

## 6.11 Purchasing Regulations

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### POLICY:

The Local Agency must adhere to the purchasing regulations of its Parent Agency unless those regulations violate USDA Regulations or guidance issued by the State Agency.

### PROCEDURE:

#### A. Purchases Requiring Prior State Agency Approval

1. Any purchase of \$5,000 or more. The number of items per request must be clarified.
2. Any purchase for the purpose of automated data processing (computers, software, printers, etc.).
3. All Request for Proposals (RFP) must be reviewed and approved by the State Central Finance Office prior to release.
4. It is suggested that all Request for Quotations be reviewed by the State Central Finance Office prior to release.

*Note: The State Agency will not approve any request received after August 31 of the grant year (Federal fiscal year) from which the purchase is to be made.*

#### B. Purchases Requiring Prior State Agency and USDA Approval

1. Any purchase in excess of \$25,000.
2. Any purchase of automated data processing equipment in excess of \$99,999.

*Note: The State Agency will not submit the request to USDA after August 25 of the grant year (Federal fiscal year) from which the purchase is to be made.*

#### C. Method to Obtain USDA Approval of a Purchase

The Local Agency must write to the State Agency requesting the State Agency to approve and then seek USDA approval on behalf of the Local Agency. The Local Agency must describe the item(s) to be approved, the cost, justification for the purchase and a **minimum** of three (3) obtained bids. A “no bid” is not considered an obtained bid. It is suggested that the Local Agency solicit five (5) or more bids in order to obtain the three (3) required bids.

#### D. Capital Expenditures Requiring Prior State and USDA Approval

1. Capital expenditures for land or buildings are unallowable as a direct cost **except** with the prior approval of the State Agency and USDA.

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2. Capital expenditures for improvements to land, buildings, or equipment which materially increases value or useful life costing more than \$5,000 are unallowable as a direct cost **except** with the prior approval of the State Agency and USDA.

### **E. Method to Obtain USDA Approval of a Capital Expenditure**

A written narrative must be submitted by the Local Agency to the State Agency for any purchase or improvements to real property.

1. The worksheet(s) (see **Attachment #1 6.11 and/or Attachment #2 6.11**) will provide guidance for these narratives.
2. All questions on the worksheet(s) must be answered in the body of the narrative in an essay format.

### **REFERENCES:**

1. SFP 93-126, WIC Program - Allowable Costs - Real Property
2. SFP 07-043, WIC Advance Planning Document (APD) Policy Changes
3. SFP 98-041, Non-computer Equipment Purchases Less Than \$25,000.

### **ATTACHMENTS:**

1. Worksheet for Requests to Purchase Real Property
2. Worksheet for Requests to Renovate or Repair Real Property
3. SFP 10-017 Updated Prior Approval Guidance