Uniform Guidance Procurement
Frequently Asked Questions
This document is for informational and educational purposes only and is not intended to replace the professional advice you would receive elsewhere. Consult with a trusted advisor about your unique situation, so they can expertly guide you to the best solution for your specific circumstance. This document does not contain authoritative guidance. The scenarios discussed below are provided as examples and do not represent a broad opinion. All individual scenarios should be evaluated on a case by case basis.
Q: Is adopting Board policies for procurement alone adequate?
A: No. Non-federal entities are required to have written procedures that conform to the applicable federal law. These should be in addition to a board adopted procurement policy.

Q: If I entered into a contract prior to 7/1/18, but expenditures are for after that date, will UG procurement apply?
A: No. Determining if Uniform Guidance (UG) procurement is applicable is based on the date of the procurement activity, not the dates of expenditures.

Q: Do Educational Service Center contracts qualify for sole source procurement?
A: The Ohio Department of Education is expected to make a determination on this issue. However, you should make the determination based on your specific situation, whether you have justification for sole source procurement.

Q: How do you determine the aggregate amount of the purchase to determine the correct procurement method? For example, if there is a purchase order for $11,000 for various office supplies, would this need to follow the small purchase method?
A: Management should define aggregate purchases and their directive should be applied to all purchases. In the above example, if the purchase order is made up of 200 items that are all substantially different, I would anticipate that it would be a micro-purchase and, therefore, it would not be feasible to expect vendors to provide one quote covering each individual item. If that purchase order is 500 of the same or similar items, I would anticipate it would be considered a small purchase as vendors could reasonably provide a quote. The most significant consideration in this situation is that you are not intentionally “breaking up” or defining purchases just to avoid competition.

Q: Does UG procurement apply to expenditures that will qualify for Medicaid reimbursement?
A: Yes. If you enter into a contract that will be submitted on the cost report, it should follow UG procurement guidance as referenced in 45 CFR 75 as identified in the Ohio Medicaid School Program Agreed Upon Procedure engagement letter. This could potentially result in a cost report adjustment.

Q: If we have a contract for services with a company for $12,000 and we use $8,000 of federal funds and $4,000 of general fund to pay, would we be required to get three quotes because the cost is more than $10,000?
A: While only the $8,000 purchased with federal funds is technically subject to the Uniform Guidance procurement standards, you would need to look at the procurement activity as a whole. Because the total purchase is $12,000, you would need to use the small purchase method.

Q: What if a change order results in the contract moving to a new procurement threshold?
A: This is subjective. The non-federal entity should have an estimate of what the total contract amount will be. If determination is originally based on a reasonable estimate of the contract cost this should not be an issue.
**Procurement FAQs**

**Q:** On competitive proposals — if we are currently in a five-year contract that was previously completed using the RFP process — will this still be okay until the contract expires?

**A:** This contract would fall under the previous A-133 standards. The Uniform Guidance procurement standards do not limit the length of contracts. However, prudent business practices should be followed. Be careful of automatic renewal clauses. Once the contract expires there is an opportunity to obtain competition. An automatic renewal could be seen as being restrictive of competition.

**Q:** Does the definition of these purchases include service contracts such as an IT service or maintenance company?

**A:** Yes. These requirements apply to all “non-payroll” related disbursements.

**Q:** Regarding co-op purchasing, what about procurement of medical/dental/life insurance through a consortium?

**A:** These types of purchases would be considered payroll related items and not subject to Uniform Guidance procurement standards.

**Q:** Where an ITC or purchasing co-op has bid on several districts’ behalf, I presume that would NOT be considered a sole source?

**A:** No. This would not be considered a sole source procurement. However, the school remains responsible for compliance with Uniform Guidance procurement standards. The ITC or co-op is considered a third party service provider that is performing the procurement on your behalf, but the requirements still apply and it is the school’s responsibility to ensure compliance.

**Q:** We use IDEA Part B funds to pay our local Educational Service Center for the education of our resident special education preschool students at their early learning center just down the road. The cost has historically been $180-$220. This is the only entity that provides this service. Would this qualify as a non-competitive procurement type?

**A:** There could be a justification for sole source procurement in this situation. If the service is determined to be specialized for specific students and other providers would not be able to provide this service, it could qualify as a sole source procurement. Remember, you must maintain justification for other than free and open competition. This documentation should include the research you did to determine that competition is not applicable.

**Q:** So, material and supplies under food service would apply to this as well?

**A:** This would depend on the aggregate amount of the purchase. These purchases would fall under the Uniform Guidance procurement standards. The aggregate amount of the purchase would determine the required procurement method.

**Q:** What if there is an educational benefit for our students to continue to use our local ESC? There is more to this decision than just cost.

**A:** The competitive proposal method does not require that the lowest cost option provided to be the one selected. Other factors can be included within the evaluation of the proposals. Management is required to maintain written procedures related to the conduct of the technical evaluation of the proposals. Price should always be considered a factor but is not required to be the sole factor.
Procurement FAQs

Q: If we contract with a food service management company that purchases the food supplies from their vendors, would they also be required to meet these purchasing guidelines?

A: If your contract provides that the food service management company is responsible for the food supply purchases and the school is not directly reimbursed for specific food supplies, then procurement would only apply to the contract with the management company, not the specific food purchases.

Q: When and how can I take advantage of the increased micro-purchase threshold of $10,000 and simplified acquisition threshold of $250,000.

A: On June 20, 2018, the OMB released OMB Memorandum M-18-18. This included an exception that allows recipients to use the higher thresholds in advance of additional revisions to the Federal Acquisition Regulation (FAR) per the Code of Federal Regulations (CFR) – Title 48, subpart 2.1 and Uniform Guidance. Once you amend your policies and procedures for the increased threshold, you can begin to apply the new thresholds.

Q: With regard to sole source procurement, when we purchase a piece of educational equipment through the federal grant, they usually want a specific brand of equipment (based on safety, reliability, recommendations from their business advisory committees, etc.). Often the makers of these types of equipment only allow you to purchase from a dealer based on geographical location. Is this considered a sole source when it is based on a desired brand?

A: If the federal awarding agency is specifying a specific brand name that is only provided by a single supplier, this could be considered federal awarding agency authorization.

Q: Most of what we purchase from an Educational Service Center is personnel. If we hired them we would not have a problem. But since we get personnel from an Educational Service Center, would we have to get bids on these types of services annually?

A: Uniform Guidance procurement standards do not apply to expenditures for school district employed personnel. The applicability of the procurement standards to contracts with an Educational Service Center for shared personnel is subject to the ODE determination referenced above.

Q: How do we take advantage of the grace period provided by the Office of Management and Budget?

A: It should be written in your procedures that the school is taking advantage of the additional grace period provided by the Office of Management and Budget and that Uniform Guidance will be effective July 1, 2018.
If you have any further questions or would like additional advice on the Uniform Guidance procurement standards, please contact a member of the government services team at Rea & Associates.

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