

PURCHASING GUIDELINES

OVERVIEW

In accordance with policy, City purchases and contracts (including rentals and leases) will be made pursuant to these guidelines. Applicable competitive bidding categories, authorization limits, or contract award procedures will be based on unit cost, total purchase cost for consolidated bid items, or fiscal year aggregates in the case of blanket purchase orders or similar ongoing purchasing arrangements. Staging of purchases in order to avoid these competitive bidding procedures or authorization limits is prohibited.

SUBSECTION 1 - GENERAL PURCHASES

Purchases and contracts for supplies, equipment, operating and maintenance services, and construction projects will be made pursuant to the following guidelines:

- A. Over-the-counter. Purchases of less than \$10,000; although no specific purchasing requirements are established for this level of purchase, a competitive process should be used whenever practical.
- B. Open market. Purchases between \$10,000 and \$24,999.99; three (3) quotes must be solicited by either the requesting Department or Purchasing.
- C. Formal bids or proposals. Purchases in excess of \$25,000 will be made pursuant to the formal bidding requirements established in Chapter VIII – C-1 of the City Charter.

SUBSECTION 2 - PROFESSIONAL CONSULTANT SERVICES

Contracts for consultant services will be awarded pursuant to the following guidelines.

- A. Contracts for consultant services estimated to cost less than \$10,000 may be awarded by the department head. Although no specific purchasing requirements are established for this level of contract, proposals should be solicited whenever practical. On-call lists have been established through an RFP process for many professional services, and it is recommended that these firms on the list be utilized. See Subsection 11

SUBSECTION 3 – UNAUTHORIZED PURCHASES

Except for emergencies or authorized exemptions, including the use of a P-Card, stated in these guidelines, no purchase of supplies, services or equipment shall be made without an authorized purchase order. Otherwise:

- A. such purchases may be voided and not considered an obligation of the City.
- B. invoices without an authorized purchase order may be returned to the vendor unpaid.
- C. the person ordering the unauthorized purchase may be held personally liable for the costs of the purchase or contract.

Purchase orders shall be issued prior to ordering supplies, equipment and services and not “after the fact” for work already done or materials already ordered.

SUBSECTION 4 – RESPONSIBILITIES OF THE PURCHASING OFFICER

The Purchasing Officer is responsible for: 1) the procurement of general supplies, services and equipment; 2) the administration of the purchasing policy; and 3) the management of surplus City property. To perform these functions efficiently and assist departments, the Purchasing Officer shall:

- A. Be charged with the responsibility and authority for coordinating and managing the procurement of the City's general supplies, services and equipment from the lowest responsive and responsible bidder when required by this policy.
- B. Ensure full and open competition on all purchases as required by this policy.
- C. Identify, evaluate and utilize purchasing methods which best meet the needs of the City (i.e. cooperative purchases, blanket purchase orders, contractual agreements, etc.)
- D. Assist all departments with research and recommendations in developing specifications; review specifications for completeness of information to ensure specifications are not unnecessarily restrictive.
- E. Coordinate vendor relations, locate sources of supply, and evaluate vendor performance.
- F. Recommend revisions to purchasing procedures as necessary and keep informed of current developments in the field of public purchasing.
- G. Prescribe and maintain all forms and records necessary for the efficient operation of the purchasing function.
- H. Act as the City's agent in the transfer and disposal of surplus equipment and materials.

SUBSECTION 5 – RESPONSIBILITIES OF DEPARTMENTS

Departments are charged with the following responsibilities in the purchasing process:

- A. To anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices.
- B. To communicate and coordinate purchases within their own department and Purchasing.
- C. To provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.
- D. To prepare requisitions in accordance with instructions so as to minimize the processing effort.
- E. To inform the Purchasing Division of any vendor relations problems, shipping problems (i.e. damaged goods, late delivery, wrong items delivered, incorrect quantity delivered, etc.) verbally and in writing, and any situations which could affect the purchasing function.
- F. To minimize urgent and sole source purchases and to provide written documentation when such purchases may be necessary.
- G. To assist the Purchasing Division with the review of all bids received for compliance with specifications, and provide the Purchasing Division with written documentation regarding their findings.
- H. To not "split" orders for the purpose of avoiding procurement requirements.

SUBSECTION 6 – VENDOR RELATIONS

It is to the City's advantage to promote and maintain good relations with vendors. The Purchasing Division and operating department staff shall conduct their dealings with vendors in a professional manner and shall promote equal opportunity and demonstrate fairness, integrity and courtesy in all vendor relations. When feasible to do so, vendors within the City of Meriden should be utilized for supplies, services and equipment. Please be aware that a delay in processing payment adversely affects the City's relationship with vendors and may ultimately cause the city to pay higher prices. The City of Meriden is an Affirmative Action/Equal Opportunity Employers. Small, Minority, Women and Disadvantaged Business Enterprises are encouraged to respond.

SUBSECTION 7 – PURCHASING METHODS

A. Requirements for certain purchasing dollar limits.

Purchasing dollar limits are "per order" or "per project." This policy specifically prohibits splitting an order to circumvent the specified dollar limits. Departments shall contact the Purchasing Division to coordinate volume bids of repetitive requirements (i.e., the frequent purchase of items such as chemical, paper goods, etc., which annually exceed the specified limits for all departments).

1. Purchases of Less than \$10,000 – Over the Counter

For purchases of less than \$10,000, the authority to award is the Department Head. Comparative pricing is not required but shall be used when practical. Prudent judgment shall be used at all times. All departments may purchase supplies, equipment, and services, of less than \$10,000 without competitive bidding. A purchase order must be requested by the department to serve as a mechanism to encumber funds.

2. Purchases between \$10,000 - \$24,999.99 – Open Market

For purchases \$10,000-\$24,999.99, all departments shall obtain three written competitive quotations whenever possible for purchases. The Purchasing Division can assist in this process. The department shall submit a requisition, which includes the recommended vendor, with all supporting documentation to the Purchasing Division. Supporting documentation shall include competitive price quotes obtained, names of vendors contacted, description of the items required, and certificates of insurance as applicable. The Purchasing Division shall review the recommendation and supporting documentation and may contact additional sources for quotation.

The Purchasing Officer may award purchase to the lowest responsive and responsible bidder whose quotes fulfill the intended purpose, quality, and delivery needs of the solicitation, provided that an encumbered appropriation for that item exists. In lieu of awarding the purchase, the Purchasing Officer may reject quotes, or may negotiate further to obtain terms more acceptable to the City.

3. Purchases of \$25,000 or more require a Formal Bid Process.

-See Subsection 8

B. Blanket Purchase Orders

A Blanket Purchase Order is an agreement whereby the City contracts with a vendor to provide equipment or supplies on an as-needed and often over-the-counter basis. Blanket Purchase Orders provide a mechanism whereby items which are uneconomical to stock may be purchased in a manner that allows field operations timely access to necessary materials.

The Purchasing Division shall review Blanket Purchase Order requests based upon the following criteria:

1. Geographic location.
2. Responsiveness and capabilities.
3. Average dollar value and type of items to be purchased.
4. Frequency of need.

All Blanket Purchase Orders shall include the following information:

- a. A general description of the equipment or supplies which may be charged.
- b. The period of time the order will remain open, not to exceed one year ending on June 30 of the current fiscal year.
- c. The maximum total amount which may be charged on the purchase order.
- d. Items excluded from the purchase, if applicable.
- e. Department name and phone number.
- f. Identification of the department(s).
- g. Account numbers to be charged.

Once a Blanket Purchase Order is issued to a vendor, any authorized department employee may contact the vendor directly to place orders per the terms and conditions specified in the Blanket Purchase Order.

C. Contract Purchase Orders

Contract Purchase Orders are the preferred method of purchasing repetitive-use items or services which may be common to several departments or within on department. Establishing Contract Purchase Orders provides a means of obtaining volume pricing based upon the combined needs of all departments, reduces the administrative costs associated with seeking redundant competitive bids and processing a Purchase Order each time an order is placed, and allows departments to order as needed, reducing the requirements to maintain large inventories of stock.

If a Contract Purchase Order exists, departments shall order all of their requirements from the successful vendor. No other source shall be used without prior approval of the Purchasing Officer. Departments shall submit, in writing to the Purchasing Division, any performance problem encountered immediately following the occurrence so that corrective action may be taken.

Contract Purchase Orders are annual and may include option for renewal for specific products, product types, or services at agreed upon prices or pricing structure and for a specified period of time.

D. Cooperative Purchases

The City may participate in cooperative contracts established by competitive bid through the State of Connecticut, and through its membership in the Capitol Region Purchasing Council, U.S. Communities, Sourcwell (NJPA), Capitol Region Education Council (CREC) Marketplace and other such groups which the City is eligible to participate in. On these contracts, commodities and contract services are awarded to specific vendors who successfully meet all bid requirements. When practical, participation saves the City the time of bidding for the same items, and allows the City to take advantage of the discounts offered to the State and other cooperatives due to their large buying power.

For cooperative purchase agreements up to \$24,999.99, the authority to award is the Department Head; the Purchasing Division is available to assist. Cooperative purchase agreements of \$25,000 or more must be reviewed by the Purchasing Officer for final approval.

E. Sole Source Purchases

Commodities and services which can be obtained from only one vendor are exempt from competitive bidding. True sole source purchases are extremely rare, but may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area or a certain product has been proven to be the only product that has proven to be acceptable. All sole source purchases shall be supported by written documentation signed by the appropriate department head and forwarded to The Purchasing Division. Final determination that an item is a valid source purchase will be made by the Purchasing Officer. A bid waiver is required for all purchases over \$25,000 (See Subsection 7 J. Bid Waivers below).

F. Emergency Purchases

Purchases may be made without competitive bidding when time is of the essence, and shall be made only for the following reasons:

1. To preserve or protect life, health, or property; or
2. Upon natural disaster; or
3. To forestall a shutdown of essential public services.

Since emergency purchases do not normally provide the City an opportunity to obtain competitive quotes, sound judgment shall be used in keeping such orders to an absolute minimum. In addition, the following requirements shall apply:

- a. A completed purchase requisition shall be submitted to the Purchasing Division within two working days, or as soon as the information is available. All purchase requisitions for emergency purchases shall be signed by the appropriate department head.
- b. Documentation explaining the circumstances and nature of the emergency purchase shall be submitted by the appropriate department head to the Purchasing Officer.
- c. If the emergency purchase causes any budget line item to exceed the approved budget, it shall be the responsibility of the department requesting the purchase to obtain subsequent City Council approval for an additional appropriation or to make a transfer to cover the over budget amount.
- d. A bid waiver approved by the Purchasing Officer, Finance Director and the City Manager (or either's designated representative) is still required if an emergency exceeds the bid limits (See Subsection 7 J. Bid Waivers below).

G. Purchase Order Exemptions

Certain purchases are not readily adaptable to the open market and formal bidding process. These purchases are generally for items where the competitive bid process is not applicable or where a check is required to accompany the order. Following is a list of allowable exemptions:

Advertisements and Notices	Property Rentals
Office Supplies from Preferred Vendor	Real Property/Easement Acquisition
Petty Cash Replenishment	

Exemptions are limited to those items listed above. Departments may submit written requests for additional exemptions to the Purchasing Officer. If warranted, additional exemptions will be added to this list.

If a vendor requires a Purchase Order to process an order, the department shall submit a purchase order requisition to the Purchasing Division to initiate a purchase order.

H. Purchase Award

1. Lowest Responsive and Qualified Bidder

a. Bids shall be awarded to the “responsive” and “qualified” bidder who submits the lowest bid in accordance with bidding requirements.

b. In determining the lowest “responsive” bid, the following elements shall be considered in addition to price:

- (1) A responsive bid is one which is in substantial conformance with the requirements of the invitation to bid, including specifications and the City’s contractual terms and conditions. Bidders who substitute terms and conditions or who qualify their bids in such a manner as to nullify or limit their liability shall be considered.
- (2) Conformance with the requirements of the invitation to bid may also include providing proof of insurance, bonding if required, completing all forms, including references, and all other information as requested in the bid document.
- (3) The successful bidder must demonstrate the ability to successfully fulfill a contract, including rendering of subsequent and continuing service. Staff may request proof of financial resources, a list of current or previous customers, and other pertinent data. Such action may also be taken after receipt of bids.
- (4) A bidder may be determined to be non-responsive if a prospective bidder fails to furnish proof of qualifications when required.

c. In determining the lowest “qualified” bidder, the following elements shall be considered in Addition to price:

- (1) That the products offered provide the quality, fitness, and capacity for the required usage.
- (2) That the bidder has the ability, capacity and skill to perform the contract satisfactorily and within the time required.
- (3) That the bidder’s experience(s) regarding past purchases by the City or other public agencies demonstrates the reliability of the bidder to perform the contract.
- (4) When a bid is recommended to be awarded to other than the low bidder, written justification is required. The written statement, signed by the appropriate department head, shall be attached to the purchase requisition.

2. Rejection of Bids

The Purchasing Officer or the requesting department may recommend rejection of any or all bids if it is determined to be in the best interests of the City. Reasons for rejection may include, but are not limited to, the following: a bid is determined to be non-responsive, the number of bids received is inadequate, bids received are not reasonably uniform in price, bidder is determined to be in arrears to the City by debt or contract, bidder appears on a State or Federal debarment list, or the lowest bid received is deemed to be too high. The Purchasing Officer may, in any given case, reject all bids with or without cause and submit the supplies, equipment or service involved to a new bidding process. If all bids are rejected, the Purchasing Division may be authorized to re-solicit bids, negotiate a contract for the purchase, or abandon the purchase.

3. Tie Bids

In the event there are two or more responsible bidders, the decision will be based by the following, and in the following order:

1. The incumbent will be awarded the bid over that of another bidder.
2. In the case of a multi-item bid, if one bidder has been awarded other items from the same bid and the other party has not, the bidder with the multiple awards will be awarded the bid over that of another bid.
3. The bidder located in the State of Connecticut will be awarded the bid over that of another “out of state” bidder.
4. By coin toss. The winner of the coin toss will be awarded the bid over that of another bidder.

4. Meriden Based Business

The City of Meriden has adopted Code 3-13A which is a local preference for City based business. Any business with its principal place of business located within the boundaries of the City of Meriden is eligible. When determining the lowest responsible bidder, the Purchasing Department shall also consider any City based business which has submitted a bid not more than 10% higher than the low bid. Such City based business shall agree to accept the award at the amount of the low bid no later than 24 hours following the bid opening. This section does not apply where any State or Federal monies are expended.

I. Change Orders

Purchase Orders represent a contract between the City and the Vendor. Any substantial change to a Purchase Order shall be documented as a change order. Change Orders to Contracts shall be reviewed by the Purchasing Division and shall be approved by the Department Head and the City Manager. Changes to a Purchase Order will require a new Purchase Order for the additional amount. The Director of Finance may be required to sign off on certain Change Orders.

Shipping and handling may cause the purchase order to exceed the authorized purchase order amount. These items do not require a Change Order, even if they exceed 10% of the original purchase order amount.

For Construction – a formal change order to the contract will be issued, along with a new Purchase Order to cover Change Order dollar amount.

A change to a purchase order may be initiated by Purchasing for clarification or to decrease or delete items on a Purchase Order.

J. Bid Waivers

If the amount of a purchase exceeds the Charter threshold requirement for competitive bidding, the City may waive the requirement when the circumstances of a particular case do not permit sufficient time to fulfill the rules and regulations concerning competitive bids, or when a competitive bid is inappropriate or impractical.

The City carefully reviews all bid waiver requests to ensure that they meet the requirements of the City Charter. Before the City Manager will file a bid waiver with the City Council, the following procedure must be followed:

1. The Department Head will submit a draft bid waiver to the Purchasing Officer with all pertinent supporting documentation. A template Bid Waiver is available in a fillable format through the employee intranet site. The

Purchasing Officer will meet with the Department Head requesting the bid waiver for review and to determine whether the request meets the requirements of the City Charter.

2. Following a successful review by the Purchasing Officer, the bid waiver will be presented to the Finance Director for signature. It is at the discretion of the Finance Director to request a meeting with the Purchasing Officer and Department Head for further clarification if necessary.
3. Following Finance Director Approval the bid waiver will be forwarded to the City Manager for final review and decision will be made as to whether it shall be approved.
4. All approved bid waivers are filed as a permanent record with the City Council.
5. Once a bid waiver has been approved, a purchase requisition should be prepared to begin the purchasing process.

SUBSECTION 8 – QUOTE AND FORMAL BID PROCESS

Except as otherwise exempted in the policy, supplies, services, and equipment with an estimated value of \$10,000 to \$24,999.99 shall be purchased following a Quote Process and purchases of \$25,000 or more shall be made following a Formal Bid Process.

To initiate the quote/formal bid process, the department making the request shall provide specifications for the item to be purchased and documentation showing the existence of an unencumbered appropriation for the item in the current approved budget. The Purchasing Division or requesting department shall solicit informal/formal bids as prescribed.

Quotes may be faxed, e-mailed, or mailed to prospective bidders, or solicited over the phone. Formal bids shall be published at least once in a newspaper of general circulation as required by Charter, and if applicable, in appropriate trade publications. The date of publication shall be at least 10 days before the due date. All formal bids shall be sealed and shall be publicly opened and read at the date, time, and place indicated in the published notice.

Bids shall be reviewed for compliance with specifications by the requesting department. All deviations from the specifications shall be fully documented by the requesting department and the impact of the deviations on the performance or suitability of the bid item shall be detailed. Staff will prepare and forward a recommendation for approval of purchase. Quote awards shall be approved by the Department/Division Head.

Formal Bids – A letter of recommendation must be signed by the requesting Department Head and sent to Purchasing, who will make the formal award.

SUBSECTION 9 – CREDIT CARD USAGE

Under certain circumstances, the use of a City credit card may be the most appropriate method for certain purchases. The following policies and procedures are established to insure internal control and timely payment of charges.**

- A. Failure to comply with established procedures may result in discontinuance of use by the employee/department.
- B. All receipts must be turned in when credit card is turned in.
- C. No personal items shall be charged on any City credit card.

**SEE P-CARD POLICY for greater detail.

SUBSECTION 10 – SPECIFICATIONS

It is the responsibility of each department to provide detailed, accurate specifications when requisitioning supplies, equipment and services. Accurate specifications are essential for effective bidding.

A. Sole Source Specifications

Sole source specifications shall be avoided whenever possible, as they minimize or eliminate competition. The City Manager, Finance Director and Purchasing Officer may waive bidding requirements if sufficient written justification for a sole source purchase exists. An example of sole source is where equipment or supplies are required in order to be compatible with existing equipment or to perform a complex or unique function. Written documentation signed by the appropriate department head shall accompany the requisition for any sole source request over \$25,000.

B. Standardization

Standardization of specifications for items common to several division and/or departments can facilitate the purchasing process. The Purchasing Division and departments shall work together to establish standard specifications for such items.

C. Brand Name, or Equal, Specifications

In purchasing equipment or supplies needed to be compatible with existing equipment, or to perform complex or unique functions, the Purchasing Officer may limit bidding to a specific product type or a brand name product.

Use of brand names in specifications shall be for the purpose of describing the standard of quality, performance, and characteristics the City desires and not be intended to limit or restrict competition. If a brand name is incorporated into a specification, a minimum of two acceptable brands shall be listed whenever possible and shall be followed by the statement “or approved equal” unless the sole source rule applies.

Using specifications provided by a specific manufacturer should be avoided, however, if used, the name of the manufacturer, model number, etc., should be indicated. The bid document shall clearly state that the use of the manufacturer’s specifications are for the sole purpose of establishing the level of quality desired. The Purchasing Officer reserves the right to determine and approve any product submitted as an “or equal.”

D. Vendor Assistance in Writing Specifications

There may be occasions when vendor assistance is required to develop a specification. Such specifications shall be written in general terms and the vendor shall be informed that the information they provide may be used to develop specifications for a competitive bid process. The vendor shall be allowed to submit a bid, but will not be given any preference over the other bids.

SUBSECTION 11 – PROFESSIONAL CONSULTANT SELECTION

A. Selection of Consultants for Professional Services (General):

1. The following criteria shall be used to determine approval authority for Professional Consultant Service Contracts:

Contracts less than \$10,000 may be awarded by Department Head through the use of a Purchase Order. Use of On-call Consultants shall be used, when practical.

Contracts between \$10,000 and \$24,999.99 On-call Consultants must be used, unless otherwise authorized by the Purchasing Officer. A formal contract must be prepared by the Purchasing Department.

For Contracts over \$25,000, the department must consult with Purchasing Officer to see if the On-call list should be used or if a formal RFP is needed.

2. This policy specifically prohibits splitting a purchase to circumvent the limits set forth in item 1, above.
3. The appropriate department head shall prepare a scope of work consistent with budget and project authorization of the City Council. The Request for Proposal (RFP) shall outline the City requirements and project description. The list of solicited firms will be drawn from firms who, in the opinion of the Purchasing Officer, can perform the work. A Request for Qualifications may first be necessary if the required services are particularly specialized or if the qualifications of the available consultants are unknown. The list of solicited firms may be limited to a minimum of 3 to 5 due to time constraints or specialties involved.
4. The initial review of proposals shall be conducted by a panel, selected by the Purchasing Officer, who shall make a recommendation regarding which consultants should be invited to interview.

Formal interviews (for Contracts of \$25,000 or more) will be conducted by a committee which deals with the subject matter of the proposal or an ad hoc committee shall be formed to conduct the oral interviews for selected consultants. The committee will make a recommendation to the Purchasing Officer for final selection.

5. Qualifications should be the determining factor in the selection of a professional consultant. Staff shall then negotiate the final fee based upon the agreed scope of work.
6. Consultants shall comply with all regulations and laws dealing with conflict of interest disclosure and reporting. Consultants shall not be engaged if a conflict of interest exists.

B. Selection of Consultants for Professional Services for Continuing Services:

1. Professional firms providing engineering, land surveying, transit, planning, environmental, auditing, landscape architecture or other services may be retained on a continuing basis to provide professional services. The department head, with the approval of the Purchasing Officer may contract on a project-by-project or on a retainer basis for additional work/services without going through the RFP and selection process. Every three-five years these arrangements shall be reviewed and every effort shall be made to receive proposals from at least three consultants to perform the same services. This is to ensure the City is receiving "best value."

SUBSECTION 12 – SURPLUS PROPERTY

The Purchasing Officer is responsible for the transfer and disposition of surplus City property. "Surplus property" is used generically to describe any City property that that is no longer needed or useable by the holding department. The Purchasing Officer has the authority to declare item(s) surplus.

Surplus property that may result from the termination of a lease agreement shall be specifically reported to the Purchasing Officer prior to the termination of the lease. The report shall include all information about the lease, including purchase price at the commencement of the lease, residual value at the end of the lease, the total payments through the end of the lease and the fair market value at the end of the lease. In determining the fair market value, each department shall document the methods used to make such determination including tools such as Kelly Blue Book, classified advertisements, and local vendors with similar products available.

Each department shall periodically review its equipment, material, and inventory, and shall promptly notify the Purchasing Department of any surplus property.

A. Methods of Disposition

The Purchasing Officer shall determine or approve one of the following methods of disposition that is most appropriate and in the best interests of the City.

1. Transfer to another department

Surplus property may be transferred between City departments. Departments wishing to transfer surplus property to or from another department shall complete the Surplus Property Form and submit it to the Finance Department for review.

2. Trade-In

Property declared as surplus may be offered as a trade-in for credit toward the acquisition of new property. All trade-in offers will be submitted for the review and approval of the Purchasing Division. If surplus property is to be applied to a Purchase Order, the trade-in value shall be itemized on the Purchase Order. The amount charged against the expenditure account will be the value of the purchase before application of the trade-in credit. The trade-in amount will be accounted for by the Finance Department.

3. Return to Manufacturer

Surplus property may, when possible, be returned to the manufacturer for buy-back or credit toward the purchase of new property.

4. Disposal

Surplus property may be offered for sale by the Purchasing Officer. All surplus property is for sale “as is” and “where is”, with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability or the property offered for sale. Appropriate methods of sale are as follows:

- (a) Public Auction – Surplus property may be sold at public auction, including those on-line. Public Auctions may be conducted by City staff, or the City may contract with a professional auctioneer including professional auction services.
- (b) Sealed Bids – Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
- (c) Selling for Scrap – Surplus property may be sold as scrap if the Purchasing Officer deems that the value of the raw material exceeds the value of the property as a whole.
- (d) Negotiated Sale – Surplus property may be sold outright if the Purchasing Officer determines that only one known buyer is available or interested in acquiring the property.
- (e) No Value Item – Where the Purchasing Officer determines that specific supplies or equipment are surplus and of minimal value to the City due to spoilage, obsolescence or other cause or where the Purchasing Officer determines that the cost of disposal of such

supplies or equipment would exceed the recovery value, the Purchasing Officer shall dispose of the same in such a manner as he or she deems appropriate and in the best interest of the City.

(f) Donation – Occasionally.

B. Proceeds

Proceeds from the sale or trade-in of surplus property shall be returned to the General Fund.

SUBSECTION 13 – FEDERAL PROCUREMENT STANDARDS

Federal Procurement Standards Regulations 2 CFR 200.317 through 200.326, *Procurement Standards*, shall be incorporated herein by reference to the Purchasing Guidelines. Please See Addendum #1 – Federal Procurement Standards, dated June 30, 2019, and Addendum #2 – Federal Procurement Standards Checklist.

This subsection incorporates updates from the *2018 National Defense Authorization Act (NDAA)* enacted on December 12, 2017 effective upon the issuance of *OMB Memorandum M-18-18* issued June 20, 2018.

Equal Employment Opportunity: Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60–1.3 must include the equal opportunity clause provided under 41 CFR 60–1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964–1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

**CITY OF MERIDEN
PURCHASING GUIDELINES
SUBSECTION 13, ADDENDUM #1
FEDERAL PROCUREMENT STANDARDS
JUNE 30, 2019**

Office of Management and Budget’s (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”).

As part of the Federal Single Audit Report each fiscal year, the City’s independent auditors report on the City’s compliance under each major federal program, on its internal controls over compliance, and on its schedule of expenditures of federal awards as required by the Office of Management and Budget’s (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and in accordance with the auditing standards applicable to financial audits issued by the Comptroller General of the United States. Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

New guidance has been issued after an extended grace period which requires recipient and sub-recipient organizations to align their procurement policies and procedures to comply with the new Federal Grant procurement requirements. An entity with a fiscal year ending on June 30 will be required to implement the Uniform Guidance procurement standards on July 1, 2018 and be in compliance for their June 30th, 2019 year end audit. This Article incorporates updates from the **2018 National Defense Authorization Act (NDAA)** enacted on December 12, 2017 effective upon the issuance of **OMB Memorandum M-18-18** issued June 20, 2018. This **Addendum** confirms the City’s compliance with Uniform Guidance through its Purchasing Policies and procurement practices, and other practices, policies and procedures.

OMB #	Uniform Guidance	City Policy Reference(s)
200.318 (a)	<p>General procurement standards.</p> <p>(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.</p>	<p>City Procurement Policy & Procedures:</p> <ul style="list-style-type: none"> • “<i>Purchasing Guidelines</i>”
200.318 (b)	<p>(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.</p>	<p>As a practice, City staff maintain oversight over all contractors.</p>
200.318 (c) (1)	<p>(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</p>	<p>City Policy / Employee Handbook:</p> <ul style="list-style-type: none"> • “<i>Code of Ethics</i>” • “<i>Meriden Policies Sections</i>”: <ul style="list-style-type: none"> - <i>Disciplinary Action, Suspension...</i> - <i>Nepotism Policy</i>

SUBSECTION 13, ADDENDUM 1– FEDERAL PROCUREMENT STANDARDS
 UNIFORM GUIDANCE COMPLIANCE MATRIX – CITY OF MERIDEN

OMB #	Uniform Guidance	City Policy Reference(s)
	<p>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.</p>	
200.318 (c) (2)	<p>(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.</p>	Not applicable.
200.318 (d)	<p>(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.</p>	<p>City Procurement Policy & Procedures:</p> <ul style="list-style-type: none"> • <i>“Purchasing Policy”</i> <ul style="list-style-type: none"> ○ <i>Subsection 7(C)</i>

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200.318 (e)	(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.	As a practice, the City encourages cooperative purchasing and the use of inter-local agreements with the State of Connecticut or neighboring municipalities and/or other governmental cooperatives when feasible, cost effective and deemed in the best interest of the City.
200.318 (f)	(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.	As a practice, the City reviews surplus property and second hand products and equipment and determines if the purchase of these products is feasible and cost effective. The City will comply with this requirement as applicable.
200.318 (g)	(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.	<p>The City’s “Information to Bidders” Section 4. <i>“Bidders are to examine all documents and visit the site and shall make a thorough examination of the conditions so that he may familiarize himself with all of the existing conditions and difficulties... so that he may determine the amount of work necessary to carry out the true intent of the specifications...”</i></p> <p>When and where possible the City shall incorporate value engineering into the projects specified herein as deemed in the Town’s best interest.</p>
200.318 (h)	(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.	<p>City Procurement Policy & Procedures:</p> <ul style="list-style-type: none"> • “Purchasing Guidelines” <ul style="list-style-type: none"> ○ Subsection 7(H) • “Information to Bidders” <ul style="list-style-type: none"> ○ Section 3 Bidder Qualifications <p>The City will award the bid to the lowest responsible and responsive qualified bidder.</p>
200.318 (i)	(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 City’s Purchasing department maintains bid files and documentation for all of the City’s solicitations in accordance with City procedures and with the State of Connecticut records retention laws.

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200.318 (j)	(j) 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.	As a practice, City departments have the flexibility to consider and recommend time and material type contracts when it is determined to benefit the City. The City will comply with this requirement as applicable.
200.318 (k)	(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.	The City’s Standard Agreement form includes language outlining in the event of any dispute concerning the work, the City’s judgment shall be final.
200.319 (a)	<p>Competition.</p> <p>(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, <u>contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.</u></p>	This requirement will be included in any bid specification for purchases procured with Federal grant funding.
200.319 (a) (1)	(a) (1) Placing unreasonable requirements on firms in order for them to qualify to do business;	The City’s procurement process includes requirements that provide for full and open competition.
200.319 (a) (2)	(a) (2) Requiring unnecessary experience and excessive bonding;	The City’s procurement process includes requirements that provide for full and open competition. Standard bonding requirements are included, as required - (10% bid bond and 100% Payment and Performance bonds).
200.319 (a) (3)	(a) (3) Noncompetitive pricing practices between firms or between affiliated companies	City Procurement Policy & Procedures: <ul style="list-style-type: none"> • “<i>Non-Collusive Bid Statement</i>”
200.319 (a) (4)	(a) (4) Noncompetitive contracts to consultants that are on retainer contracts;	Firms on contract with the City have been selected through a competitive solicitation. These firms may be excluded from purchases procured with Federal grant funding or required to provide additional competitive quotations for these projects.

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OMB #	Uniform Guidance	City Policy Reference(s)
200.319 (a) (5)	(a) (5) Organizational conflicts of interest;	City Policy / Employee Handbook: <ul style="list-style-type: none"> • “Code of Ethics” • “Employee Handbook Sections”: - Nepotism Policy
200.319 (a) (6)	(a) (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	This requirement will be included in any bid specification for purchases procured with federal grant funding.
200.319 (a) (7)	(a) (7) Any arbitrary action in the procurement process.	The City’s procurement process seeks to prevent arbitrary actions or practices and promote full and open competition.
200.319 (b)	(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal 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 City’s local preference ordinance for procurement is only used for projects with 100% local funding. This requirement will be included in any bid specification for purchases procured with federal grant funding.
200.319 (c) (1, 2)	(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	The City’s procurement process includes requirements that provide for full and open competition. City Purchasing Guidelines: <i>Subsection 7: Purchasing Methods</i>

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	<p>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.</p>	
200.319 (d)	<p>(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.</p>	<p>City Purchasing Guidelines: <i>Subsection 11. Professional Consultant Selection</i> The City of Meriden maintains On-Call lists that include an adequate number of qualified sources, and require a new competitive process every three to five years.</p>
200.320 (a)	<p>Methods of procurement to be followed.</p> <p>The non-Federal entity must use one of the following methods of procurement.</p> <p>(a) Procurement by micro-purchases. (less than \$3000) 2018 NDAA increased the threshold to (less than \$10,000) Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, <u>the non-Federal entity must distribute micro-purchases equitably among qualified suppliers.</u> Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.</p>	<p>City Purchasing Guidelines: <i>Subsection I. General Purchases, A – Over-the-Counter.</i> <i>The City of Meriden threshold for micro-purchases complies – Less than \$10,000.</i></p>

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OMB #	Uniform Guidance	City Policy Reference(s)
200.320 (b)	<p>(b) Procurement by small purchase procedures. (\$3,500–\$150,000) 2018 NDAA increased the threshold to: (\$10,000 - \$250,000) 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 <i>Simplified Acquisition Threshold</i>. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.</p>	<p>City Purchasing Guidelines: <i>Subsection I. General Purchases, B – Open Market.</i> <i>The City of Meriden threshold for small purchases complies - \$10,000 - \$24,999.</i></p>
200.320 (c) (i – iii)	<p>(c) Procurement by sealed bids (formal advertising). (Over \$150,000) 2018 NDAA increased the threshold to: (Over \$250,000) Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to 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.</p> <p>(1) In order for sealed bidding to be feasible, the following conditions should be present:</p> <p>(i) A complete, adequate, and realistic specification or purchase description is available;</p> <p>(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and</p> <p>(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.</p> <p>(2) If sealed bids are used, the following requirements apply:</p> <p>(i) Bids must be solicited from an adequate number of known suppliers,</p>	<p>City Purchasing Guidelines: <i>Subsection I. General Purchases, C – Formal Bids or Proposals.</i> <i>The City of Meriden threshold for sealed bids complies - \$25,000 or over.</i></p>

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	<p>providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;</p> <p>(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;</p> <p>(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;</p>	
200.320 (c) (iv – v)	<p>(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.</p> <p>(v) Any or all bids may be rejected if there is a sound documented reason.</p>	<p>City Purchasing Guidelines: <i>Subsection 7.H.2. – Rejection of Bids</i></p>
200.320 (d)	<p>(d) Procurement by competitive proposals (RFP's). (Over \$150,000). 2018 NDAA increased the threshold to (Over \$250,000). 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:</p> <p>(1) Requests for proposals must be publicized <u>and identify all evaluation factors and their relative importance.</u></p> <p>Any response to publicized requests for proposals must be considered to the maximum extent practical;</p>	<p>City Purchasing Guidelines: <i>Subsection 11: Professional Consultant Selection.</i> The City of Meriden threshold for sealed bids complies - \$25,000 or over.</p>

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	(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	
200.320 (d) (5)	(d) (5) The non-Federal entity may use competitive proposal procedures for qualifications (RFQ’s) based procurement of 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. <u>The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services.</u> It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.	City Purchasing Guidelines: <i>Subsection 11: Professional Consultant Selection</i> This requirement will be included in any bid specification for purchases procured with Federal grant funding.
200.320 (f)	(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 pass-through 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.	City Purchasing Guidelines: <i>Subsection 7.E – Sole Source Purchases</i> <i>Subsection 7.F – Emergency Purchases</i> Written pre-approval shall be obtained from the Federal Awarding Agency, prior to award of a sole-source procurement.

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200.321 (a) (b) (1-6)	<p>Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms.</p> <p>(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.</p> <p>(b) Affirmative steps must include:</p> <ul style="list-style-type: none"> (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. 	<p>All City of Meriden Procurement Solicitations include the following language: <i>“The City of Meriden is an Affirmative Action/Equal Opportunity Employer. Small, Minority, Women and Disadvantaged Business Enterprises are encouraged to respond.</i></p> <p>As outlined in number 6 of the affirmative steps, this requirement will further be included in any bid specification for purchases procured with Federal grant funding, just as the similar State of CT CHRO Set-Aside requirements are included in any bid specification for purchases procured with greater than \$50,000 of State funding.</p>

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OMB #	Uniform Guidance	City Policy Reference(s)
200.322	<p>Procurement of recovered materials.</p> <p>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 during 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.</p>	Not applicable.
200.323 (a)	<p>Contract cost and price.</p> <p>(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 procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.</p>	As a practice, City user departments complete a cost analysis during the Budget process and/or prior to the procurement process.

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200.323 (b)	<p>(b) The non-Federal entity must negotiate profit as a separate element of the price for <u>each contract in which there is no price competition and in all cases where cost analysis is performed</u>. 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.</p>	<p>This requirement will be included in any bid specification for purchases procured with Federal grant funding.</p>
200.323 (c-d)	<p>(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.</p> <p>(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.</p>	<p>The City will comply as required by the funding authority.</p>
200.324 (a-c)	<p>Federal awarding agency or pass-through entity</p> <p>(a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through 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</p>	<p>The City will comply as required by the funding authority.</p>

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	<p>have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.</p> <p>(b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:</p> <ul style="list-style-type: none"> (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. <p>(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</p>	

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	<p>procurement systems comply with the standards of this part.</p> <p>(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 high-dollar funding, and third party contracts are awarded on a regular basis;</p> <p>(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.</p>	
200.325 (a-c)	<p>Bonding requirements.</p> <p>For construction or facility improvement contracts or sub contracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through 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:</p> <p>(a) A bid guarantee from each bidder equivalent to five percent of the bid</p>	<p>The City will comply as required by the funding authority regarding Bid Bond requirements.</p> <p>City of Meriden Purchasing Guidelines comply or exceed Performance and Payment Bond Requirements.</p>

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	<p>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.</p> <p>(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.</p> <p>(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.</p>	
200.326	<p>Contract provisions.</p> <p>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.</p>	The City will comply as required by the funding authority
Appendix II (A)	<p>(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, 2018 NDAA increased the threshold to (\$10,000 - \$250,000) which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate</p>	The City will comply as required by the funding authority.

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Appendix II (B)	(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.	The City will comply as required by the funding authority.
Appendix II (C)	(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60–1.3 must include the equal opportunity clause provided under 41 CFR 60–1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964–1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”	City Purchasing Guidelines: <i>Subsection 24 – Federal Procurement Standards</i>
Appendix II (D) Davis Bacon Act	(D) Davis-Bacon Act, as amended (40 U.S.C. 3141–3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions applicable to Contracts Covering Federally Financed and Assisted Construction”).	The City will comply as required by the funding authority.
Appendix II (D) Copeland Anti-Kickback Act	The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the	The City will comply as required by the funding authority.

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	<p>United States’). The Act provides that each contractor or sub-recipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.</p>	
Appendix II (E)	<p>(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.</p>	The City will comply as required by the funding authority.
Appendix II (F)	<p>(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or sub-recipient</p>	The City will comply as required by the funding authority.

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OMB #	Uniform Guidance	City Policy Reference(s)
	<p>wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or sub-recipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.</p>	
Appendix II (G)	<p>(G) Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387), as amended—Contracts and sub-grants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).</p>	<p>The City will comply as required by the funding authority.</p>
Appendix II (H)	<p>(H) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).</p>	<p>The City will comply as required by the funding authority.</p>
Appendix II (I)	<p>(I) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide Excluded Parties List System in the System for Award Management (SAM), in accordance with the</p>	<p>The City will comply as required by the funding authority.</p>

SUBSECTION 13, ADDENDUM 1– FEDERAL PROCUREMENT STANDARDS
 UNIFORM GUIDANCE COMPLIANCE MATRIX – CITY OF MERIDEN

OMB #	Uniform Guidance	City Policy Reference(s)
	<p>OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), “Debarment and Suspension.” The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.</p>	
Appendix II (J)	<p>(J) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.</p>	The City will comply as required by the funding authority.
Appendix II (K)	<p>(K) See § 200.322 Procurement of recovered materials below: Procurement of recovered materials. 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</p>	Not Applicable

SUBSECTION 13, ADDENDUM 1- FEDERAL PROCUREMENT STANDARDS
 UNIFORM GUIDANCE COMPLIANCE MATRIX – CITY OF MERIDEN

OMB #	Uniform Guidance	City Policy Reference(s)
	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 during 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.	

**CITY OF MERIDEN
PURCHASING GUIDELINES
SUBSECTION 13, ADDENDUM #2
FEDERAL PROCUREMENT STANDARDS
CHECKLIST**

PROJECT # _____
PROJECT NAME _____

Item #	Section of Code	Description	Y	N
1	200.318 –200.326	<p>Does this project involve Federal Funds?</p> <ul style="list-style-type: none"> • Obtain a copy of the correspondence from the awarding authority for the grant. If yes proceed to Item 2. • If State Grant, verify if grant is a Federal pass-thru. If Federal pass thru proceed to Item 2. 		
2	200.318 (b)	<p>Has a project manager been designated to maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders?</p>		
3	200.318 (d)	<ul style="list-style-type: none"> • Determine if the acquisition will result in duplicative items. • Consolidate or break out procurement to obtain a more economical purchase where possible. • Determine Lease vs. Purchase 		
4	200.318 (f)	<p>Can Federal, State or Other surplus be used for the project to reduce project costs?</p>		
5	200.318 (a) 200.318 (e) 200.318 (j) 200.319 (a) (4) 200.320 (a) 200.320 (b) 200.320 (c) (i – iii) 200.320 (c) (iv – v) 200.320 (d) 200.320 (d) (5) 200.320 (f)	<p>Determine Procurement Delivery Method based upon the level of spend: (Circle all that apply)</p> <ul style="list-style-type: none"> • Micro Purchase (Less than \$10,000) • Small Purchase –Simplified Acquisition (\$10,000 - \$250,000) • Sealed Bid (Over \$250,000) • Competitive RFP (Over \$250,000) <p><u>Note: The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services.</u></p> <ul style="list-style-type: none"> • Sole Source – Noncompetitive Proposal • Cooperative Government Contract or Inter-local agreement with other government agencies to foster greater economy and efficiency. • Time and Material Bid ** • Non-Competitive Contracts to firms on retainer. ** 		

6	200.318 (i)	Have detailed records for the procurement been maintained for reimbursement purposes? ie. Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. Copies of all paperwork.		
7	200.318 (g)	If this is a construction project: Have Value Engineering Clauses been incorporated into the specifications?		
8	200.318 (h)	Has the contractor been verified as a responsible contractor possessing the ability to perform successfully? Have debarment lists been checked prior to any award?		
9	200.319 (a)	If a contractor assisted to develop or draft the specifications, have they been <u>excluded</u> from the competitive solicitation process?		
10	200.319 (a) (6)	Have we complied with <u>not specifying</u> a “brand name” product for the project, unless used as a standard for an approved equivalent?		
11	200.319 (d)	If the procurement requires DAS pre-qualification, has the pre-qualified list of contractors been verified to ensure maximum open and free competition?		
12	200.321 (a) (b) (1-6)	Have MWBE goals been incorporated into the project? **		
13	200.323 (a)	Has a cost analysis been performed <u>prior to bidding</u> the project for those projects that exceed the Simplified Acquisition Threshold? (\$10,000 - \$250,000) Including any Contract Modifications. Has a copy been retained?		
14	200.323 (b)	For contracts where there is no price competition (sole source) Has profit been identified as a separate element of the price to allow for negotiation. **		
15	200.324 (a-c)	Has the Federal awarding authority been notified of the procurement and approved the bidding documents, any addenda, and award to the apparent low bidder? Depending on the awarding authority there may be approval check points at various steps in the process.		
16	200.325 (a-c)	Have the required bonds been incorporated into the project?		
17	200.326 Appendix II A-K	Have the bid documents and contracts included the applicable provisions described in Appendix II. **		

**** See Federal Guidelines for additional information.**