

# Procurement Overview

## *Fiscal & Administrative Review Assistance for IDHS Providers*

**Procurement is the process in which your organization purchases goods, services, or materials from other entities. Your organization must follow procurement standards when making purchases using award funds.**

### **As a grantee, what are your key responsibilities?**

- Must have and use documented procedures for procurement transactions
- Must maintain records including method rationale, selection, and basis for price
- Must perform oversight on subcontractors and vendors
- Must be solely responsible for settlement of any contractual and administrative issues that may arise from procurements
- Must maintain policies covering conflict of interest and disciplinary actions for conduct violations
- Must take affirmative steps to engage minority businesses, women's business enterprises, and labor surplus area firms when soliciting vendors
- Must avoid restrictive requirements in bid processes to allow for full and open competition

### **Procurement methods are based on dollar amounts and include:**

- Informal procurement methods: micro-purchases (<\$10K) and small purchases \$10K-\$250K)
- Formal procurement methods (>\$250K): sealed bids (price is a major factor) and competitive proposals (not based exclusively on price)
- Sole source: rare exceptions to competitive procurement that may be authorized by IDHS. Non-compliance may result in recoupment of funds by IDHS

### **Grantee reminders:**

1. Take all measures to use full and open competition for your procurements
2. Maintain documentation of procurement activities to provide to IDHS upon request including but not limited to those related to cost estimates, affirmative steps, bidder communications, solicitations, bid review, purchase orders, contracts, contract modifications, and invoices
3. Include applicable provisions per 2 CFR 200 in the terms of your contracts