

THE ABCs OF PROCUREMENT

Procurement is the structured process schools use to purchase goods and services in a compliant, defensible way. When federal funding is involved, schools must be able to verify that costs are fair and reasonable, vendors are treated equitably, and purchasing decisions are transparent, consistent, and well-documented. Here are 3 key areas to keep in mind to protect your institution, preserve funding, and stay audit-ready:

A ACCOUNTABILITY

Your school should have a written procurement policy clearly defining:

- **Who** is authorized to make purchases
- **What** approvals are needed before funds are released
- **When** competitive bids or quotes are required
- **When** public advertising is required
- **How** vendors are evaluated and selected
- **What** records must be kept for audit purposes

Of course, simply *having* a policy is not enough. Maintenance and consistency is key. Informal, undocumented, or one-off purchasing decisions can create serious audit exposure and put funding at risk.

B BRACKETS

The larger your vendor contract's total value is, the more procurement requirements apply—so make sure you understand your school's unique requirements.

Requirements vary by purchase price:

Micro-Purchases (up to \$15,000)

- No formal bidding required
- Price must be reasonable for goods/service
- Distribute purchases among different vendors
- Maintain documentation justifying your purchases

Small Purchases (up to \$350,000)

- Solicit quotes from multiple vendors (minimum of 3)
- Obtain at least 2 responses
- Document the basis for your selection

Large Purchases (above \$350,000)

- Publicly advertise solicitations so vendors can submit formal bids
- Use a formal, documented bidding process
- Conduct evaluations through a review committee

C CONSISTENCY

Compliance means every purchase follows a clear, documented process—from planning to solicitation, evaluation, award, and renewal.

- **Planning** - Establish total contract value using historical spend and projected needs.
- **Responsibilities** - Assign purchasing duties among multiple staff members, such as requesting, approving, purchasing, receiving, and documenting goods/services.
- **Specifications** - Define scope, quantities, delivery expectations, and contract terms, including all applicable program and regulatory requirements.
- **Solicitation** - Give vendors uniform information, clear timelines, and defined evaluation criteria.
- **Evaluation** - Assess proposals by cost, quality, reliability, and program alignment. For formal procurements, use a consistent rating system.
- **Award & Contracting** - Select the most responsive and responsible vendor and execute a written agreement that includes all required provisions.
- **Documentation** - To ensure audit defensibility, maintain complete records of outreach, responses, and award decisions.
- **Review & Renewal** - Contracts are typically annual and renewable for up to 5 years. Re-solicit periodically to keep pricing and quality competitive.