

Town of Georgia, Vermont

Purchasing Policy (Redlined – Federal Procurement Compliance)

Legend

~~Strikethrough~~ = existing language recommended for removal or clarification

ADD: = proposed new language

[Annotation] = explanatory note for training/audit purposes (not part of adopted policy)

1. Purpose

The purpose of this policy is to establish procedures for the purchase of goods and services for the Town of Georgia in a manner that ensures fiscal responsibility, transparency, and accountability.

ADD: When purchases involve **federal financial assistance funds**, this policy shall be applied in conjunction with applicable federal procurement requirements under **2 C.F.R. Part 200 (Uniform Guidance)**. In the event of a conflict, federal requirements shall control.

[Annotation: This clause establishes supremacy of federal rules when grant funds are used.]

2. Authority

Purchasing authority is delegated by the Selectboard in accordance with adopted budgets and appropriations.

ADD: Procurement authority involving federal funds shall also be exercised in compliance with federal standards governing competition, documentation, and cost reasonableness.

3. Definitions

ADD:

- **Procurement:** The full process of acquiring goods or services, including planning, solicitation, evaluation, selection, contracting, and compliance documentation.

- **Purchasing:** The transactional component of procurement, including issuing purchase orders, receiving goods or services, and approving invoices for payment.
- **Federal Financial Assistance:** Grants, cooperative agreements, or pass-through funds subject to the Uniform Guidance (2 C.F.R. Part 200).

[Annotation: Clarifies procurement vs. purchasing for audit and staff training.]

4. Professional Services

Services characterized by a high degree of professional judgment may be procured without formal bidding, provided the value does not exceed **\$250,000**.

ADD: When federal funds are used, professional services procurements must comply with federal competition and documentation requirements regardless of the Town's local dollar thresholds.

[Annotation: Federal rules do not exempt professional services from competition or documentation.]

5. Federally Funded Non-Competitive Purchases

Federally funded non-competitive purchases for **\$250,000 or more** require a cost analysis in accordance with the federal or state agency issuing the grant funding.

\$250,000

ADD: Federally funded non-competitive procurements must meet the requirements of **2 C.F.R. § 200.320**, including written justification for sole-source procurement and a documented cost or price analysis, **regardless of amount**, unless otherwise permitted by federal regulation.

[Annotation: Aligns local policy with Uniform Guidance standards.]

6. Procurement Thresholds (Federal Funds)

ADD: When federal funds are used, the following procurement methods and thresholds apply unless superseded by federal law:

- **Micro-purchases:** Up to **\$15,000** – May be awarded without competitive quotes if price is reasonable.

- **Simplified Acquisition Procedures:** Up to **\$350,000** – Requires price or rate quotations from an adequate number of qualified sources.
- **Formal Procurement:** Above **\$350,000** – Requires sealed bids or competitive proposals.

[Annotation: Reflects current federal thresholds for audit readiness.]

7. Competition

ADD: All procurements using federal funds shall be conducted in a manner providing **full and open competition** to the maximum extent practicable, consistent with **2 C.F.R. § 200.319**.

8. Documentation and Recordkeeping

A W-9 is required for procurement of services in excess of \$600. Certificates of insurance are required for labor services in excess of \$500.

ADD: For federally funded procurements, the Town shall maintain a procurement file documenting:

- The procurement method used
- The rationale for the method selected
- The vendor selection process
- The basis for price or cost reasonableness
- Evidence of competition or justification for non-competitive procurement

Records shall be retained in accordance with federal record retention requirements.

[Annotation: This is a key Single Audit compliance area.]

9. Conflict of Interest

ADD: Officers, employees, and agents of the Town shall adhere to written standards of conduct covering conflicts of interest in federally funded procurements, consistent with **2 C.F.R. § 200.318(c)**.

10. Debarment and Suspension

ADD: The Town shall not award contracts funded with federal assistance to vendors that are debarred or suspended. Verification (e.g., SAM.gov check) shall be documented prior to award.

[Annotation: Required federal control not currently addressed in the Town policy.]

11. Severability

If any provision of this policy conflicts with federal procurement requirements applicable to a specific funding source, the federal requirements shall govern for that procurement.

End of Redlined Draft