sealed bids. Proposals can result in a fixed price contract or a cost reimbursement contract.

The following requirements apply to such proposals:

1. Requests for proposals require public notice.
2. All evaluation factors and their relative importance and scoring must be identified.
3. Proposals must be solicited from multiple qualified sources.
4. To the maximum extent practicable, any proposals submitted in response to the public notice must be considered.
5. The Charter School will have written procedures for technical evaluation and selection of proposals.
6. Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the Charter School considering price and other factors.
7. Architectural/engineering professional services shall be selected based on qualifications without consideration of price. Price may only be excluded from consideration for the procurement of architectural/engineering services.

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. Proposals must be solicited from an adequate number of qualified sources; and
3. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

RISE Charter School 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 ~~even if though~~ A/E firms are a potential source to perform the proposed effort.

Contract/Price Analysis

RISE Charter School performs a cost or price analysis in connection with every procurement action, (including contract modifications), in excess of RISE Charter School's simplified procurement threshold or in excess of \$150,000, 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 Executive Director must come to an independent estimate prior to receiving bids or proposals. 2 C.F.R. § 200.323(a).

~~When performing a cost analysis, the Executive Director 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 RISE Charter School; ~~or~~
4. After solicitation of a number of sources, competition is determined inadequate; ~~or~~
5. The aggregate amount of the procurement transaction doesn't exceed the micro purchase threshold.

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds 50,000 150,000.

Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 C.F.R §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 Reference:

2 C.F.R.§§ 200.317 - .319; .323 Procurement by States

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