

NUMBER: **FRHS19-0003**
BFH19-0003

SUBJECT: **METHODS OF PROCUREMENT**

DATE: **December 6, 2019**

EFFECTIVE DATE: **Effective Immediately**

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TO: COMMUNITY-BASED ORGANIZATIONS

This Bulletin provides guidance on procurement requirements for purchases of goods and services for the Family Reunification Housing Subsidy (FRHS) and Bringing Families Home (BFH) programs. These requirements apply to all purchases of goods and services charged to the program, including direct and 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 standards must be in accordance with *2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Procurement method 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)** Frequency of your procurement cycle must adhere to your policies and procedures.

A Small/Informal Bids Form is attached for your reference.

2. Micro-Purchases

- a)** Purchases of supplies and services up to \$3,000 [2 CFR §200.320(a)] 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);
 - iv. Adopt policies and procedures authorizing micro-purchases as an allowable method of procurement for single purchases that are \$3,000 and less; and
 - v. Designate a Contracting or Purchasing Officer who is authorized to implement the Micro-Purchase method on behalf of the agency and to sign the purchase order or contract, signifying his/her determination that the price to be paid is reasonable.

Please ensure these policies and procedures are incorporated into your program guidelines.

Should you have any questions about these requirements, please contact Sarita Harcourt at Sarita.harcourt@lacda.org or Socorro Vega at Socorro.vega@lacda.org.

Sincerely,



DAVON BARBOUR, Director
Community & Economic Development Division

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Attachment

SMALL/INFORMAL BIDS FORM

Project Name:		Project Number:	
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Three Quotes and Three Responses Are Required on the Following Items:

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: _____