

Federal Grant Procurement Guidelines

The Uniform Guidance places great emphasis on securing the best value for each federal dollar and on promoting free and open competition. Therefore, all purchases using federal funds require a cost analysis and documentation showing that more than one vendor was considered. The documentation required increases based on the amount spent.

The Uniform Guidance outlines five methods of procurement. For each federal grant purchase, the personnel of St. Olaf College will determine which of these five methods is applicable.

1. Micro Purchases – These are purchases of goods or services, the aggregate amount of which in less than \$10,000 (periodically adjusted for inflation) or \$2,000 in the case of acquisitions for construction contracts subject to the Davis-Bacon Act. When practical, the college should distribute micro-purchases equitably among qualified suppliers. No competitive quotes are required if the price is deemed reasonable. Personnel are expected to observe college procedures for purchase decisions, including taking advantage of any negotiated supplier contracts available to St. Olaf College or other discounts.
2. Small purchases - Includes purchases of goods or services equal to or greater than \$10,000 (periodically adjusted for inflation) but less than the Simplified Acquisition threshold, which is currently \$250,000. Informal purchasing procedures are acceptable, but price or rate quotes must be obtained from a minimum of two sources, preferably three. These quotes should be made by email, fax, or in writing; oral quotes are acceptable if other methods are not readily available or would unacceptably delay a time-sensitive procurement decision, but must be documented and dated on the supervisor approval to purchase goods or services (≥ \$10,000) form. There is no requirement that contracts be awarded solely on the basis of price (i.e. to the lowest bidder). Other considerations, such as vendor's experience in the field or quality of products or services offered, may justify a higher price. However, those reasons must be documented on the supervisor approval to purchase goods or services (≥ \$10,000) form.
3. Sealed bids – Includes purchases of goods or services over the Simplified Acquisition Threshold, which is currently \$250,000. Under this purchase method, formal solicitation is required, and the fixed price (lump sum or unit price) is awarded to the responsible bidder who conformed to all material terms and is the lowest in price. This method is the most common procurement method for construction contracts. A firm fixed price contract award will 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.
4. Competitive proposals – Includes purchases of goods or services over the Simplified Acquisition Threshold, which is currently \$250,000. This procurement method requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors.
5. Sole Source: Also known as non-competitive procurement, this may be appropriate only when specific criteria are met. Examples include when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, when the federal awarding agency authorizes, or after a number of attempts at a competitive process, the competition is deemed inadequate. Sole source purchase decision must be documented on the supervisor approval to purchase goods or services (≥ \$10,000) form.