

**Topic/Grant****Procurement****FAQ/Requirements****Procurement Guidance**

“Procurement” is the process of :

- ✓ choosing vendors
- ✓ establishing payment terms
- ✓ negotiating contracts
- ✓ purchasing goods
- ✓ purchasing services

You must use your agency’s own documented procurement procedures for procurement transactions using Federal award funds. Your procedures must be consistent with applicable State, local and tribal laws and regulations. If your agency’s thresholds are higher than the Federal thresholds described in this document you must use the Federal thresholds.

**Pre-Procurement Organization Requirements**

- ✓ Formally document and periodically review your procurement procedures to make sure you comply with applicable regulations.
- ✓ Maintain written standards of conduct covering conflict of interest and employee participation in the selection, award and administration of contracts.
- ✓ Ensure that contractors with whom you contract perform according to the terms, conditions and specifications of your subaward. o Contracts should only be awarded to responsible contractors who are able to successfully perform the terms and conditions of proposed contract.
- ✓ Maintain records that detail the history of all procurements. These records should include, but are not limited to:
  - o Rationale for the method of procurement,
  - o Selection of contract type,
  - o Contractor selection and/or rejection process, and
  - o Basis for the contract prices.

Date: 9-2023

Revision Date:

## **Restrictions**

“SPLITTING” OF PURCHASES “Order splitting” is reducing an order below the small purchase threshold in order to avoid a more complex procurement method. This practice is not allowed. When using either the small purchase or micro-purchase methods you must avoid the intentional “splitting” of purchases or transactions in an effort to get around the dollar threshold limits.

A repetitive, frequent buying pattern for goods or services that results in multiple contracts under small- or micro-purchase thresholds may indicate that inappropriate purchase splitting has occurred. This is unallowable if you do not have strong business or programmatic reasons to support the practice.

## **When hiring a consultant**

- Compensation for a consultant must be reasonable and consistent with what is paid for similar services in the marketplace.
- The rate must not exceed \$650 per day or \$81.25 per hour.

## **References**

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