



LOS ANGELES COUNTY



GMU BULLETIN

COMMUNITY DEVELOPMENT COMMISSION • 700 W. Main Street • Alhambra • California 91801

NUMBER: F514-0004

SUBJECT: **PROCUREMENT OF GOODS AND SERVICES FOR FIRST 5 LA PROGRAM**

DATE: **AUGUST 5, 2014**

EFFECTIVE DATE: **IMMEDIATELY**

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TO: COMMUNITY-BASED ORGANIZATIONS

This bulletin provides guidance on procurement requirements for purchases of goods and services when using First 5 LA funds. These requirements apply to all costs charged to the program, including direct and allocated indirect costs.

General Procurement Standards

Your Agency must have documented procurement policies and procedures that reflect applicable State, Federal, and local laws and regulations. Procurement cycles must adhere to these regulations and be conducted in a manner providing full and open competition. The results of the procurement method must support the selection of the lowest most reasonable bid. Documentation of the selection process must be maintained that includes, but not limited to the following: Rationale for the method of procurement, vendor selection or rejection, and the basis for the awarded contract price.

Methods of Procurement

One of these methods of procurement must be followed, as applicable:

1. Small Purchases

- a) Purchases up to \$150,000;
- b) Price or rate quotations must be obtained from an adequate number of qualified sources as required by your policies and procedures;
- c) Lowest most reasonable bid selected for award of the contract;
- d) Documentation of goods and services solicited and vendor price/rate quotes summarized on Small/Informal Bids form (sample attached); and
- e) Procurement cycle must adhere to your policies and procedures.

2. Micro-Purchases

- a) Purchases of supplies and services up to \$3,000 without having to solicit bids or quotes from suppliers;
- b) May unilaterally shop for the commodity that meets Agency needs by comparing the specifications and pricing for the same or similar commodity through supplier catalogs,

websites, store price tags, purchase orders, or invoices for the same or a similar recently-purchased commodity in the past six (6) months;

- c) Must document at least two (2) sources in the project file; and
- d) Must be fully compliant with the "open and free competition" intent of the Federal Procurement requirements. To do so, Agencies must:
 - i. **Determine price is fair and reasonable** and fully document the files;
 - ii. **Afford competition by distributing** micro-purchases equitably among qualified vendors to the extent practicable;
 - iii. **Avoid splitting or unbundling larger purchases** into multiple single purchases of \$3,000 or less merely to circumvent the requirements of soliciting formal competitive bids or proposals (for purchases over \$150,000) or small-informal quotes (for purchases between \$3,000 and \$150,000); and
 - iv. **Adopt policies and procedures** authorizing micro-purchases as an allowable method of procurement for single purchases that are \$3,000 and less.

Evidence that these policies and procedures are incorporated into your program guidelines will be verified as part of our fiscal monitoring.

Should you have any questions about these requirements, please contact your assigned First 5 LA Program Manager or Financial Analyst.

Sincerely,



SCOTT STEVENSON, Director
Community Development Division

SS:SL:ab

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Attachment

Small/Informal Bids Bid Form

Project Name:		Project Number:	
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Item Description/Specifications	Quantity	Size

Company Name:		Phone Number:	
Address:		Contact:	
Quote:		Unit Cost:	
Total:		MWBE Status:	

Company Name:		Phone Number:	
Address:		Contact:	
Quote:		Unit Cost:	
Total:		MWBE Status:	

Company Name:		Phone Number:	
Address:		Contact:	
Quote:		Unit Cost:	
Total:		MWBE Status:	

Bids Obtained By: _____ **Date:** _____