

VILLAGE OF PINCKNEY

PROCUREMENT POLICY ADDENDUM

FEDERAL (2 CFR PART 200) COMPLIANCE

I. PURPOSE

This addendum is adopted to ensure that all procurement activities involving federal funds, including but not limited to Community Development Block Grant (CDBG) funding, comply with the requirements set forth in **2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)**.

In the event of a conflict between the Village of Pinckney Purchasing Policy and this Addendum, **this Addendum shall control for all federally funded procurements.**

II. GENERAL PROCUREMENT STANDARDS

The Village shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts.

All procurement transactions shall be conducted in a manner providing **full and open competition** consistent with 2 CFR §200.319.

The Village shall not:

- Place unreasonable requirements on firms
 - Require unnecessary experience or excessive bonding.
 - Engage in noncompetitive pricing practices.
 - Allow organizational conflicts of interest.
 - Specify only brand-name products without allowing equals.
 - Provide **geographic preference** in the evaluation of bids or proposals (except where expressly permitted by federal law)
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III. PROCUREMENT METHODS

The following procurement methods shall be used for federally funded purchases:

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1. **Micro-Purchases**

Purchases at or below the federal micro-purchase threshold may be awarded without soliciting competitive quotations if the price is determined to be reasonable.

2. **Small Purchase Procedures**

For purchases above the micro-purchase threshold and below the Simplified Acquisition Threshold (SAT), price or rate quotations shall be obtained from an adequate number of qualified sources.

3. **Sealed Bids (Formal Advertising)**

Used when complete, adequate, and realistic specifications are available, and selection can be based on price. Bids shall be publicly solicited and awarded to the lowest responsive and responsible bidder.

4. **Competitive Proposals**

Used when conditions are not appropriate for sealed bids. Requests for Proposals (RFPs) shall be publicized, and evaluation factors must be clearly identified.

5. **Noncompetitive (Sole Source)**

May be used only when one or more of the following apply:

- Item is available from a single source.
- Public emergency will not permit delay.
- Federal awarding agency authorizes.
- After solicitation, competition is deemed inadequate.

IV. COST AND PRICE ANALYSIS

The Village shall perform a **cost or price analysis** in connection with every procurement action in excess of the Simplified Acquisition Threshold, including contract modifications.

Independent estimates shall be prepared prior to receiving bids or proposals when required.

V. CONTRACT PROVISIONS

All federally funded contracts shall include applicable provisions required by 2 CFR Part 200, Appendix II, including but not limited to:

- Termination for cause and convenience
- Equal Employment Opportunity (EEO)

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- Davis-Bacon Act (when applicable)
 - Contract Work Hours and Safety Standards Act
 - Copeland “Anti-Kickback” Act
 - Debarment and Suspension
 - Byrd Anti-Lobbying Amendment
 - Clean Air Act and Federal Water Pollution Control Act
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VI. CONFLICTS OF INTEREST

No employee, officer, or agent of the Village shall participate in the selection, award, or administration of a contract supported by federal funds if they have a real or apparent conflict of interest.

Such conflicts include:

- Financial or personal interest in a firm selected
- Immediate family or business relationships with a contractor

Violations may result in disciplinary action and/or penalties consistent with federal and state law.

VII. AFFIRMATIVE STEPS FOR SMALL AND DISADVANTAGED BUSINESSES

The Village shall take all necessary affirmative steps to ensure the use of:

- Minority-owned businesses
- Women-owned businesses
- Labor surplus area firms

These steps include:

- Placing qualified firms on solicitation lists
 - Assuring such firms are solicited whenever possible
 - Dividing total requirements into smaller tasks when feasible
 - Using services of SBA and similar organizations
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VIII. PROCUREMENT RECORDS

The Village shall maintain records sufficient to detail the history of procurement, including:

- Method of procurement
 - Selection of contract type
 - Contractor selection or rejection
 - Basis for contract price
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IX. OVERSIGHT OF CONTRACTORS

The Village shall maintain oversight to ensure contractors perform in accordance with contract terms, conditions, and specifications.

X. ADOPTION

This Addendum is hereby adopted by the Village Council of the Village of Pinckney and shall be effective immediately upon approval.

ADOPTED BY THE VILLAGE COUNCIL

Village of Pinckney, Michigan

Date: _____

By: _____
Village President

Attest: _____
Village Clerk