



South Central Tennessee Development District Procurement Policy

1. Purpose

The purpose of this policy is to ensure that goods and services purchased for the performance of a federal grant are obtained in a cost-effective manner and in compliance with federal regulations. This policy applies to South Central Tennessee Development District (SCTDD) in all forms to include all departments, subsidiaries and divisions within.

Purchasing

The South Central Tennessee Development District manages approximately forty State and Federal Awards. As a requirement of procurement compliance with all State and Federal awards, SCTDD will ensure adherence to methods of the individual awarding agency procurement systems. All purchases and reimbursement of the cost of goods, materials, supplies, equipment, and/or contracted services from Grant Contract/Award(s) shall be made in compliance with the Uniform Guidance 2 CFR Part 200, Subpart D (200.317 - 200.326). If any portion of South Central Tennessee Development District's Procurement policy conflicts with Federal or State policy, the more stringent of the policies will prevail. The following policy is to be utilized as guide but not to conflict with general rule for allowability and guidance found in Uniform Guidance and general rules 2 CFR Part 200.

2. Scope

This policy applies to Program Directors and any other employees ("buyer") authorized to initiate and/or approve purchases paid with federal grant funds.

3. Responsibility

The Program Director is responsible for determining whether a purchase is allowable under the terms of the federal grant and will ensure purchases are in accordance with this policy. The Purchasing Agent will provide decision support upon request. The Purchasing Agent is responsible for ensuring that all applicable bid and quote documentation is present before finalizing the purchase.

4. Code of Conduct

As representatives of the SCTDD, all employees are expected to conduct themselves in a professional and ethical manner, maintaining high standards of integrity and the use of good judgment. Employees are expected to be principled in their business interactions and act in good faith with individuals both inside and outside. The following Code of Conduct shall govern the performance, behavior and actions of the SCTDD, board members, employees, directors, volunteers, and agents who are engaged in any aspect of procurement, including – but not limited to – purchasing goods and services; awarding contracts and grants; or the administration and supervision of contracts.

Code of Conduct

- a. No employee, officer, board member, volunteer or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, board member or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein has financial or other interest in or a tangible personal benefit from a firm considered for a contract. It is the responsibility of the employee, officer, board member or its agents to report the conflict of interest immediately to the Executive Director, Finance Director and Purchasing Agent.

- b. No employee, officer, director, volunteer or agent of the SCTDD shall do business with, award contracts to, or show favoritism toward a member of his/her immediate family, spouse's family or to any company, vendor or concern who either employs or has any relationship to a family member; or award a contract or bid which violates the spirit or intent of Federal, State and local procurement laws and policies established to maximize free and open competition among qualified vendors.

- c. The SCTDD employees, officers, directors, volunteers or agents shall neither solicit nor accept gratuities, gifts, consulting fees, trips, favors or anything having a monetary value from a vendor, potential vendor, or from the family or employees of a vendor, potential vendor or bidder; or from any party to a sub-agreement or ancillary contract.

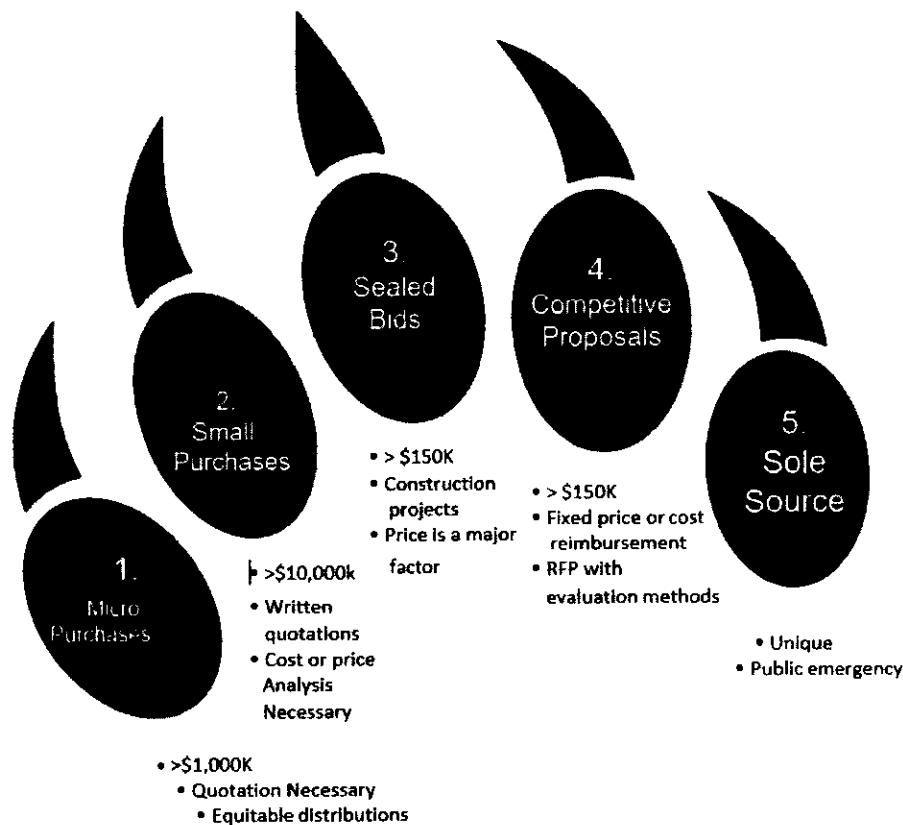
5. Overview

All purchases in excess of \$5,000.00 shall have the prior approval of the Finance Director and the Executive Director.

To promote compliance with federal regulations, the SCTDD requires buyers to perform a measure of cost/price analysis when making purchases under federal grants. Buyers shall avoid purchasing unnecessary items. All vendor bids and quotations must be evaluated on the basis of product quality, technical compliance with specifications, total cost, and the vendor's acceptance of the SCTDD terms and conditions. Before beginning vendor selection, buyers should be sure that they have a clear and accurate description of the requirements for the material, product, or service being acquired so that a fair and equitable comparison of price and/or cost can be made. Whenever possible, three price quotes should be obtained for all goods and services. The vendor selection process for goods and services valued at less than \$1,000 need not be documented or maintained as part of the transaction record. The vendor selection process for goods and services in excess of \$1,000 and up to \$10,000 require three competitive bids or quotes to be obtained and retained in procurement files. The vendor selection process for goods and services in excess of \$10,000

requires a "Request for Proposal" (RFP), Invitation to Bid" (IFB) OR "Request for Quote" (RFQ) be prepared and three written competitive bids obtained and retained in procurement files. The vendor selection process for goods and services will adhere to the procurement claw section 200.320 to include a stringent modification to micro and small purchases. Federal Uniform Guidance 2 CFR Part 200.113 – 200.326. State guidelines for procurement and bid opening should resourced for updated information and/or revisions prior to each large procurement to ensure compliance above and beyond this policy.

Procurement "Claw" (Section 200.320)



6. Cost and Price Analysis

Some form of cost or price analysis must be made in connection with every procurement action. The vendor selection process for goods and services valued at less than \$1,000 need not include written bids or quotes to be documented or maintained as part of the transaction record. However, in a good faith effort the process of cost and price analysis should be completed. The vendor selection process for goods and services in excess of \$1,000 and up to \$10,000 require three competitive written bids or quotes to be obtained and retained in procurement files. Price analysis is used when it is a lump sum fixed price. Cost analysis may be used where it is a cost-reimbursement purchase or where there is only one prospective bidder and no comparable goods are services are available to be compared.