
TOWN OF SOMERS



PURCHASING AND PROCUREMENT POLICY

PURPOSE:

This policy is intended to update the existing purchasing regulations of the Town of Somers.

- A. To establish updated, written procedures for the purchase of goods and services for the Town of Somers, including all Boards, Committees, and Commissions, except the Board of Education.
- B. Specifically, this document is intended to provide guidance to Town employees as to how and when certain services should be competitively bid. The policy is intended to promote fairness among the competitive bid process while maintaining a flexible system of service procurement.
- C. To ensure against datedness, the thresholds within this policy will be adjusted periodically for inflationary impact by the Treasurer/Chief Financial Officer with approval of the Board of Finance and Board of Selectmen.

RESPONSIBILITY:

All employees, including supervisors and department heads, and any others authorized to make purchases on behalf of the Town of Somers, will be responsible for following the provisions outlined in this policy when making purchases with Town funds. It shall be the Finance Department's responsibility to review and the Treasurer/Chief Financial Officer's responsibility to sign off on all purchase orders. Subsequent payments against purchase orders shall be approved by the Department Head unless other verification approval processes are authorized by the Treasurer/Chief Financial Officer. It shall be the responsibility of the Finance Department and designated staff to review all purchase order requests to ensure the proper account distribution, availability of funds, and proper approvals have occurred.

PROCEDURES:

1. Purchase Order Requirements:

- a. The Town's purchasing process begins at the Department level. Each Department identifies its need and initiates a Purchase Order Request via their online portal. Purchase Order Requests must be received with all vendor quotes received as well as vendor W9 forms electronically. All Purchase Order Requests will be reviewed and approved by the Treasurer/Chief Financial Officer.
- b. Purchase Orders will NOT be required for items or services less than \$5,000. Invoices for these items will be processed as non-Purchase Order Invoices (see below). The Town's Financial Management System (School ERP Pro, iVisions) will be used for purchases under \$5,000. The system ensures a requisition is created, signed by the department head, and attached to the record electronically before being transferred to the CFO for verification of budgetary funds availability and payment to the respective vendor.

- c. Department Head approval and account coding will be required on all non-Purchase Order invoices prior to being processed by the Finance Office. Digital stamps and signatures are approved.
- d. Purchase Orders are required for all items and services over \$5,000 unless specifically listed in the exemptions list below. Purchase Orders must be requested and approved before ordering of items or services can happen.
- e. Check Requests are generally used for payments required in advance of receiving goods or services for items that fall under the Purchase Order threshold. Check Requests must be approved by the Department Head and must fall within the budgetary limitations. Check Requests can be used for payments for items such as:
 - i. Committee Awards
 - ii. Refereeing
 - iii. Concert Performers
 - iv. Florists
 - v. Catering Services
 - vi. Replenish Petty Cash
- f. All Check Requests require supporting documentation:
 - i. Contract for services
 - ii. Listing of games officiated.
 - iii. Authorized list of award recipients
- g. Check Requests must be approved by the Department Head, signed, and coded with the proper General Ledger Account coding.
- h. Department Heads shall review all open Purchase Orders on a regular basis to determine whether the Purchase Order is completed or should be cancelled. The Finance Department will review Purchase Orders on a quarterly basis to determine the status of all open encumbrances.
- i. Purchase Order Exemptions
 - i. The following, recurring expenditures, do not require a Purchase Order and shall be exempt from the policy provisions:
 - 1. Postage
 - 2. Utility Bills
 - 3. Service & Maintenance Contracts
 - 4. Specialized Printing, such as Voter Ballots
 - 5. Professional Development Costs
 - 6. Professional Dues and Subscriptions
 - 7. Advertising
 - 8. Legal Notices
 - 9. Insurance Premiums
 - 10. Credit Card User Fees

2. Competitive Bid Requirements:

- a. For goods or services up to \$5,000, there are no specific requirements to obtain quotes, however, Department Heads should exercise prudent judgment of comparative pricing prior to purchasing. Department Heads must ensure competitive pricing through State and Federal contracts, collaborative consortiums, and due diligence. Purchases under this threshold are still subject to review by the CFO to ensure proper pricing of goods.
- b. For goods or services of \$5,001 to \$15,000, Department Heads must obtain at least three (3) written prices quotes and electronically attach them to the Purchase Order Request to be reviewed. If a unique product or service is being purchased, or if it is difficult to obtain the minimum number of quotes, Department Heads must note in the Notes Section of the Purchase Order request.

- c. For goods or services exceeding \$15,001, Department Heads must use a competitive, sealed bid process. Purchase Orders and Signed contractual bid documents, along with all required bond and insurance documents will be required for competitive bids.
- d. Unless otherwise directed by the Board of Selectmen, the Treasurer/Chief Financial Officer, after proper review of the bid results, shall award the bid contract to the lowest, qualified bidder with a demonstrated ability to meet the project goals. This assumes that the projects, goods, or services are approved budgetary item(s) and that the lowest, qualified bidder is within the budgetary limitations.

3. Policy Exceptions

- a. Professional Services
 - i. Professional Services shall be exempt from the purchasing guidelines and are defined as being services which meet the following tests:
 - 1. Work requires knowledge of an advanced type, or field, of science or learning, including but not limited to engineers, architects, appraisers, attorneys, auditors, and medical services.
 - 2. Work that is original and creative in character in a recognized field or artistic endeavor and the result of which depends on a person's invention, imagination, or talent.
 - 3. Work as a certified teacher or trainer.
 - ii. Depending on the scope of the project, the Treasurer/Chief Financial Officer may require that the designated project manager develop Request for Proposal (RFP) specifications so that multiple proposals for a professional services contract are evaluated on a competitive, albeit subjective, basis. In some cases, there may be preemptive legislation that may require a formal bidding process.
- b. Cooperative Purchasing
 - i. This policy will not apply when goods or services are acquired through cooperative purchasing agreements. Primary examples shall include State contracts, local and regional bids, cooperative bids including, but not limited to, the Capitol Region Purchasing Council, MHEC, WSCA, CREC, CRCOG, CCM, and the State's DAS Bidder's lists. While cooperative purchasing can be used, it should not be the default basis for every purchase.
- c. Emergencies
 - i. Inevitably there are emergencies when normal procedures must be suspended to ensure the timely delivery of goods or services. The Treasurer/Chief Financial Officer shall be empowered to suspend the normal procedures during an emergency when public safety is at risk.
- d. Preemptive Legislation
 - i. This policy will not apply to special goods, services, or projects of which the procurement is preempted by State or Federal legislation. Examples include, but are not limited to, Federal CFR Regulations (Appendix 1), Davis-Bacon provisions, or State prevailing wage requirements.
- e. Technology Enhancements
 - i. The procurement of technological equipment, both hardware and software, shall be exempt from the policy provisions. Since hardware and software standardization is critical to the efficient operation of the Town's computer systems, it is not in the Town's best interest to intermingle different brands or styles of technology equipment. All computers shall be of a design consistent with the Town's technology inventory as determined by the Town's technology staff/consultant.

f. **Bid Waivers**

- i. By resolution, the Board of Selectmen may at any time waive the formal bid requirements if such a waiver is in the best interest of the Town.
- ii. In certain situations, the bidding, quotation, and proposal processes may be waived by the Treasurer/Chief Financial Officer even though the estimated cost exceeds the dollar threshold established within this policy. The formal process may be waived for the following reasons:
 1. Time is a critical factor.
 2. A formal process would result in substantially higher costs to the Town or inefficient use of personnel or cause substantial disruption of Town services.
- iii. The Treasurer/Chief Financial Officer may grant a waiver for any of the above-listed reasons. If the amount of the purchase exceeds formal bid thresholds, the Treasurer/Chief Financial Officer shall also notify the Board of Selectmen of such action at their next scheduled meeting.
- iv. A waiver of formal bid threshold, other than those permitted in this policy, requires the approval of the Board of Selectmen. For a requesting department to obtain a waiver, a written waiver request including specific reasons for the waiver shall be provided to the Treasurer/Chief Financial Officer. The request must be signed by the Department Head.

4. Contracts

- a. All contracts for services must be reviewed and approved by the Board of Selectmen. At the discretion of the Board of Selectmen, contracts shall be reviewed by the Town Attorney prior to authorizing the First Selectman to sign. All contracts shall be signed by the First Selectman after receiving proper authorization from the Board of Selectmen. The original signed contract shall be submitted to the Town Clerk's Office to be kept on permanent file. A copy shall be forwarded to the Finance Department and to the requesting department to be kept on file.

5. Credit Card Purchasing

- a. The Town has a credit card program available to be used in conjunction with the provisions to purchase when necessary to order online, for emergencies, or for vendors that do not offer purchase by account.
- b. Department Heads will be issued a credit card with their name printed on the card. The Department Head is solely responsible for the usage and expenses on the card.
- c. The Finance Department will send out a monthly statement of expenses to all card holders to request a coding and description of expenses.
- d. It is the responsibility of the card holder to continue to spend within their budget and save their receipts for expense coding and description. It is the responsibility of the card holder to complete a sales-free-tax transaction. Exemption forms can be made available upon request from the Finance Department.
- e. The credit card is not meant to be used for expenses that could otherwise be made on account, via purchase order, or by invoice.

6. Personal Reimbursement

- a. It is preferable that an employee use the Town credit card for Town purchases rather than a personal credit card both for the employee's protection and the Town's. If a personal credit card is used, the employee must adhere to the purchasing provisions and present proof of purchase with either an itemized receipt or online proof of credit card payment. Every attempt should be made to have a sales-tax-free transaction.

- b. The Town highly discourages cash purchases. It is preferable that an employee conduct business with an established Town vendor so that the purchase can be placed on the Town's account, or the Town credit card be used. Reimbursement for cash purchases will be made online with proof of an original receipt. Amounts under \$25 will be reimbursed through petty cash in the Finance Department. For amounts over \$25, the employee will need to complete an Employee Expense Report and submit the report with the original receipt to their Department Head for approval. The Department Head will then submit the approved expense report with other invoices for a reimbursement check to be cut to the employee.

7. Travel Reimbursement

- a. This policy shall govern all travel expenses incurred by employees who attend an approved conference/training program involving overnight travel. All requests for Town reimbursement will be considered within the confines of the established budgetary limitations.
 - i. All employees interested in attending out-of-town, overnight conferences or educational seminars must request advanced approval from their Department Head.
 - ii. Reimbursable travel costs shall include lodging, transportation, tolls, mileage, meals, registration fees, and other reasonable expenses supported by receipts.
 - iii. Employees shall be reimbursed for mileage expenses at a rate consistent with that established by the IRS and adopted by the Town.
 - iv. All travel reimbursement requests shall be completed on an Employee Expense Report and original receipts shall be attached. Any expenses without a receipt will be denied.
- b. The Town also offers employees per diem for travel expenses in lieu of reimbursement. Per diem pay will be made available upon request at the recommended IRS rates. A per diem request form with anticipated dates of travel should be submitted no less than 2 weeks prior to travel to the Finance Department, approved by the employee's Department Head.

INVESTMENT POLICY ADOPTION:

This Policy shall be adopted by the Board of Finance and reviewed annually by the Treasurer/Chief Financial Officer. Any modifications to the Policy shall be approved by the Board of Finance.

Adopted: September 18, 2014

Effective: September 18, 2014

Revised: February 28, 2024

APPENDIX 1

Comparison of Federal Uniform Guidance Procurement Standards to the Town's Standard Procurement Policies

CFR Subsection	Full Text of CFR Section	Summary of CFR Section	Town Reference	Town Regulations
200.318(a)	The non-Federal entity must use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.	The Town must follow its own purchasing policies		
200.318(b)	Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.	The Town must provide oversight of its contractors		
200.318(c)(1)	The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent must 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, 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 a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.	The Town must have written standards covering conflicts of interest		
		The Town must have written standards governing the performance of its employees engaged in the selection, award, and administration of contracts.		
		The Town must not solicit nor accept gifts.		
		The Town may define what gifts are of a nominal value		
		The standards of conduct must provide disciplinary actions for violations		
200.318(c)(2)	If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.	The Town's conflict of interest policy must cover relationships with related parties		
200.318(d)	The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.	The Town must avoid purchasing unnecessary items		
		The Town should consider bundling or unbundling procurements and analyze purchase alternatives to achieve the most economical outcome		

CFR Subsection	Full Text of CFR Section	Summary of CFR Section	Town Reference	Town Regulations
200.318(e)	To foster greater economy and efficiency, and in accordance with efforts to promote cost effective use of shared services across the Federal government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.	The Town is encouraged to use cooperative purchasing agreements		
200.318(f)	The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.	The Town is encouraged to use Federal surplus in lieu of purchasing new		
200.318(g)	The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.	The Town is encouraged to use value engineering		
200.318(h)	The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.	The Town must award contracts only to responsible contractors		
200.318(i)	The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.	The Town must maintain procurement records		
200.318(j)(1)	The non-Federal entity may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to a non-Federal entity is the sum of: (i) The actual cost of materials; and (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.	The Town may only use time and material type contracts in very limited circumstances		
200.318(j)(2)	Since this formula generates an open-ended contract price, a time-and materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.	The Town must set a ceiling price and provide a high degree of oversight on time and material type contracts		
200.318(k)	The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.	The Town is responsible for settling contract disputes with vendors		

CFR Subsection	Full Text of CFR Section	Summary of CFR Section	Town Reference	Town Regulations
200.319(a)	All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to: (1) Placing unreasonable requirements on firms in order for them to qualify to do business; (2) Requiring unnecessary experience and excessive bonding; (3) Noncompetitive pricing practices between firms or between affiliated companies; (4) Noncompetitive contracts to consultants that are on retainer contracts; (5) Organizational conflicts of interest; (6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and (7) Any arbitrary action in the procurement process.	The Town must avoid all practices that would discourage open competition		
200.319(b)	The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.	The Town is generally prohibited from using local vendor preference		
200.319(c)	The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations: (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.	The Town must have written procedures which ensure that solicitations have clear descriptions for the goods and services that are sought which do not inhibit competition.		
200.319(d)	The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.	The Town must ensure that there are enough qualified vendors to ensure maximum open and free competition		
200.320(a)	Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases	Purchases of \$3,000 or less (\$2,000 or less for construction) may be awarded without competitive quotes.		

	equitably among qualified suppliers. Micropurchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.	<i>Federal OMB raised the limit for micro-purchases to \$10,000 on June 20, 2018.</i>		
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CFR Subsection	Full Text of CFR Section	Summary of CFR Section	Town Reference	Town Regulations
200.320(b)	Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.	The OMB increased the Simplified Acquisition Threshold to \$250,000 on June 20, 2018		
200.320(c)	Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.	In sealed bid procurements, the Town should award the contract to the lowest responsible bidder		
200.320(c)(1)	In order for sealed bidding to be feasible, the following conditions should be present: (i) A complete, adequate, and realistic specification or purchase description is available; (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.	The Town should use sealed bidding whenever complete specs are available, two or more responsible bidders are able to compete, and selection of a successful bidder can be made principally on the basis of price		
200.320(c)(2)	If sealed bids are used, the following requirements apply: (i) The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids; (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond; (iii) All bids will be publicly opened at the time and place prescribed in the invitation for bids; (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and (v) Any or all bids may be rejected if there is a sound documented reason	The Town must publicly advertise the ITB, solicit bids from adequate number of known suppliers, and give them sufficient time to respond. The ITB must adequately define the items being sought. The bids must be opened in public at a pre-determined time and place. Discounts, transportation costs, and life cycle costs must be considered in determining the lowest responsive and responsible bidder.		
200.320(d)	Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply: (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical; (2) Proposals must be solicited from an adequate number of qualified sources; (3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients; (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and (5) The non-Federal entity may use competitive proposal procedures for qualifications based procurement of	The Town must use an RFP process when sealed bids are not appropriate. The Town must advertise the RFP, have a written method for evaluating proposals, and award contracts to the firm whose proposal is most advantageous to the program.		

	architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.			
200.320(e)	Reserved			
CFR Subsection	Full Text of CFR Section	Summary of CFR Section	Town Reference	Town Regulations
200.320(f)	Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply: (1) The item is available only from a single source; (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; (3) The Federal awarding agency or passthrough entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or (4) After solicitation of a number of sources, competition is determined inadequate.	The Town may procure goods without competitive proposals only when the item is available only from a single source, in times of public emergency, the Federal awarding agency expressly authorizes noncompetitive proposals, or competition is determined inadequate.		
200.321(a)	Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms. (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.	The Town must take steps to utilize small and minority businesses, women's business enterprises, and labor surplus area firms.		
200.321(b)	Affirmative steps must include: (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists; (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises; (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.	Describes the actions needed for small and minority businesses, women's business enterprises, and labor surplus area firms.		
200.322	A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.	The Town must follow standards in sourcing certain materials over \$10,000 to ensure a high level of recycled/ recovered materials.		
200.323(a)	The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular	The Town must estimate the cost of a procurement in excess of the Simplified Acquisition Threshold		

	procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.			
200.323(b)	The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.	The Town must negotiate profit for sole-source procurements		
CFR Subsection	Full Text of CFR Section	Summary of CFR Section	Town Reference	Town Regulations
200.323(c)	Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.	Estimated costs are only allowable when they comply with Federal Cost Principles		
200.323(d)	The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.	The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.		
200.324(a)	The non-Federal entity must make available, upon request of the Federal awarding agency or passthrough entity, technical specifications on proposed procurements where the Federal awarding agency or passthrough entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or passthrough entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.	The Town must make technical specs for procurements available upon request by Federal awarding agency		
200.324(b)	The non-Federal entity must make available upon request, for the Federal awarding agency or passthrough entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when: (1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part; (2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; (3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product; (4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or (5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.	The Town must make pre-procurement review and procurement documents available upon request by Federal awarding agency in a number of circumstances.		
200.324(c)	The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part. (1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous highdollar funding, and third party contracts	The Town may self-certify its procurement system to avoid some pre-procurement reviews.		

	are awarded on a regular basis; (2) The non- Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non- Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.			
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CFR Subsection	Full Text of CFR Section	Summary of CFR Section	Town Reference	Town Regulations
200.325	Bonding requirements. For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or passthrough entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or passthrough entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:	The awarding agency may accept the Town's bonding requirements if it determines that its interest is adequately protected. If the awarding agency does not accept the Town's bonding requirements, then (a), (b), and (c) would apply		
200.325(a)	A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.	The Town must require a bid guarantee of 5% of bid price		
200.325(b)	A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.	The Town must require a performance bond for 100% of the contract price		
200.325(c)	A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract	The Town must require a payment bond for 100% of the contract price		
200.326	Contract provisions. The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200— Contract Provisions for non-Federal Entity Contracts Under Federal Awards.	The Town must include the Federal contract provisions in its contracts		

PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

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§200.400 Policy guide

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