**Procurement Scenarios**

**Sole Source**

Leia wants to give a thank you gift to program volunteers with more than 5 years of service. She sees a handmade mug in the window of a local store and feels that it is a perfectly tasteful gift. And at $10 per mug, it is within her budget. She immediately purchases 10 mugs, because having a couple extra is always nice.

Did Leia’s purchase meet the sole source procurement standards?

*Answer: No, this did not meet the requirements for a sole source purchase noted in 2 CFR 200.320(f). However, for a purchase at this price point, bids or quotes are not required according to 2 CFR 200.320(a)*

How would you handle this under your current policy?

Would your approach be compliant with 2 CFR 200.317-326?

If not, how should you change your policy and/or procedure?

**Micro Purchase**

Rey operates AmeriCorps program BB-8 and wants to purchase all of her office supplies at the beginning of the year. She is ordering pens, folders, paper, badge holders, lanyards, highlighters, etc for a 100 member program. The most expensive item is cases of paper at $30 per case. The per-item cost of all other items is under $10. Rey submits the order list to the office manager. The office manager prefers buying from Binder Clip Office Supply because the delivery person takes everything to the supply closet for him. The total order comes to $4000.

Does this comply with the micro-purchase requirements?

*Answer: No, this does not comply with the micro-purchase requirements, since the current micro-purchase threshold is $3500. Also, be aware that an organization must adhere to 2 CFR 200.321.*

How would you handle this under your current policy?

Would your approach be compliant with 2 CFR 200.317-326?

If not, how should you change your policy and/or procedure?

**General Procurement**

R2D2 Disability Services built a new office and one of two ramps does not meet accessibility building codes. In order to make all entrances accessible, the company published a request for proposals in the local paper. The agency’s grand opening is on July 15th so the advertisement stipulates the ramp must be built within 30 days of the board decision on June 30th. R2D2 Disability Services received 5 bids. The lowest bid includes a completion date of July 5th. The board chooses the lowest bid because the proposed end date is still before the event.

Does the board’s decision meet the procurement standards?

*Answer: It is not possible to determine if the standards were met. Unless this were a sealed bid procurement, it may be important to bring factors other than price into the decision.*

How would you handle this under your current policy?

Would your approach be compliant with 2 CFR 200.317-326?

If not, how should you change your policy and/or procedure?

**Procurements by states**

You work for Admiral Natasi Daala within the Galactic Federation, as subset of the State of Texas government.   He recently was awarded his first Federal award. Admiral Daala is relieved about the news of his new Federal award mostly because he was sick of following the state’s procurement policies.  The state requires that he get three written bids for every purchase over $3000 which is such a hassle when he is in a rush to purchase supplies.  Luckily, with these new Federal funds he’ll be able to bypass this annoying step of obtaining written bids but he still knows he’ll be getting the best price for the supplies because SkyMart has consistently come in with the lowest price.

Is Admiral Daala’s logic sound?  Is he following the requirements of 2 CFR 200?

*Answer: Under 2 CFR 200, Admiral Daala must follow the state’s policies and procedures, meaning he is not allowed to choose instead to adhere to any less stringent Federal requirements.*

How would you handle this under your current policy?

Would your approach be compliant with 2 CFR 200.317-326?

If not, how should you change your policy and/or procedure?

**General Procurement Standards**

You work for Padawan, a small nonprofit that has always done things by the “book” including always avoiding real and perceived conflicts of interest. Your organization is engaged in awarding contracts to vendors with federal funds. One of your employee’s sisters, Ahsoka Tano, works for a vendor that has submitted a proposal to your organization. You notify your organization of this conflict of interest and recuse yourself from reviewing the proposal because you would never want there to be any risk of someone claiming that there was a conflict of interest. Your organization has always operated fairly but hasn’t felt the need to write down any policies about conflict of interest.

Is this organization following the requirements of 2 CFR 200?

*No, 200.318(c)(1) requires that written standards be maintained covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.*

How would you handle this under your current policy?

Would your approach be compliant with 2 CFR 200.317-326?

If not, how should you change your policy and/or procedure?