Lighthouse Community Public Schools
Procurement Procedures for Federally Funded Projects

1. Procurement Procedures General Information

Procurement is a multistep process for acquiring the best possible goods and services at the lowest possible price. When required by law, regulation or program requirements, Lighthouse Community Public Schools ("LCPS") will purchase goods and services funded in whole or in part by federal funds in accordance with Title 2, Code of Federal Regulations (2 CFR), sections 200.318–200.326; and all other applicable federal, state, and local rules, whether specifically cited and incorporated in this policy or not.

When making procurement decisions, the Charter School will follow the following four fundamental principles of procurement:

1. Comply with the Buy American Provision by purchasing, to the maximum extent possible, agricultural commodities and products grown and processed in the United States.
2. Understand and comply with federal, state, and local requirements.
3. Ensure that full and open competition exists to the maximum extent possible as outlined in 2 CFR, Section 200.319(a).
4. Award contracts to responsible and responsive bidders.

According to 2 CFR § 200.309, subdivision (a), situations limiting competition include, but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliate companies;
- Noncompetitive awards to consultants that are on retainer contracts;
- Organizational conflict of interest;
- Specifying only a "brand name' product, instead of allowing an equal product to be offered and describing the performance or other relevant requiring of the procurement; and
- Any arbitrary action in the procurement process.

Pursuant to 2 CFR, Part 200.318 (k), LCPS must be responsible in accordance with good administrative practices and sound business judgment for the settlement of all contractual and administrative issues arising out of procurements.

2. Methods of Procurement (only refer to applicable procurement methods)

2.1 Micropurchase Method (2 CFR, Section 200.320[a])

Micropurchases may be awarded without soliciting competitive quotations or comparing prices among qualified suppliers if the following two conditions are met:

- The aggregate value of a single transaction is $10,000 or less.
- Charter School staff considers the price to be reasonable. Documentation (e.g., receipts and invoices) must be maintained for three years plus the current program year to document costs that are reasonable.

The Charter School will distribute micropurchases equitably among qualified suppliers to the extent practical. The Charter School will ensure that purchases are made at a variety of stores. The Charter School will not limit its purchases to only one store unless it is not practical to equitably distribute (e.g., due to the distance of another store from the district office).

Micropurchases are not intended to be used to avoid a small, informal, or formal procurement.

2.2 Small Purchase Method (2 CFR, Section 200.320[b])

The small purchase method is used to procure goods and services when the aggregate value of the purchase is equal to or less than the small purchase threshold adhered to by the Charter School. The Charter School does not have a local small purchase threshold; therefore, the Charter School is required to adhere to the federal small purchase threshold of $250,000. The Charter School will check the Federal Acquisition Regulation (FAR), Part 2, on the FAR web page at https://www.acquisition.gov/?q=browsefar annually on January 1 to verify the federal small purchase threshold.

The Charter School will follow the following steps when conducting procurements using the small purchase method:

- **Step 1:** The Charter School CEO or Designee will develop and provide a clear and accurate description of the technical requirements of the goods or services to be procured from potential sources per 2 CFR, Section 200.319(c)(1). The same specifications will be provided to each potential vendor so that each vendor can provide price quotes on the same goods or services.

- **Step 2:** Price or rate quotations will be obtained from a minimum of two responsible and responsive sources. Price quotes must be documented in writing per Charter School policy.

  Charter School Small Purchase Quotation forms and other forms of written quotes submitted by potential vendors will be retained by the Charter School CEO or Designee with other related procurement documentation (e.g., invoices) for the term of the contract plus extensions and three additional school years, or until the next review by the CDE, whichever is longer.

- **Step 3:** The Charter School CEO or Designee will evaluate the written quotes received based on stated evaluation criteria in order to determine responsiveness.

- **Step 4:** The Charter School CEO or Designee will evaluate the written responses and references received based on stated evaluation criteria to determine responsibility.

- **Step 5:** The Charter School CEO or Designee will award small purchases to the lowest priced responsible and responsive vendor.

- **Step 6:** The Charter School CEO or Designee will monitor the contract to ensure goods or services solicited for are the ones received and all deliverables are met per 2 CFR, Section 200.318(b).

The Charter School will check for any changes to the micropurchase and small purchase thresholds approved by the federal awarding agency, the U.S. Department of Agriculture (USDA).

2.3 Formal Purchase Methods (2 CFR, Section 200.320[c][d])

The formal purchase method, used to procure goods and services when the estimated purchase price is above the federal small purchase threshold, is currently set at above $250,000 effective August 1, 2018. Both Invitation for Bid (IFB) and Request for Proposal (RFP) methods are used by the Charter School. The Charter School CEO or Designee will check the FAR, Part 2, web page at https://www.acquisition.gov/?q=browsefar annually on January 1 to verify the federal small purchase threshold.

The Charter School will complete the following steps when conducting formal procurements:

- **Step 1:** The Charter School CEO or Designee will describe how it performs a cost or price analysis (2 CFR, Section 200.323) for every procurement in excess of the federal small purchase 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 Charter School CEO or Designee will make independent estimates before receiving bids or proposals to ensure the bids or proposals received are reasonable.

- **Step 2:** The Charter School CEO or Designee will develop a written solicitation, which will incorporate:

    - A clear and accurate description of the technical requirements for the goods or services to be procured per 2 CFR, sections 200.319(c)(1) and 200.320(c)(d).
    - All requirements that the offerors must fulfill and all other factors (IFBs and RFPs) and their relative importance (RFPs only) used in evaluating bids or proposals per 2 CFR, sections 200.319(c)(2) and 200.320(c)(d) to judge responsive and responsible firms
    - Instructions for responding vendors
    - The general terms and conditions of the contract

- **Step 3:** The Charter School CEO or Designee will advertise the solicitation in print and on websites at least 30 days prior to the deadline for submission of bids and proposals.

- **Step 4:** The Charter School will open bids resulting from IFBs at the time and place prescribed in the solicitation. RFPs will be opened according to Charter School determination.

  The Charter School CEO or Designee will evaluate offers from responding firms by using the evaluation criteria outlined in the solicitation for both IFBs and RFPs. If there is not a minimum of two respondents, the Charter School CEO or Designee will review the solicitation to ensure that it is not limiting competition as outlined in 2 CFR, Section 200.319, and consider expanding advertising efforts before reissuing the solicitation or accepting the single bid.

  The offers will be ranked based on cost only for IFBs and on evaluation criteria (i.e., technical criteria) and cost for RFPs for all responsible and responsive responders. Charter School CEO or Designee must describe their written method used to conduct a technical evaluation of all proposals received, as required by 2 CFR, Section 200.320(d)(1) for RFPs only. The Charter School CEO or Designee will negotiate the technical aspects of each RFP prior to negotiating the cost aspect of the RFP. Any or all bids may be rejected if there is sound documented reason.

- **Step 5: Responsible and Responsive Contractors (2 CFR, Section 200.318[h])**

  The Charter School will award contracts only to responsive and responsible contractors possessing the ability to conform to all of the SFA's stated terms and conditions and 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. Charter School defines responsive as respondent conforms to all of Charter School stated terms and conditions and defines responsible as respondent is capable of performing successfully under the terms and conditions of the contract.

- **Step 6:** The Charter School CEO or Designee will award the contract to the responsible and responsive bidder who offers the lowest price for IFBs. All IFBs will result in a firm, fixed-price contract.

  For RFPs, the Charter School CEO or Designee will award the contract to the responsible and responsive respondent whose proposal is most advantageous to the Charter School, with price and other factors considered. All RFPs will result in either a fixed-price or cost reimbursable contract. **Cost plus a percentage of cost contracts will never be used.**

- **Step 7:** The Charter School CEO or Designee will monitor the contract per 2 CFR, Section 200.318[b] by:

  - Overseeing deliveries to ensure that the goods solicited for were received
  - Periodic on-site visits to ensure services solicited are being satisfactorily performed

- Reviewing the contract's terms, conditions, and deliverables monthly to ensure that they are being met and done so in accordance with all federal, state, and local rules

- Ensuring that discounts, rebates, and credits in cost reimbursable contracts are provided

2.4 Noncompetitive Procurement Method (2 CFR, Section 200.320[f])

The Charter School will only enter into a noncompetitive agreement when one or more of the following circumstances apply:

- The item is available only from a single source.

- An emergency exists, and the urgency for the requirement will not permit a delay resulting from competitive solicitation.

- The Charter School received prior approval from the CDE after submitting a written request to the CDE with justification for conducting a noncompetitive procurement.

- After solicitation from a number of sources, competition is determined inadequate.

3. Purchasing Cooperatives and Intergovernmental Procurement (2 CFR, Section 200.318[e])

The Charter School may choose to make purchases through a cooperative agreement with a group of other schools to increase purchasing power or the Charter School may piggyback on contracts awarded to a vendor from a school district when all procurement principles are followed.

While intergovernmental agreements can benefit the Charter School, the Charter School may only enter into an intergovernmental agreement with a local government (e.g., school district). Charter School may also join or piggyback onto a cooperative when that agreement was procured and awarded consistent with federal and state procurement regulations.

The Charter School CEO or Designee will carefully review the solicitation issued by a cooperative. The Charter School CEO or Designee will ensure the procurement of the contract, and the contract itself, complies with applicable federal, state, and local procurement rules. The Charter School CEO or Designee will confirm that the addition of their purchasing power to the procurement does not create a material change in scope or in services.

For cooperative purchasing, the Charter School CEO or Designee must maintain a copy of the solicitation and contract, proof of advertising, and bid award documents (e.g., evaluation documentation) from the lead entity on file for the term of the contract, plus any extensions, and three additional school years.

For piggybacking, the Charter School CEO or Designee must obtain prior written permission

from the lead entity awarding the bid and the vendor who was awarded the bid. A copy of the solicitation and contract, including the piggyback clause, proof of advertising, and bid award documents (e.g., evaluation documentation) must be retained for the term of the contract plus extensions and three additional school years.

A copy of all documents listed above will be made available during a procurement review.

4. Small and Minority Businesses, Women's Business Enterprises (2 CFR, Section 200.321)

The Charter School CEO or Designee will ensure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible in the Charter School's determination by taking the following affirmative steps:

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 organizations such as the Small Business Administration and the Minority Business Development of the Department of Commerce

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

5. Duplication of Goods or Services (2 CFR, Section 200.318[d])

The Charter School will avoid the acquisition of unnecessary or duplicative items by determining whether the goods or services are necessary and ensuring that their purchase does not duplicate items or bids that the Charter School already has in place. The Charter School CEO or Designee will provide the Charter School CEO or Designee with documentation justifying that the purchase of all goods and services requested are required and not duplicative prior to conducting a procurement.

6. Competition (2 CFR, Section 200.319[a][1–5, 7])

The Charter School will conduct all procurement transactions in a manner providing full and open competition. Situations where competition is limited will be avoided by the Charter School. Some of these situations include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business
- Requiring unnecessary experience and excessive bonding
- Organizational conflicts of interest
- Specifying only a brand name product instead of allowing an equivalent product to be offered
- Any arbitrary action in the procurement process

When a procurement has been properly conducted, and there is only one respondent, Charter School will evaluate the scope of work or services requested to determine whether they were too restrictive by contacting potential respondents who did not participate, and by reviewing the requested services for possible modification. Charter School will then resolicit. If, after the second solicitation, there is only one respondent, Charter School will move forward with that award.

7. Brand Name or Equivalent (2 CFR, Section 200.319[a][6])

When using a brand name or product code in the specification, the Charter School will adhere to the following procedures:

- The Charter School CEO or Designee will ensure that the description in the specification will always include a clause that an equivalent product is acceptable.
- A copy of the specified brand or code will be posted on the Charter School website by the CEO or Designee so vendors can verify that the product they are bidding on is actually an equal.
- Vendors bidding an item as an equal product to the brand name specified will be required to provide the Charter School CEO or Designee with a product specification sheet and a sample case of the product for taste testing and verification by all Charter School nutrition department staff and a selected number of students to ensure that the product is an equal product to the brand name specified.

8. Contractor Involvement (2 CFR, Section 200.319[a])

The Charter School will ensure objective contractor performance and eliminate unfair competitive advantage by excluding contractors that develop or draft specifications, requirements, statements of work, and IFBs and RFPs from competing for such procurements. The Charter School CEO or Designee will maintain documentation to prove that the appropriate procurement procedures were used and that the final selection is the most efficient and

economical for the Charter School.

9. Clear and Accurate Description of Technical Requirements Required (2 CFR, Section 200.319[c][1–2])

The Charter School will have written procedures for procurement transactions. These procedures will ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service being procured and will not contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service being procured and minimum essential characteristics and standards. A brand name or equivalent description may be used as a means to define the performance or other salient requirements of procurement. The specific desired features of the named brand must be clearly stated, along with all requirements which the offerors must fulfill, and all other factors to be used in evaluating bids or proposals.

10. Bid Protest (2 CFR, Section 200.318[k])

The Charter School is 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 Charter School of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

All solicitations over the Simplified Acquisition Threshold must include bid protest language. The Charter School accepts a prospective bidder's protest to a bid award if the protesting party believes the award is not in compliance with the law, does not follow bid procedures, or does not meet bid specifications. A protest must be filed with the Charter School designated point of contact for that bid. Such protests must be made in writing and received by the Charter School Business Services Office within five working days of bid award date and shall include all documents supporting or justifying the protest. The protesting party must mail or deliver copies of the protest to the Charter School Business Services Office. A bidder's failure to file the protest documents in a timely manner shall constitute a waiver of their right to protest the award of the contract.

11. Maintenance of Records (2 CFR, Section 200.318[i])

The Charter School will maintain records sufficient to detail the history of the 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, a copy of the solicitation and contract, the basis for the contract price (the bidding history), rationale and approval for noncompetitive procurements, any contract amendments, billing and payment records, and a history of contractor claims and for the full term of the contract plus extensions and three additional school years, or until the next review by the CDE. The CDE and USDA reviewers shall have full access to and the right to examine all procurement documentation occurring during this time period.

12. Contract Management (2 CFR, Section 200.318[b])

The Charter School must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Charter School will perform the following tasks to ensure compliance: require periodic status updates from the vendor/contractor at intervals reasonably tailored to the particular project; inspect project status personally, if possible; and other measures as deemed suitable by the Charter School based on the nature of the project.

13. Certifications (including, but not limited to 2 CFR, Appendix II)

The Charter School will require any successful respondent to provide proof of having and maintaining, during the life of any contract with the Charter School**,** Public Liability and Property Damage Insurance to protect themselves and the Charter School from all claims for personal injury, including accidental death, as well as from all claims for property damage arising from the operations any contract that the Charter School enters into.

The Charter School will not enter into a contract with any company or individual that has been debarred or suspended. The Charter School will require that vendors and potential vendors certify their compliance with the Lunsford Act, which prohibits anyone required to register as a sex offender under Article 27A of Chapter 4 of the General Statutes from knowingly being on the premises of any school.

Vendors that are awarded contracts are required to submit a completed Debarment and Suspension Certificate, and Disclosure of Lobbying Activities. These forms must be completed prior to commencement of work.

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