Procurement Requirements – Uniform Grants Guidance

Requirements

Procurement standards are a component of Subpart D, Post-Award Requirements, and are contained in Sections 200.317 through 200.326 of the Uniform Grants Guidance (UGG). Five procurement methods are outlined in Section 200.320 of the UGG. The chart below outlines the threshold for each method under federal and state guidelines.

The Uniform Grants Guidance allows the non-Federal entity to use its own documented procurement procedures which reflect applicable state and local laws and regulations, provided that the standards also conform to applicable federal laws and standards. **The most restrictive of local, state or federal procurement regulations must be followed when purchases are made with federal funds.**

**NEW UPDATE**

[**Memorandum M-18-18**](https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf)**: Changes to the Micro-Purchase and Simplified Acquisition Thresholds for Financial Assistance**

In accordance with recent statutory changes set forth in the National Defense Authorizations Acts (NDAA) for FY 2018, the Office of Management and Budget (OMB) issued memorandum M-18-18 dated June 20, 2018.This memorandum grants an exception, allowing recipients of grant funds to use the higher threshold of $10,000 for micro-purchases and $250,000 for simplified acquisitions (i.e., small purchases) in advance of revisions to the FAR at 48 C.F.R Subpart 2.1 and the Uniform Grants Guidance. Although the regulations have not yet been updated, OMB is directing federal agencies to apply the higher threshold to all recipients effective June 20, 2018.

LEAs must ensure that procurement policies and procedures are updated and that procedures conform to any applicable State or Local laws and statutes. For example, even though federal procurement does not require formal bids for purchases under $250,000, if Louisiana law sets a lower threshold, then the Louisiana Local Educational Agency (LEA) must meet that lower threshold – even if the purchase will be with federal grant funds.

Documentation

At a minimum, procurement documentationmust include the following.

* The rationale for the method of procurement,
* Selection of the contract type,
* Contractor selection or rejection, and
* Basis for the contract price.

For additional information regarding procurement, send questions to [LDOE.GrantsHelpdesk@la.gov](mailto:LDOE.GrantsHelpdesk@la.gov).

**Note:** This document serves to highlight certain items relative to the new procurement standards. All LEAs must become familiar with the provisions of the Uniform Grants Guidance and assure the effective implementation of these standards.

Methods of Procurement – Quick Reference Guide

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Procurement Methods | Federal Requirement  Uniform Grants Guidance  Section 200.320 | State Requirement  Title 38  La. Bid Law  R.S. 38:2212.1 | State Requirement  Title 39  La. Procurement Code  R.S. 39:1551-1755  Executive Order: JBE 17-18 | Action required |
| Micro Purchases  (new method) | Purchases less than $10,000  No competitive process required. | Purchases less than $1,000  No competitive process required. | Purchases less than $5,000  No competitive process required. | **Title 38** - Follow more restrictive state requirement.  **Title 39** – Follow more restrictive state requirement. |
| Small Purchases  (informal) | $10,000 - $250,000  Price or rate quotation from adequate number of qualified sources. | $1,000 - $10,000  3 or more quotes suggested but not required. | Purchases less than $5,000  No competitive process required. | **Title 38**- Follow more restrictive state requirement.  **Title 39** – Follow more restrictive state requirement. |
| $10,000 - $30,000  Solicit 3 or more quotes. | $5,000 - $15,000  Solicit 3 or more quotes. | **Title 38** and **Title 39** align with federal requirement. |
|  | $15,000 - $25,000  Solicit 5 or more quotes. | **Title 39** - Follow more restrictive state requirement. |
| Sealed Bids  (formal advertising) | Exceeding $250,000  Publicly bid and award to lowest responsible bidder. | Materials and Supplies Exceeding $30,000  Public Works Exceeding $154,450  Publicly bid and award to lowest responsible bidder. | Exceeding $25,000  Refer to LA Procurement Code (R.S. 39:1551-1755) | **Title 38** – Follow more restrictive state requirement.  **Title 39** –Follow more restrictive state requirement. |
| Competitive Proposals | Exceeding $250,000  Request for Proposal from adequate number of sources; must have written method for selecting recipients. | Materials and Supplies Exceeding $30,000  Public Works Exceeding $154,450  Publicly bid and award to lowest responsible bidder. | Exceeding $25,000  Refer to LA Procurement Code (R.S. 39:1551-1755) | **Title 38** and **Title 39** - Follow more restrictive state requirement. |
| Noncompetitive Proposals – Sole Source Purchases | Sole source purchases are appropriate only under the circumstances listed below. These circumstances must be adequately documented.   1. The item procured is only available from a single source, 2. The purchase is in response to a public emergency that will not permit a delay resulting from the competitive process, 3. The purchase is expressly authorized by awarding or pass-through agency in response to written request from LEA, or 4. After soliciting a number of sources competition is deemed inadequate. Process must be adequately documented. | | | |

Note: LEAs may choose by ordinance or resolution to adopt the La. Procurement Code in part or in its entirety. LEAs may also purchase from vendors with state contracts that have been pre-approved by the Office of State Procurement (OSP).