

VI. Review Agency Contracting Processes

The following three pages are excerpts from the Capital Area Community Action Agency, Inc. Accounting & Financial Policies and Procedures Manual, adopted 06/01/08 with revisions as of 09/27/16, as approved by the Board. The excerpts, from 14 pages, deal primarily with purchasing and budgeting, particularly as they relate to the administrative fund source and to the Board. These topics are touched upon briefly in other sections of the manual as well. For a full copy of the Manual, please contact the CEO/ED. (Note: Section references are from Federal Regulations.)

From Pages 53 through 64, Purchasing Policies and Procedures:

The policies described in this section apply to all purchases made by Capital Area Community Action Agency, Inc.

The goal of these procurement policies is to ensure that materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal and State laws, rules, regulations and other applicable authority.

Responsibility for Purchasing

All department heads and/or their designees shall have the authority to initiate purchases on behalf of their department, within the guidelines described here.

The CFO/FD has approval authority over all purchases and contractual commitments, and the Chief Executive Officer shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Code of Conduct in Purchasing (Section 200.318)

Ethical conduct in managing the Organization's purchasing activities is absolutely essential.

- No officer, board member, employee, or agent must participate in the selection, award, or administration of a contractor if there is a real or apparent conflict of interest.
- Officers, board members, employees, and agents must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to sub-contracts.

Competition (Sections 200.319, 200.320)

In order to promote open and free competition, purchasers will:

- Be alert to any internal potential conflicts of interest.
- Be alert to any noncompetitive practices among contractors that may restrict, eliminate or restrain trade.
- Not permit contractors who develop specifications, requirements or proposals to bid on such procurements.

Procurement Procedures

The following are incorporated into Capital Area Community Action Agency, Inc.'s procurement procedures:

1. CACAA must avoid purchasing items that are unnecessary or duplicative. (200.318(d))
5. For all procurements in excess of \$5,000 CACAA must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following:
 - a. rationale for the method of procurement,
 - b. selection of contract type,

- c. contractor selection or rejection, and
 - d. the basis for the contract price.
7. A contract award must not be made to parties listed on the government-wide Excluded Parties List System in the System for Award Management (SAM). (Appendix II to Part 200).

Authorizations and Purchasing Limits (Section 200.320)

The following table displays required approvals and solicitations:

| Amount of Purchase | Required Approvals | Required Solicitation |
|---------------------------|--|--|
| <\$500 | Program Mgr., CFO/FD, Chief Executive Officer | For useful life >1year, 2 quotes |
| \$500<Purchase<\$2000 | Program Mgr., CFO/FD, Chief Executive Officer | At least 2 oral or written quotes |
| \$2000<Purchase<\$5,000 | Program Mgr., CFO/FD , Chief Executive Officer | At least 2 written quotes |
| \$5,000<Purchase<\$25,000 | Program Mgr., CFO/FD, Chief Executive Officer | 3 written bids, RFP or sealed bids depending on type of purchase |
| Purchases >\$25,000 | All of the above and Board of Directors | RFP or sealed bids depending on type of purchase |

The Chief Executive Officer is authorized to enter into any contract on behalf of Capital Area Community Action Agency, Inc. All contracts must be reviewed and approved by the Program Director and the Chief Financial Officer before approval from the Chief Executive Officer.

Required Solicitations from Contractors

Solicitations for goods and services should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. Descriptions must not contain features which unduly restrict competition. (200.319(c)(1))
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals (200.319(c)(2))
6. A description of the format, if any, in which proposals must be submitted, including the name of the person to whom proposals should be sent.
7. The date by which proposals are due.
8. Required delivery or performance dates/schedules.

Extensions of Due Dates and Receipt of Late Proposals

Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date.

Evaluation of Alternative Contractors

Contractors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology
2. Skill and experience of key personnel
3. Demonstrated experience
7. Contractor’s demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by contractor

9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority- or women-owned business status of contractor
12. Other criteria (to be specified by department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, the department responsible for the purchase shall establish the relative importance of the appropriate criteria prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms. (§200.321)

CACAA is committed to taking all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. (§200.321(a))

Procurement by Noncompetitive Proposals. (§200.320(f))

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.

From Pages 123 through 124, Financial Management Policies, Budgeting:

Overview

A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the Organization's programs and activities simultaneously in light of the available resources.

Preparation and Adoption

Capital Area Community Action Agency, Inc. will prepare an annual budget on the accrual basis of accounting.

It is the policy of Capital Area Community Action Agency, Inc. to adopt a final budget before the beginning of the Organization's fiscal year.

Budget Modifications

After a budget has been approved by the Board of Directors and adopted by the Organization, reclassifications of budgeted expense amounts of less than \$5,000 within a single department may be made by the Program Manager, with approval from the Chief Financial Officer/Finance Director. Reclassifications of budgeted expense amounts across departments of greater than \$5,000 but less than \$25,000 may be made only with approval of the Chief Executive Officer.

Reclassifications in excess of the preceding thresholds, and any budget modification resulting in an increase in budgeted expenses or decrease in budgeted revenues, will be made only with approval of the Finance Committee.