

	<b>Policy No:</b> A-105
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	<b>New</b> <input type="checkbox"/> <b>Revised</b> <input checked="" type="checkbox"/>
<b>PROCUREMENT</b>	

## PURPOSE

The purpose of this policy is to provide guidance on the procurement of goods and services by SOWIB. This policy is intended to supplement but not replace any applicable federal and state laws governing the procurement of goods and services.

## REFERENCES

2 CFR 200.500 -521 and all App; 2 CFR 200.317-327; 20 CFR 683.295; 2 CFR 200.323  
HECC-OWI Policy- Financial Management and Administrative Standards

## POLICY

1. Procurements are to be made using the following methods related to total anticipated cost of the procurement. Cost is defined as the one-time cost of a single item or service procurement, or the annual cost of the same contracted services.
2. SOWIB's procurements will:
  - Use the appropriate competitive selection process as outlined in the Methods of Procurement contained in this Policy, to ensure maximum open and free competition. Provide documentation of any cost/ benefit, lease vs. purchase, or other analysis applicable to the selection process, including the benefit of using a local provider or vendor. Contain clear and accurate written descriptions of the requirements for the goods and services to be procured.
  - Provide the criteria to be used in the selection process.
  - Procure only goods and services needed - no unnecessary or duplicative items will be purchased
  - To the extent practicable, small purchases are spread among qualified suppliers (recognizing the few suppliers available in our remote, rural region. Achieved by varying caterers at meetings, obtaining office supplies from various vendors, etc.)
  - Affirmative steps are taken to include small businesses, minority owned businesses, and businesses owned by women. (such as including these businesses on solicitation lists, assuring they are solicited, and to the extent possible establishing schedules that allow them to participate)
  - All Procurements will be within Board Approved Spending Authority as determined by the SOWIB Board Approved Budget.

3. Methods of Procurement. The amounts that are listed below refer to the purchase of a single item or service. Multiple purchases of the same items or services within a fiscal year are taken in the aggregate to determine method of procurement.

a. Small (Micro) Purchases: \$0 - \$10,000

Procurement of goods or services not exceeding \$ 10,000 may be awarded in any manner deemed practical and expedient by SOWIB, and in accordance with applicable procurement procedures. Recurring purchase of small items such as office supplies may be procured on an annual basis. This method is not intended to eliminate competitiveness, but rather to expedite the purchasing process for items whose dollar value likely does not justify further solicitation efforts. Local vendors are preferred and could be considered equivalent in cost at prices up to ten percent higher than non-local vendors.

b. Intermediate Purchases: \$10,000 to \$250,000

Procurement of goods or services greater than \$10,000 but not exceeding \$250,000 generally requires request for quotes or otherwise obtained comparisons. A written record of the quotes or the cost/benefit analysis must be on file. In situations where the goods or services are only provided by one vendor or a specific need fulfillment is required, a sole source justification statement must accompany the procurement and a cost/benefit analysis must be completed. Local vendors or providers are preferred and could be considered equivalent in cost at prices up to five percent higher than non-local vendors or providers.

- Total cost is less than \$250,000
- Price and rate quotations must be obtained from an adequate number of qualified sources.
- Annual price and rate quotations may be performed.
- Price and rate quotations must be documented.

c. Large Purchases \$250,000 or Greater

Procurement of goods or services greater than \$250,000 requires a formal procurement process. A formal procurement process is a public process that solicits proposals or bids from potential contractors and utilizes a formal evaluation and selection process. These solicitations will be conducted in accordance with SOWIB procurement procedures. Local vendors or providers are preferred and could be considered competitive at prices up to two percent higher than non-local vendors or providers. All purchases in excess of \$250,000 must be in the approved budget and require Board Executive Committee approval. Approved contracts and purchases will be included in the consent agenda of the next Board meeting.

4. Conflict of Interest. SOWIB staff and Board members involved in the selection, award or administration of agreements, contracts or sub grants, will confirm in writing that they do not have a conflict of interest. These written attestations will be maintained with applicable procurement records and documents.

- a. Related Party Transactions: Any transactions, purchases or procurements with individuals or entities upon which SOWIB staff, Board Members, Committee, or Governance members has a conflict of interest shall use either the Intermediate or Large Purchases method of procurement. This includes transactions entered into with any family members, business interests or other potential conflict of interest situations.

Note: See SOWIB Policy A-102 Conflict of Interest – Code of Conduct for more information regarding conflict of interest.

Updated 5/19/2022 – effective immediately

2022 changes requested to meet updated federal purchasing guidelines and enhancing Internal Controls with spending limits and related party transactions.