



Early Learning Coalition of Manatee County

Procurement Policy

Policy Sections

- Compliance
- Contract and Grant Manager Responsibilities
- Purchasing Authorization
- Staff Spending Limits
- Conflicts of Interest and Related Parties
- Establishment and Maintenance of Procurement Files
- Non-Discrimination

Purpose

This policy seeks to establish a consistent procurement process that is in accordance with federal and state laws and rules and good business practices. Use of purchasing methods as set forth in this policy maximizes the agency's buying power and enables the agency to obtain competitive pricing and comply with all the applicable policies, regulatory requirements, laws, regulations and special restrictions on the use of agency funds.

Scope

This policy defines the process for procuring all goods and services at the Early Learning Coalition of Manatee County, including issuance and authorization of purchasing transactions, secondary authorizations, separation of duties, and ethical practices.

Policy Statement

Employees authorized to purchase goods and services on behalf of the agency should select the best combination of price, quality and service to meet the specific needs of the programs. The lowest priced goods and services, with adequate quality and service for the specific need, should be selected.

The Coalition strives to procure all goods and services through the use of appropriate contracts, and terms and conditions to protect both buyer and seller. Acquisitions will be conducted on an open and competitive basis and without favoritism in order to obtain the maximum value for each expenditure. Interested suppliers will receive fair and impartial consideration. All business relationships will be conducted at arms-length.



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I. **Alignment with federal regulations, state statute and rule requirements**

Policies used by the Coalition will comply with disclosure requirements for all agreements funded by federal and/or state monies passed-through the State Treasury.

A. **Compliance – State Instructions**

The Coalition will comply with the following state requirements:

1. Individuals authorized to purchase goods and services must follow state and federal procurement requirements and sound business practices. Procurement of commodities or contract services must be in compliance with section 287.057, F.S.
2. Compliance with section 215.971, F.S.- Agreements: Policies used by the Coalition will comply with disclosure requirements for all agreements funded by federal and/or state monies passed-through the State Treasury.
3. Compliance with section 287.058, F.S. - Contract Document: Policies used by the Coalition will comply with minimum disclosure requirements for contracts and purchase order agreements in excess of the threshold amount provided in s. 287.017 for Category Two (\$35,000.)
4. Compliance with Rule 60A-1.002, FAC – Purchase of Commodities or Contract Services: State rule(s) for purchasing describe how an entity may exercise its authority in procuring services. It describes the procurement process required for all types of contracts and presents the correct purchasing methods for all contractual services and commodities. Policies used by the Coalition will comply with applicable instructions from state purchasing rule(s).

B. **Compliance - Federal Grant Program Regulations**

The Coalition will comply with the following federal grant program regulations:

1. **General procurement standards –**

- a. Policies used by the Coalition will apply to all Coalition activities/purchases made. [2 CFR Part 200.403 (c)]
- b. The Coalition will disclose in writing any potential conflicts of interest. [2 CFR Par 200.112]
- c. The Coalition will maintain written standards for handling instances of conflict of employees or other individuals impacted by procurement activities. [2 CFR Par 200.318].
- d. The Coalition will avoid purchasing items that are duplicative or not necessary for the performance of activities required by federal award. [2



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- CFR Part 200.318(d)]
- e. The Coalition will perform lease vs. purchase analyses when appropriate to determine the most economical and practical choice. [2 CFR Par 200.318(d)]
 - f. The Coalition when possible, will use state and local inter-entity agreements to procure common or shared goods and services. [2 CFR Par 200.318(e)]
 - g. The Coalition will use federal excess and surplus property instead of purchasing new equipment and property when possible and if such activity helps reduce program/project costs. [2CFR Par 200.318(f)]
 - h. The Coalition will conduct all procurement transactions in a manner that allows for full, open and fair competition. [2 CFR Part 200.319] by not
 1. Placing unreasonable requirements on firms in order for them to qualify to do business;
 2. Requiring unnecessary experience and excessive bonding;
 3. Maintaining non-competitive pricing practices between firms or between affiliated companies;
 4. Maintaining non-competitive contracts to consultants that are on retainer contracts;
 5. Maintaining organization conflicts of interest;
 6. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
 7. Allowing any arbitrary action in the procurement process.
 - i. The Coalition will not use state or geographical preferences in the evaluation of bids or proposals except where federal statutes mandates or encourages it. [2 CFR Part 200.319(7)(b)]
 - j. The Coalition will make purchases using one of the allowed methods of procurement. [2 CFR Part 200.320]
 - k. The Coalition will contract when possible with small and minority businesses. [2 CFR Part 200.321]
 - l. The Coalition will comply with instructions for procurement of recovered materials. [2 CRF Part 200.322]
 - m. The Coalition will comply with applicable cost and price analysis requirements for procurement transactions. [2 CFR Part 200.323]
 1. Applies at federal level for purchases in excess of simplified acquisition threshold (\$150,000). *Note: more restrictive state rules continue to apply; Category II and all purchases (including small dollar purchases) made by non-competitive procurement methods.*
 2. Independent in-house estimates are required before receiving bids or proposals.



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3. When applicable or required, the Coalition will negotiate profit as a separate element of price.
 4. Costs or prices are limited to allowable costs based on federal and state cost principles.
 5. The Coalition will not use the cost-plus-a-percentage-of-costs method of contracting.
 - n. All related records must be available for inspection and review upon request by federal awarding agency or pass-through entity. [2 CFR Part 200.324]
 - o. The Coalition will comply with bonding requirements for construction-related contracts (if allowable). [2 CFR Part 200.325]
 - p. The Coalition will include all required/applicable contract provisions/disclosures in writing. [2 CFR Part 200.326]

2. Contracts Administration/Management

Once a contract has been executed day to day activities are managed by the assigned contract manager. Overall performance results are documented and monitoring tasks are also performed. Adequate documentation of goods/services procured, goods/services received, payments made and compliance with federal and state grant program rules is required. The following forms/processes represent minimum contracts administration/management documentation requirements for the Coalition's contract agreements:

- a. **Formal contract documents** [45 CFR 75.327(a); 45 CFR 75.329; and 45 CFR 92.36 and s. 287.057(15), F.S.]
 1. Original executed (signed) contract/grant
 2. Contractor name
 3. Contract amount
 4. Subcontracts, memorandums of agreement, if applicable
 5. Amendments
 6. Renewals
 7. Bonds
 8. Insurance
 9. Funding source(s)
 10. Contract relationship [Ch. 691-5.006, FAC and 45 CFR Part 75.351]
 11. Provider's justification of need for advance, if applicable
 12. Scoped reporting requirements (evaluation reports, performance measures, etc.)



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- b. **Day-to-day management of documents** [s. 287.057(15), F.S.; DFS FCCM Manual; OA-1 FAC; 45 CFR Part 75.327(a); 45 CFR Part 75.329]
 1. Performance documentation
 2. Correspondence
 3. Payment documentation
 4. Deliverables
 5. Subcontractor approvals
 6. Status of reporting requirements
 7. Contract monitoring
 - SR/VPK provider contracts – see separate sections of SR Plan for more information, not addressed here
 - Vendors/Contractors
 - Sub-recipients

- c. **Formal monitoring process** [CFOM No. 06 (2011-12), Contract Monitoring and Documenting Contract Performance]
 1. Risk assessment
 2. Monitoring Plan
 3. Monitoring Procedures and Criteria
 4. Evidence to support conclusion reached during its monitoring process
 5. Corrective Action Plan (if required)
 6. Follow-up on corrective Action (if required)

- d. **Other related contacts administration activities**
 1. Sub-recipient contracts and sub-awards
 - Risk assessments – planning and monitoring phases
 - Additional disclosures and special conditions
 2. Contracts close-out
 3. Problems with vendor/contractor performance
 4. Contract termination
 5. Prior approval documentation requirements
 6. Conflict of interest disclosures (if applicable)
 - Coalition governing board members
 - Coalition employees
 - Relative(s) of either group as defined in statute
 - Organizational conflicts

II. Establishment of contract and grant manager responsibilities



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A. Contract and Grant Manager Responsibilities – State Instructions

The Coalition includes adequate procedures for separating contract management and fiscal management duties per state instructions s.215.971, F.S.

1. Administrator responsibilities

- a. Create and maintain a contract file
- b. Maintain financial information on all contracts
- c. Manage changes to contract(s)
- d. Serve as liaison between the contract/grant manager and the Coalition and Florida's Office of Early Learning
- e. Provide clear, explicit and documented communication

2. Manager responsibilities

- a. Manage the receipt of goods/services
- b. Monitor and evaluate provider performance and end-user satisfaction
- c. Serve as liaison with the provider/contractor
- d. Maintain a contract management file pursuant to CFO Memo No. 06 (2011-12)
- e. Provide written certification that goods were received/ services were obtained per terms and conditions before making payment
- f. Prepare cost reconciliation files
- g. Prepare a final reconciliation report

B. Contract and Grant Manager Responsibilities – Federal Instructions

The Coalition includes minimum federal documentation requirements for contracts/administration management per federal instructions [2 CFR Part 200.318(b)].

1. Contract administration files are maintained and contain the following items:
 - a. Required documentation based on the Coalition's related authorization policies and purchasing limits.
 - b. Required documentation based on additional applicable grant program laws, rules regulations and guidance.
2. Contract files include documentation for Authorization of Work
 - a. No work will be authorized until the contract is fully approved and executed.
 - b. No change in work will be authorized until a fully approved and executed contract amendment is in place.
 - c. No contract amendment for work will be executed without required review/approval based on the Coalition's related policies/limits and any related grant terms from the funding source.
3. Conformance of Work – the Coalition will establish and maintain a system based on



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applicable laws, rules, regulations and grant provisions to reasonably ensure goods and services are received as intended and when intended.

4. The contract/grant manager will authorize payment of invoices to contracts after final approval of work products.

III. Establishment of adequate procedures for separating contract management and fiscal management duties

Procedures are being developed to establish assignment of duties among staff for the separation of contract management and fiscal management duties.

IV. Purchasing Authorization

Purchasing and contracting decisions are made most effectively by the end-user of the materials, supplies, equipment, or services. Authority and responsibility for various aspects of purchasing and contracting processes have been delegated to employees throughout the organization, promoting effective operations.

This approach requires that employees involved at every stage of the purchasing process take responsibility for understanding the Coalition's policies and procedures regarding purchasing and vendor relations.

Employees must be authorized by the Executive Director to commit the Coalition's resources to a purchase, and are subject to disciplinary action up to and including the termination of employment if proper authorization is not obtained.

The purchase of any good or service with an aggregate value equal to or greater than \$10,000 must be approved by the Executive Committee. The purchase of any good or service with an aggregate value equal to or greater than \$20,000 must be approved by the Board of Directors.

V. Staff spending limits before board review/approval is required

Coalition staff are permitted to make purchases less than \$500 with verbal approval from a supervisor. For purchases \$500 and greater a properly completed purchase order request shall be required for each purchase decision. One staff member at the Coalition has been designated as the purchasing agent and is in charge of all purchases for small items and general office supplies. *The Coalition is in the process of updating its purchasing procedures and will include the role of the purchasing agent in the update.*



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Good business practice separates the duties of purchasing, receiving and authorizing payment for goods and services by distributing the duties among two or more people.

If staff limitations require one person to be responsible for these functions, a supervisor must accept responsibility for monitoring and verifying the transactions.

Employee travel advances and expense reimbursements require the preparation of a separate travel reimbursement form.

VI. Conflicts of interest and related party contracts

A. Conflicts of interest and related party contracts – State Instructions

1. Voting conflicts – Section 112.3143(1)(b) Coalition board members are required to disclose in writing in advance any real and/or perceived voting conflicts and to abstain from any vote and from related purchasing/procurement decisions. (*See Conflict of Interest Policy*)
2. Coalition staff and board members are informed that contracts with the relative of a Coalition employee or governing board member, as defined in s. 112.3143(1)(c), F.S., may not be executed without the approval of Florida’s Office of Early Learning. (*See Conflict of Interest Policy*)
3. Training processes for Coalition staff and governing board members on reporting requirements for conflicts of interest are required and documented.
 - a. For more details, please refer to the Coalition’s Conflict of Interest Policy
 - b. For more details on requirements for related party activities and voting conflicts, please refer to the Coalition’s Conflict of Interest policies.
 - c. For more details on state statutory instructions, please refer to Florida’s Office of Early Learning Program Guidance, *Related Party Disclosures*
 - d. See the Florida Commission on Ethics *Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees*.
 - e. See the Florida Commission on Ethics *Overview of Laws relating to Gifts*.
 - f. See the Florida Commission on Ethics *Overview of Laws relating to Honoraria*.
 - g. See the Florida Office of Early Learning’s Uniform Guidance 2 CFR Part 200, Policy Updates for Conflicts of Interest.

B. Conflicts of interest and related party contracts – Federal Instructions

The Coalition’s Conflict of Interest Policy will -



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1. Disclose in writing any potential conflicts of interest. [2 CFR Par 200.112]
 2. Disclose in writing all violations of federal criminal law involving fraud, bribery or gratuity violations potentially affecting the federal award. [2 CFR Part 200.113]
 3. Maintain written standards for handling instances of conflict of interests for employees and others impacted by procurement activities. (2 CFR Part 200.318)
 4. Include written standards that will provide staff the following minimum disclosures:
 - a. What constitutes a conflict of interest?
 1. Basic concepts including real conflicts, perceived conflicts and organizational conflicts.
 2. Instructions in regard to financial interests, gifts, gratuities, favors and nepotism.
 3. Identify the conditions under which outside activities, relationships, or financial interests are proper or improper.
 - b. Conflict of Interest disclosure requirements
 1. Provide for advance notification of outside activities, relationships, or financial interests to a responsible Coalition official.
 - c. Address violations of policy
 1. Include a process for notification and review by responsible official(s) of potential or actual violations of the standards.
 2. Specify the nature of penalties or disciplinary actions(s) that may be imposed (up to and including termination of employment).

The Coalition values its suppliers and assumes that vendors, in turn, value the Coalition's business. No token or display of this appreciation is necessary or encouraged. All vendors are asked to comply with Coalition standards by not offering incentives, gifts, or services to individual personnel.

The Coalition's reputation for impartiality and objectivity, as well as sound business practice, require that employees not make decisions for the Coalition if their personal economic interests are directly affected by the outcome. A business entity in which an employee has an economic interest represents a conflict of interest if the employee has any involvement in the selection of that entity as a Coalition vendor. An economic interest includes the employee's or a relative's ownership or partnership in the business, including serving as stockholder, director, or officer in a non-publicly held company.

VII. Establishment and maintenance of procurement files (content and duration)

The Coalition's policies will disclose -



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A. Requirements for procurements with related party considerations [s. 1002.84(2), F.S.]

1. Coalitions are prohibited from entering into contracts in excess of \$25,000 without prior approval from OEL when the contract is with coalition employees, coalition governing board members, or relatives of either group.
2. Such contracts (in excess of \$25,000) are required to be presented to the coalition governing board for a vote.
 - a. A valid vote of approval requires a two-thirds vote by the governing board.
 - b. The impacted individual must complete the necessary conflict of interest disclosure forms.
 - c. Any governing board member(s) benefitting from the contract(s) must disclose in advance the conflict of interest and must abstain from the vote process.
3. Coalitions are allowed to enter into contracts below \$25,000 without prior approval from OEL when the contract is with coalition employees, coalition governing board members, or relatives of either group.
4. Such contracts (below \$25,000) are required to be presented to the coalition governing board for a vote.
 - a. A valid vote of approval requires a two-thirds vote by the governing board.
 - b. Impacted individual must complete the necessary conflict of interest disclosure forms.
 - c. Any governing board member(s) benefitting from the contract(s) must disclose in advance the conflict of interest and must abstain from the vote process.
5. Such contracts (below \$25,000) are required to be reported to OEL within 30 days after approval by the coalition governing board is obtained.

B. Requirements for bid and competitive proposals [45 CFR Part 75.329]

Verify procurement files include all of the following items.

1. Public notice
2. Copy of Request for Proposal
 - a. Technical Requirements
 - b. Statement of Work
 - c. Cost Requirements
 - d. Evaluation Criteria
3. Proposals Submitted
4. Evaluation of Proposals
5. Board Approval of Contracts (as applicable)
6. Contract Negotiations (*if different than proposed price*)

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7. Award of contract to lowest bidder who met the technical requirements and specifications

C. Requirements for small purchases [45 CFR Part 92.36(f); 45 CFR Part 75.439(b)(2); 45 CFR Part 75.302(b)(3)]

Verify files include all of the following items.

1. Prior approval for equipment purchases in excess of the lesser of (1) \$5,000 or (2) the entity's approved capitalization threshold
2. Documentation of small purchase transactions by one or more of the following items.
 - a. Sales receipt
 - b. Current catalogs
 - c. Formal quote
3. Files indicate the entity obtained price or rate quotations from an adequate number of qualified sources.
 - a. Review documentation of written or telephone quotes
 - b. Determine if documentation is adequate and the number of quotes obtained is sufficient in accordance with entity policies and procedures

Micro-purchase transactions* (*up to \$2,500.00 for OEL transactions)

D. Requirements for professional services [2 CFR part 200.459]

To help determine allowability of these costs, Coalition files will document -

1. The nature and scope of the service rendered in relation to the service required;
2. The need to contract for the service, considering the Entity's capability in the particular area;
3. The past pattern of such costs, particularly in the years prior to Federal awards;
4. The impact of Federal awards on the non-Federal entity's business (*i.e.*, what new problems have arisen), if applicable;
5. Whether the decision is business-based and not made just because grant monies are available to fund the cost (instead of other Entity revenues);
6. If the service can be performed more economically by direct employment rather than contracting;
7. The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities; and
8. Adequacy of the contractual agreement for the service (*e.g.*, description of the service, estimate of time required, rate of compensation, and termination provisions).



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9. In addition, retainer fees must be supported by evidence of bona fide services available or rendered.

E. Required contents for Procurement files [DMS State Purchasing Memo No. 01 (2012-13); State Purchasing, Ch. 60A-1, FAC, s. 216.3474, F.S.; FDOE Contract Training Manual]

1. Planning/procurement files must obtain/document the following elements.
 - a. Purchase order must have at least one written quote or written records of telephone quote;
 - b. At least one quote should be from a CMBE or else document why this quote was not obtained;
 - c. Cost analysis is required, since a competitive process won't be used for most small dollar purchases;
 - d. Rationale for method of procurement;
 - e. Selection of contract type;
 - f. Contractor selection or rejection; and
 - g. The basis for the contract price

2. Purchase orders, contracts or other agreement files must obtain/document the following elements:
 - a. Quantity, description, price, applicable payment terms, applicable discount(s), date of performance, transportation/shipping arrangements, and other pertinent information.
 - b. Additional purchase order terms/disclosures, required regardless of the scoped goods/services.
 - 1) Liquidated damages/financial consequences
 - 2) Payment audit (records of costs will be available upon request)
 - 3) Payment made after written "agency" acceptance
 - 4) Payment timeframe – timely payments
 - 5) Funding availability/annual appropriation
 - 6) No lobbying
 - 7) Public access/public records
 - 8) Conduct of business – federal/state laws govern
 - 9) Conflict of interest/related party activities
 - 10) Confidentiality and safeguarding information
 - c. Other/additional terms may also apply based on scoped goods/services.
 - d. If credit card transactions occur all the standards noted here will still apply.

F. Additional federal considerations [2 CFR Part 200.326; 2 CFR Part 200 Appendix II]



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For transactions funded by federal programs, additional disclosures are required regardless of scoped/services.

- a. Debarment and suspension provision(s).
- b. Equal Employment Opportunity provision.
- c. Other/additional terms may also apply based on scoped goods/services.

G. Requirements for sole source or other non-competitive proposals [45 CFR Parts 75.329(f) and 75.332; s. 216.3475, F.S.]

Documentation of entity's determination criteria for a sole-sourced transaction.

1. The item is only available from one single source;
2. The public emergency precludes delay resulting from competitive solution (for example, a flood at a local Coalition administrative office or large local service provider requires the immediate acquisition of additional services);
3. Florida's Office of Early Learning or the United States Department of Health and Human Services gave written authorization for non-competitive proposals; and
4. After solicitation of a number of sources, competition is determined inadequate.

Cost analysis, (i.e., verifying the proposed scope of work or goods/services data and the evaluation of the specific elements of costs and **negotiating profit** (if applicable)) is required.

Note: Grant rules state this is a mandatory task for sole source procurement. A cost/price analysis should be completed by staff prior to receiving any bid or fee information.

H. Procurement files – required retention instructions [2 CFR Parts 200.333 - .336]

1. All records must be maintained for five (5) years after the impacted program year, if "closed."
2. Records retention schedules apply regardless of the physical format of coalition records.
3. Wherever practicable records should be collected, transmitted and/or stored in open and machine readable formats.
4. Federal and state awarding agencies have the right to access any documents pertinent to federal/state awards.
5. The Coalition shall comply with the records retention requirements in Florida. The General Records Schedule GS1-SL for State and Local Government Agencies is located at <http://dos.myflorida.com/library-archives/records-management/general-records-schedules/>.



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Non-Discrimination

All vendors/contractors who are the recipients of Coalition funds, or who propose to perform any work or furnish any goods under agreements with the Coalition shall agree to these principles:

5. Vendors/Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonable necessary to the normal operation of the vendor/contractor.
6. Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisements and solicitation placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

Related Information

- Conflict of Interest Policy