

# Procurement (Purchasing Procedures)

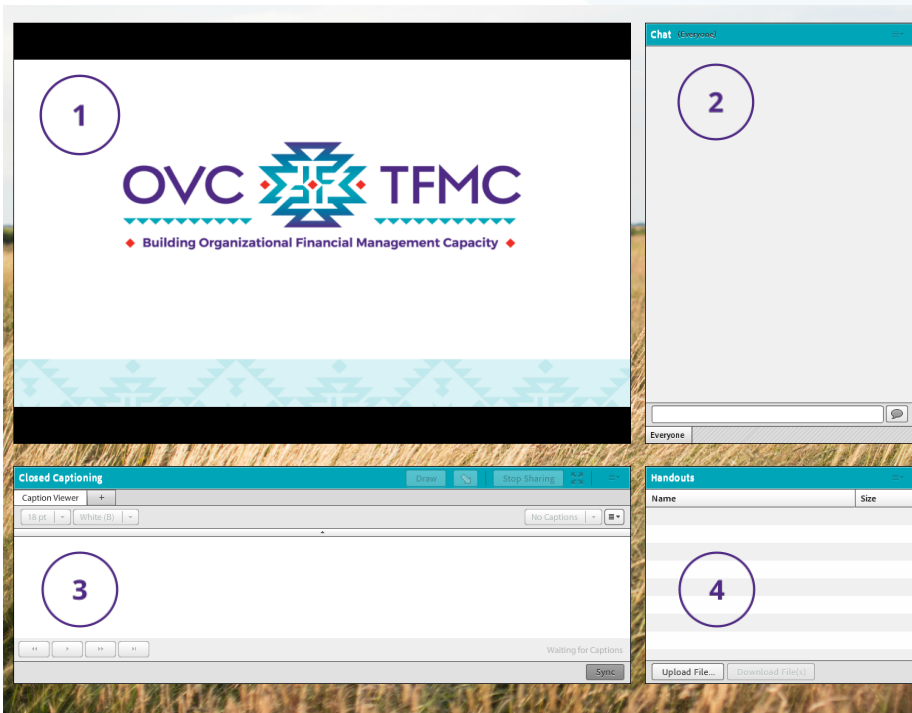
Webinar 5

Presenters:

Tamara Fulwyler, MPH (Chickasaw), Financial Management Specialist  
April Bird, (Eastern Band of Cherokee Indians), Financial Specialist



# Using Adobe Connect



1. Presentation
2. Chat/Q&A
3. Closed Captioning
4. Handouts



# Webinar Producer



**Maribel Martinez**  
Katy, TX



# Webinar Presenters



**Tamara Fulwyler, MPH (Chickasaw)**

Financial Management  
Subject Matter Expert  
Puyallup, WA



**April Bird  
(Eastern Band of Cherokee Indians)**

Financial Specialist  
Cherokee, NC



# Learning Objectives

Upon completion of this webinar, you will be able to:

- ◆ Describe what procurement is and why it matters
- ◆ Explain why a procurement policy is necessary
- ◆ Identify methods of procurement
- ◆ Identify special procurement issues in Indian Country



# OVC Tribal Financial Management Center





# Training and Technical Assistance (TTA) Approach

- ◆ Individualized virtual and onsite TTA sessions
- ◆ Virtual Support Center consults
- ◆ Webinars
- ◆ Peer-sharing web forums
- ◆ Regional workshops
- ◆ Learning Circles
- ◆ Financial Management Needs assessments



# OVC TFMC Virtual Support Center (VSC)

- ◆ Provide OVC tribal grantees with financial grant management support and information
- ◆ OVC tribal grantees may submit questions and/or requests for technical assistance to the VSC



## Contact Us

Email: [TFMC@OVCTFMC.org](mailto:TFMC@OVCTFMC.org)

Phone: [703.462.6900](tel:703.462.6900)

Website: [OVCTFMC.org](http://OVCTFMC.org)





# Hand Raise Question #1

Raise your hand if you have used  
the OVC TFMC Virtual Support  
Center





# OVC TFMC Virtual Support Center (VSC)

Hours of Operation: Monday – Friday

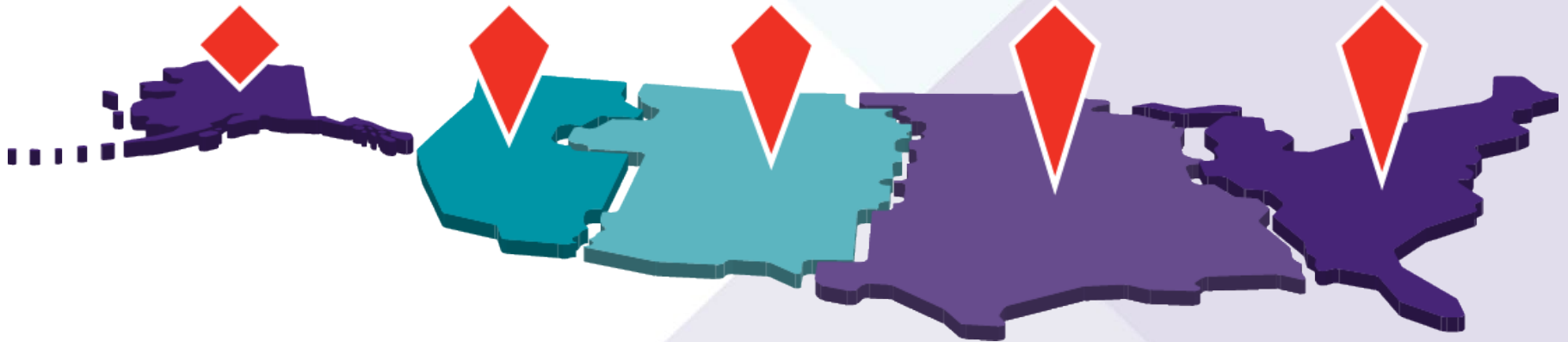
Alaska  
8 a.m.–3 p.m.

Pacific  
9 a.m.–4 p.m.

Mountain  
10 a.m.–5 p.m.

Central  
11 a.m.–6 p.m.

Eastern  
12 p.m.–7 p.m.



Closed on Federal Holidays.

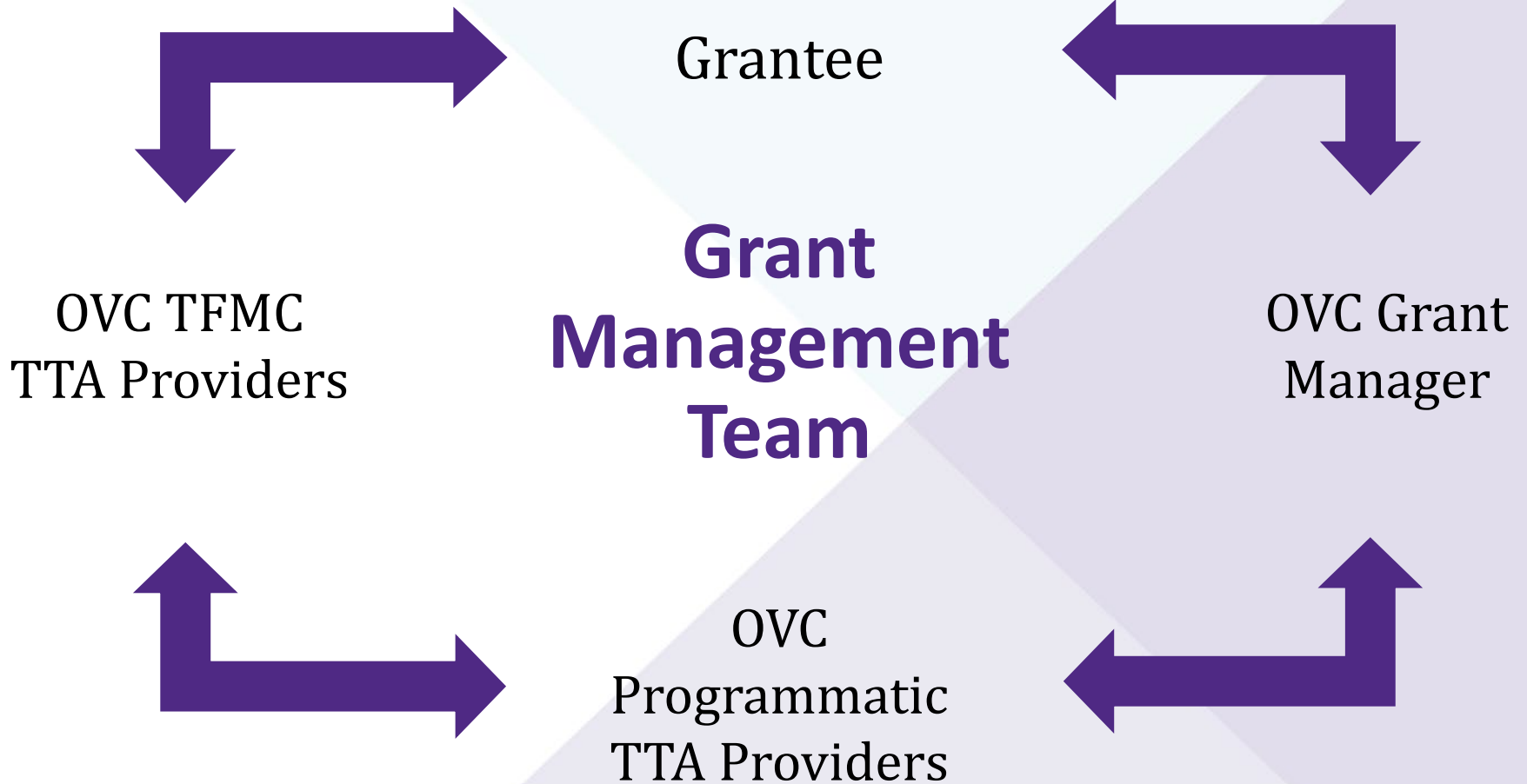
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# Our Promise: Cultural Humility

We commit to learning about each tribal community and to interact with respect for their diverse cultures, practices, and traditions.







# Chat Box Question #1

What's another word for procure?

Type it into the chat box.





# What is Procurement?

- ◆ Purchasing goods and services
- ◆ Setting up vendors and contractors
- ◆ Setting payment terms





# Why Does Procurement Matter?

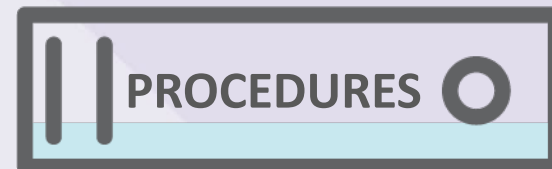
As a recipient of federal funds, it is important for you to know the rules governing the way you purchase goods and services.





# What is Special About Procurement Using Federal Grant Funding?

- ◆ Written procurement policies and procedures required
- ◆ At a minimum, follow with 2.C.F.R. 200.318 through 200.326







## Hand Raise #2

Do you have a “bidder’s list?”

Raise your hand if you do.





# How To Get “Full And Open” Competition?

2 CFR 200 Part 200.319  
requires all procurement  
transactions be conducted in  
a manner that provides full  
and open competition.





## Chat Box Question #2

Give one reason why a procurement policy is necessary.  
Type it into the chat box.





# Why is a Procurement Policy Necessary?

- ◆ Avoids supplanting
- ◆ Creates compliant processes
- ◆ Safeguards assets
- ◆ Ensures a competitive environment
- ◆ Protects tribal preference
- ◆ Avoids conflict of interest
- ◆ Determines internal controls
- ◆ Defines roles and responsibilities



# What are the Essential Elements of an Effective Procurement Policy?



**Process**



**Guidelines**



**Internal Controls**



## Poll Question #1

How often are your procurement policies reviewed and updated?

- ◆ Yearly
- ◆ As needed
- ◆ Every other year
- ◆ Other





# Topics a Procurement Policy Might Include:

- ◆ Allowable goods and services
- ◆ Approvals and authorizations
- ◆ Capitalization of assets
- ◆ Conflict of interest/employee conduct
- ◆ Credit card purchases
- ◆ Criteria for vendors/contractors vs. subrecipients
- ◆ Emergency purchases
- ◆ Honoraria



# Topics a Procurement Policy Might Include: *(Continued)*

- ◆ Independent contractors – small projects roster
- ◆ Indian Preference/Tribal Employment Rights Office (TERO) – business preference
- ◆ Internal audits of procurement system
- ◆ Internet purchases
- ◆ Procurement of equipment and bulk items
- ◆ Simplified acquisition threshold





# Topics a Procurement Policy Might Include: *(Continued)*

- ◆ Solicitations for goods and services
  - ◆ Micro-purchases threshold
  - ◆ Small purchases
  - ◆ Sealed bids
  - ◆ Competitive proposals





# Topics a Procurement Policy Might Include: *(Continued)*

- ◆ Used equipment or fixtures
- ◆ Property management and disposal at closeout
- ◆ Restrictions on use of procurement system





## Chat Box Question #3

What are some services you contract for, either sole source or competitive?

Type them in the chat box.





# Methods of Procurement

- ◆ Micro-purchases/threshold \$10,000
- ◆ Small purchases
- ◆ Sealed bids
- ◆ Competitive proposals
- ◆ Non-competitive proposals (sole source)





# Sole Source Requirements to Note:

- ◆ The item or service is only available from a single source
- ◆ A true emergency exists; lack of planning from delivery or funding viewpoint is not sufficient to justify a noncompetitive procurement
- ◆ After a competitive solicitation, competition is considered inadequate
- ◆ Provide verifiable facts

Sole Source Justification Sample Outline

| Paragraph | Content   |
|-----------|---|
| 1         | Brief description of program and the product or service being procured, to include the expected procurement amount.   |
| 2         | Explanation of why it is necessary to contract non-competitively, including at least one of the four circumstances listed above. The justification may also include the following contractor qualities: <ul style="list-style-type: none"><li>a. Organizational expertise</li><li>b. Management</li><li>c. Knowledge of the program</li><li>d. Responsiveness</li><li>e. Expertise of personnel</li></ul> |

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### III. Postaward Requirements

#### 3.8 PROCUREMENT UNDER AWARDS OF FEDERAL ASSISTANCE

|   |   |
|---|---|
| 3 | Description of and the results of any market survey or research conducted to help determine whether a full and open competition consistent with applicable law could be conducted (or, if no market survey or research was conducted, explain why not).                     |
| 4 | Statement of when contractual coverage is required and, if dates are not met, what impact it will have on the program (for example, how long it would take another contractor to reach the same level of competence). Make sure to include the financial impact in dollars. |
| 5 | Other points to "sell the case."  |
| 6 | Declaration that this action is in the "best interest" of the grantor agency and/or the Federal Government.   |
| 7 | Conflict of Interest Review   |

**Note:** Time constraints will not be considered a factor if the award recipient has not sought competitive bids in a timely manner.



# Sole Source Justification Details:

- ◆ Explain the timeframe and include any potential impact for missing targets or deadlines
- ◆ Make a declaration that this action is in the “best interest” of the grantor agency and/or the federal government
- ◆ Provide a statement about completing a conflict of interest review for the procurement

Sole Source Justification Sample Outline

| Paragraph | Content   |
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## Chat Box Question #4

Give one tip for successful procurement.

Type it into the chat box.





# Tips For Successful Procurement

- ◆ Document
- ◆ Make reasonable requirements for your competitive purchases, for example, don't require excessive experience or bonding
- ◆ Pay attention to possible organizational conflicts of interest, such as buying goods from a family member
- ◆ Learn about (and practice) checking the [System for Award Management \(SAM\) Federal Contractor Registry Status Check](#), frequently referred to as the “debarment list”





# Tips For Successful Procurement

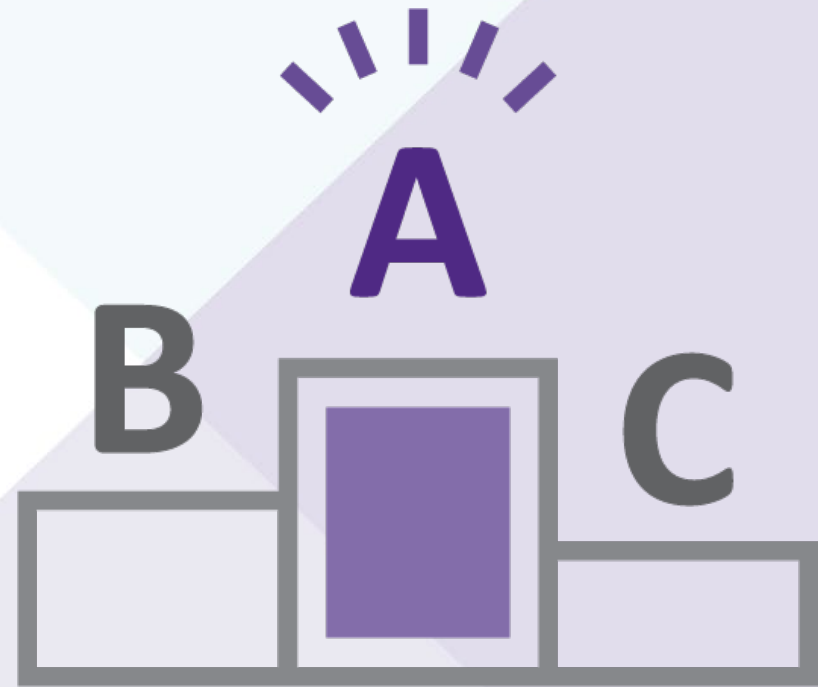
## *(continued)*

- ◆ If your tribal entity has a purchasing department or purchasing manager/accountant, ask them about any “shared goods services” available to you
- ◆ Document competition
- ◆ Obtain prior sole source approval
- ◆ Document (*Yes, we’ve said this three times on this list. It’s critical!*)



# Cost And Price Analysis

- ◆ Compare price, quality, and/or performance of “brand” name items with equivalent items
- ◆ Compare lease to purchase costs for equipment as sometimes leasing is more economical





## Chat Box Question #5

What are some procurement challenges in Indian Country?

Type them into the chat box.

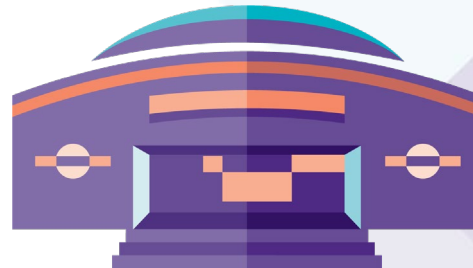




# Special Procurement Issues in Indian Country



**Indian Preference**  
(OVC TFMC Financial  
Policy and Procedure  
Guide Sheet)



**Tribal Employment Rights  
Ordinance**



**Veterans Preference  
Minority/Women-  
Owned Preference**



# Summary

Having completed this webinar, you will now be able to:

- ◆ Describe what procurement is and why it matters
- ◆ Explain why a procurement policy is necessary
- ◆ Identify methods of procurement
- ◆ Identify special procurement issues in Indian Country



# Questions and Answers

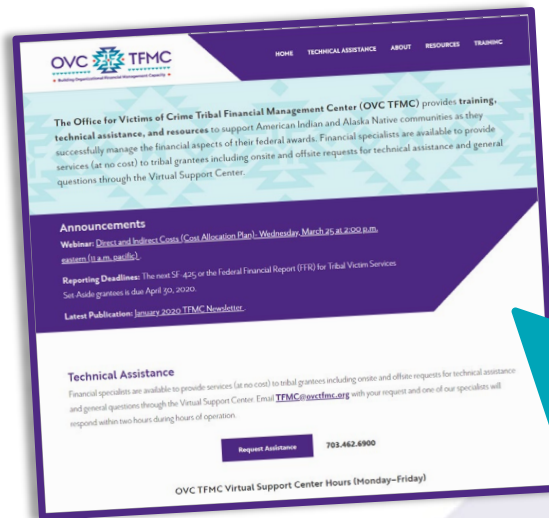
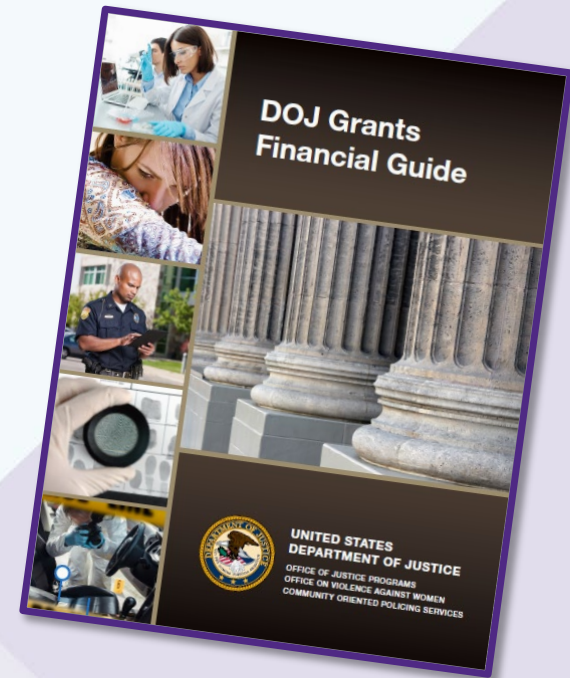


**Submit your questions via the Chat Box**



# Resource Highlights

Click to view and download the [DOJ Grants Financial Guide](#).



Visit and bookmark [OVCTFMC.org](#) for webinar videos and resources, event registrations, Financial Policy and Procedure Guide Sheets, and additional support resources.



# Resources

- ◆ **2 CFR §200.67 Micro-purchase.** <https://www.govinfo.gov/content/pkg/CFR-2019-title2-vol1/xml/CFR-2019-title2-vol1-sec200-67.xml>
- ◆ **2 CFR §200.88 Simplified acquisition threshold.** <https://www.govinfo.gov/content/pkg/CFR-2019-title2-vol1/xml/CFR-2019-title2-vol1-sec200-88.xml>
- ◆ **2 CFR §200.317 through 2 CFR §200.326 (Procurement Standards).** [https://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1#se2.1.200\\_1317](https://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1#se2.1.200_1317)
- ◆ **2 CFR §200.318 General procurement standards.** <https://www.govinfo.gov/content/pkg/CFR-2019-title2-vol1/xml/CFR-2019-title2-vol1-sec200-318.xml>
- ◆ **2 CFR §200.319 Competition.** <https://www.govinfo.gov/content/pkg/CFR-2019-title2-vol1/xml/CFR-2019-title2-vol1-sec200-319.xml>





# Resources

- ◆ **DOJ Grants Financial Guide.** [https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/DOJ\\_FinancialGuide.pdf](https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/DOJ_FinancialGuide.pdf)
- ◆ **Guide to Procurements Under DOJ Grants and Cooperative Agreements.** [https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/New\\_Procurement\\_Guide\\_0.pdf](https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/New_Procurement_Guide_0.pdf)
- ◆ **Office of Justice Programs Checklist to Determine Subrecipient or Contractor Classification.** <https://www.ojp.gov/training/pdfs/Subrecipient-Procure-cklist-B.pdf>
- ◆ **New Procurement Rules Clarified By OMB.** <https://blog.myfedtrainer.com/new-procurement-rules-clarified-by-omb/>
- ◆ **OVC TFMC Financial Policies and Procedures Guide Sheets . Procurement and Lease vs. Purchase**
- ◆ **OVC TFMC Budgets Webinar.** <https://mailchi.mp/ovctfmc/webinars>
- ◆ **Procurement Microlearning.** <https://mailchi.mp/ovctfmc/trainings>



# OVC TFMC Offerings Planned for 2020

- ◆ **August** – Virtual Learning Circle – Alaska Regions
- ◆ **September** – Webinar #6: Budget Modifications/Reforecasting: Knowing your numbers
- ◆ **September** – Oklahoma Partners of Change Conference
  - ◆ Beyond the Grant: Sustaining Victim Services
  - ◆ Office for Victims of Crime: Tribal and State Program Updates
- ◆ **November** - Webinar #7: SF-425
- ◆ **November** – National Center for Victims of Crime – National Training Institute
  - ◆ Using Cultural Humility to Innovate Financial Management TA with Tribal Grantees



## Contact Us

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# Thank you for participating!