SECTION 10 - PROCUREMENT STANDARDS AND PROCEDURES

(Applies to all funding streams and all purchases of goods and services)

10.1 Purpose

This section establishes procurement standards to ensure:

- Full compliance with 2 CFR §§200.317–200.327
- Full and open competition
- Cost reasonableness
- Prevention of conflicts of interest
- Proper documentation
- Audit-ready procurement files

NRMRWDACB adopts federal procurement standards and thresholds as issued by OMB and incorporated into 2 CFR Part 200. Threshold updates are considered automatically adopted upon federal implementation unless more restrictive state or local requirements apply.

10.2 General Procurement Standards

All procurement actions must:

- Provide full and open competition
- Be conducted in a manner providing, to the maximum extent practicable, open and free competition
- Avoid acquisition of unnecessary or duplicative items
- Consider consolidating or breaking out procurements to obtain the most economical purchase
- Consider lease versus purchase alternatives where appropriate
- Ensure cost reasonableness
- Maintain written documentation sufficient to detail the history of procurement
- Ensure contractors are not debarred or suspended

- Be conducted in accordance with applicable federal, state, and local laws

Procurement decisions must be based on best value and documented.

NRMRWDACB shall not apply geographic preferences in the evaluation of bids or proposals except where expressly authorized by federal statute.

10.3 Standards of Conduct and Conflict of Interest

No employee, officer, or agent may participate in the selection, award, or administration of a contract if they have:

- A real or apparent conflict of interest
- A financial interest in the vendor
- A family or personal relationship with the vendor

All conflicts must be disclosed in writing.

These standards apply to all employees, officers, and agents engaged in procurement activities.

Violations may result in disciplinary action, up to and including termination, and may require repayment of disallowed costs.

10.4 Procurement Methods

NRMRWDACB recognizes the following procurement methods:

10.4.1 Micro-Purchase (≤ $10,000)

Purchases at or below $10,000:

- May be awarded without soliciting competitive quotations
- Must be distributed equitably among qualified suppliers **to the extent practicable**
- Must be reasonable in price
- Must be properly documented

Documentation must support the basis for vendor selection and price reasonableness.

Required documentation:

- Invoice or receipt

- Business purpose
- Funding source
- Budget category

Splitting purchases to avoid procurement thresholds is strictly prohibited.

10.4.2 Small Purchase Procedures (> $10,000 and < $250,000)

For purchases between the micro-purchase threshold and the Simplified Acquisition Threshold:

- Price or rate quotations must be obtained from an adequate number of qualified sources (generally at least two or more, depending on market conditions)
- Quotes may be written, electronic, or documented verbal quotes
- Selection must be justified and documented

Required documentation:

- Request for quote (if applicable)
- Vendor responses
- Cost comparison
- Selection justification

10.4.3 Sealed Bids (Formal Advertising)

Used when:

- Specifications are clear and complete
- Two or more responsible bidders are available
- Price is the primary factor

Requirements:

- Public solicitation
- Fixed-price contract
- Public bid opening
- Award to lowest responsive and responsible bidder
- Bid tabulation and documentation retained

10.4.4 Competitive Proposals

Used when:

- Conditions are not appropriate for sealed bids
- Price and other factors are considered

Requirements:

- Written Request for Proposals (RFP)
- Publicized solicitation
- Clearly defined evaluation criteria
- Evaluation by a qualified review committee
- Written scoring and selection documentation

10.4.5 Noncompetitive Procurement (Sole Source)

Permitted only when one or more of the following conditions apply:

- The item is available only from a single source
- A public emergency exists
- The funding agency authorizes noncompetitive procurement
- Competition is determined inadequate after solicitation

A written sole source justification is required and must be approved by the Executive Director.

10.5 Cost or Price Analysis

For all procurements above the Simplified Acquisition Threshold:

- Cost or price analysis must be performed and documented
- An independent cost estimate must be developed prior to solicitation

Methods may include:

- Price comparison
- Market research

- Historical pricing analysis
- Cost breakdown review

Documentation must demonstrate that the selected price is reasonable.

10.6 Debarment and Suspension

Prior to contract award:

- Vendors must be verified in SAM.gov
- Verification must be documented (e.g., screenshot or printout)

Contracts shall not be awarded to parties that are suspended or debarred.

Verification is required for:

- Contractors
- Subrecipients
- Vendors above the micro-purchase threshold

10.7 Contract Requirements

All contracts must include:

- Scope of work
- Period of performance
- Payment terms
- Termination provisions
- Applicable federal compliance requirements
- Required federal contract clauses (as applicable under 2 CFR Part 200 Appendix II)
- Access to records clause
- Audit clause

Subrecipient agreements must include all required federal flow-down provisions in accordance with 2 CFR §200.332.

10.8 Procurement File Documentation

Each procurement file must include, as applicable:

- Independent cost estimate
- Solicitation documentation
- Quotes or proposals received
- Evaluation and scoring documentation
- Cost or price analysis
- Selection justification
- SAM.gov verification
- Signed contract or agreement
- Funding source and budget category

Incomplete procurement files may result in questioned or disallowed costs.

10.9 Contract Administration

NRMRWDACB shall maintain oversight to ensure that:

- Contractors perform in accordance with contract terms, conditions, and specifications
- Deliverables are received prior to payment authorization
- Contractor performance is documented and maintained in the procurement file

Program Manager responsibilities:

- Monitor programmatic performance
- Verify deliverables

Finance Manager responsibilities:

- Verify fiscal compliance
- Ensure invoices align with contract terms

Payments shall not be authorized without verification of satisfactory performance.

10.10 Procurement and Purchasing Cards

Purchasing card transactions must:

- Comply with the micro-purchase threshold
- Follow all controls established in Section 8
- Not be used to circumvent competitive procurement requirements

10.11 Procurement Review Checklist (Monthly)

The Finance Manager shall verify:

☐ Procurement thresholds applied correctly
☐ Competitive documentation present
☐ Cost/price analysis completed when required
☐ No split transactions
☐ Conflict of interest disclosures completed
☐ SAM verification documented
☐ Administrative cost impact reviewed

Checklist completion must be documented.

10.12 Internal Control Statement

Procurement decisions follow a structured control process:

Needs Identification → Competitive Process → Cost Analysis → Selection → Contract → Invoice Review → Payment → Reconciliation → Oversight

No individual may control all stages of the procurement process.

10.13 Procurement from State Agencies

Consistent with 2 CFR §200.317, when procuring goods or services directly from state agencies, NRMRWDACB follows applicable state procurement procedures, including the Virginia Public Procurement Act (VPPA), where applicable.

Separate competitive procurement is not required when purchasing through compliant state contracts.

10.14 Affirmative Steps for Small, Minority, and Women's Businesses

In accordance with 2 CFR §200.321, NRMRWDACB shall take all necessary affirmative steps to ensure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

These steps include:

- Placing qualified small, minority, and women-owned businesses on solicitation lists
- Ensuring these businesses are solicited whenever they are potential sources
- Dividing total procurement requirements, when economically feasible, to permit maximum participation
- Utilizing assistance from the Small Business Administration (SBA) and other relevant organizations
- Requiring prime contractors, when applicable, to take these affirmative steps

Documentation of outreach and inclusion efforts shall be maintained within procurement files when applicable.