

Golden LEAF Foundation Food Distribution Assistance Program

Procurement Guidelines

Overview

This document contains procurement requirements for use of funds awarded in the Golden LEAF Food Distribution Assistance Program. Please note that these guidelines follow [state procurement requirements](#) that are tailored to support grantees in the Golden LEAF Food Distribution Assistance Program. These guidelines provide information and instruction to organizations responsible for acquiring equipment and services. It applies to the acquisition of all equipment, materials, supplies, and services procured with funds awarded through the Golden LEAF Food Distribution Assistance Program.

Resources

[General Terms and Conditions](#)

[North Carolina Procurement Manual](#)

[Golden LEAF Procurement Certification Form](#)

[Solicitation Checklist for Purchases of More than \\$25,000](#)

Procurement is defined as the action of obtaining equipment or services. There are three procurement thresholds that determine purchases and applicable requirements. Under this program, services that accompany the purchase of supplies, materials, or equipment such as installation services may be procured together with the goods if offered by the same vendor.

Unless otherwise approved by Golden LEAF, a threshold applies to the items intended to be purchased in a single transaction. For example, purchase of three of the same freezers in one transaction would be subject to the threshold based on the total estimated cost, not the cost of each freezer.

Several items within a single grant, for example a freezer and a pallet jack, would be separated and the threshold applied to each item, so long as each was procured separately, i.e. the grantee requests a quote for each item, not a single quote for the combined items.

A threshold applies based on the total cost of the item, regardless of how much Golden LEAF funding will be used toward the cost of the item.

Purchases may not be broken up or structured to qualify under a lower procurement threshold.

Buying Used

Procurement requirements apply to purchase of both new and used items. Your organization should confirm that the price of the used equipment is reasonable with respect to its age and condition.

Process

Organizations should follow their existing procurement policies in addition to the information outlined in these requirements. If there is a conflict, follow the stricter policy, but be certain to comply with the requirements of this policy, e.g., gathering required documentation, etc.

Organizations will be required to provide documentation showing the applicable process was followed for each item purchased using Golden LEAF funds. This is documented via the Procurement Certification form.

Organizations that completed procurement prior to their Golden LEAF award date are NOT required to redo procurement provided that the quotes are valid and the process for the applicable threshold was followed.

Steps for a Compliant Procurement

1. Establish **specifications** for the item to be purchased (i.e. cubic measurements or dimensions for cold storage, load capacity of forklifts or pallet jacks, steel or wooden shelving, etc.)
2. Determine criteria for how quotes will be **evaluated**
3. Estimate the cost to determine the applicable threshold
4. **Gather** quotes following requirements based on the estimated cost threshold
5. Complete **compliance** requirements based on the estimated cost threshold
6. Provide **documentation** to Golden LEAF using the prescribed process

Steps 1, 2, 3, and 6 apply to all procurements, regardless of threshold. Steps 4 and 5 vary depending on the amount of the procurement and the applicable requirements.

Type/Threshold	Requirements Overview
Purchases of \$25,000 or less	<ol style="list-style-type: none"> 1. Establish specifications 2. Determine evaluation 3. <u>Gather multiple quotes, where practical</u> 4. Complete compliance 5. Provide documentation
Purchases of more than \$25,000	<ol style="list-style-type: none"> 1. Establish specifications 2. Determine evaluation 3. <u>Solicit multiple quotes</u> 4. Complete compliance 5. Provide documentation

The following sections outline the minimum expectations for specifications and evaluation. More information is available in the [state's procurement manual](#). Organizations that have questions about this process should reach out to their primary staff via Fluxx or email.

Specifications

"Specification" means description of the physical or functional characteristics of the goods or services to be procured. Goods and services specifications must be written to meet an organization's needs while maximizing competition. Specifications should not be overly restrictive or descriptive in favor of a particular vendor's

product. Specifications essentially cover the who, what, where, when, why, and how for the goods or services to be purchased.

Organizations should develop specifications to be as generic as possible. When it is impractical to develop a generic specification, a brand name may be used to convey the intended style, type, character, and quality of the item desired. The specification should make clear that the name of a certain brand, make, or manufacturer does not restrict bidders to the specific brand or manufacturer named. (If it is necessary that a specific brand or manufacturer is used, contact Golden LEAF staff to discuss how to proceed.)

For purchases of more than \$25,000 an organization prepares a solicitation document. The solicitation document must contain all of the information vendors need to accurately respond to the organization's request in a timely manner. See the following checklist:

- [Solicitation checklist for purchases of more than \\$25,000](#)

Additional details can be found in the [North Carolina Procurement Manual](#).

Evaluation Criteria

An organization must establish the criteria for evaluation prior to soliciting bids. Criteria for award may be based on the lowest cost technically acceptable methodology or the Best Value Trade-Off method.

Other factors to be considered must be identified in the solicitation document. This document should include whether installation is required or will be handled separately by the organization.

Lowest Cost Technically Acceptable Method

For this evaluation method, the solicitation shall specify that the good(s) or service(s) will be chosen based on the least expensive offer that meets requirements. The solicitation shall provide the specifications that establish the minimum requirements.

1. Trade-offs between price and non-price factors are not permitted. For example, a vendor's general reputation and capability or resources should **not** be considered for competition in place of the price for goods or service.
2. Vendor responses are evaluated for acceptability but are not ranked using the non-price factors. Acceptability may include factors such as timeline for availability.
3. If applicable, clarifications, communications, and negotiations may be permitted after receipt of the offer.

Best Value Trade-Off Method

The Best Value method of award is a trade-off method of source selection that is used when it is in the organization's best interest to choose a response other than the lowest priced offer. Best Value is determined by evaluating which vendor response provides the best trade-off between price and performance. For a solicitation using a trade-off source selection method, the following shall apply:

1. All evaluation factors that will affect the contract award decision and their relative importance shall be clearly stated in the solicitation.
2. Price must be considered as an evaluation factor in the selection process. The solicitation shall state the importance or numerical weight of all evaluation factors including price.

3. Offers are ranked using the evaluation factors and their relative importance or weight as defined in the solicitation document. The relative overall ranking of any offer may shift up or down when considered with, or traded-off against, other non-price factors.
For example, an offer with the lowest price when compared to other offers would normally receive the best ranking in the price evaluation category. However, if other non-price evaluation factors received low rankings, the overall ranking of the offer would be reduced.
4. The evaluation criteria must be clear and concise regarding the ranking and how the evaluation will be performed (i.e., points or narrative of strengths and weaknesses).
5. If applicable, clarifications, communications, and negotiations may be permitted after receipt of the offer.

Determination of the most advantageous offers shall be made considering the following factors:

- Prices offered
- Best Value, as the term is defined in G.S. 143-135.9(a)(1)
- Quality of the articles offered
- General reputation and performance capabilities of the bidders
- Substantial conformity with the specifications and other conditions set forth in the request for bids
- Suitability of the articles for the intended use
- Personal or related services needed
- Transportation charges
- Date or dates of delivery and performance
- Such other factor(s) deemed pertinent or peculiar to the purchase in question

Additional award criteria may be included in the solicitation document, including:

- Location and availability of service, repair facilities, and personnel
- References provided

Additional details can be found in the [North Carolina Procurement Manual](#).

Procurement Thresholds

Purchases of \$25,000 or Less

Organizations must solicit at least three competitive quotes or bids. Organizations should develop initiatives to encourage and promote the use of HUB vendors. The purchaser should ensure delivery and freight and other charges are included in the total cost. Organizations must ensure and document that the quotes provided are for comparable goods or services but are not required to develop solicitation documents. If an organization does not already have policies in place governing purchases of \$25,000 or less, organizations must develop policies and procedures.

Quotes must contain the following:

- Vendor logo
- Vendor name
- Contact information
- Item or service description
- Quoted prices
- Delivery terms
- F.O.B. point (who is responsible if an item is damaged during delivery, if applicable)
- Date of quote

Organizations must complete the applicable fields of the [Procurement Certification Form](#) and provide documentation of quotes to Golden LEAF.

Purchases of More than \$25,000

Organizations must issue a Request for Quote (RFQ) directly to at least three vendors.

This document contains instructions, specifications, and terms and conditions for vendors. If using a Best Value method, the RFQ must include the information required for Best Value trade off solicitations. RFQs are issued to the intended vendors, using email, for response. In general, an RFQ's timeline is flexible since there is no required posting or response time. Timelines within RFQs should account for the complexity of the request.

Purchases of more than \$25,000 are required to use the General Terms and Conditions customized for this program. The General Terms and Conditions should be shared with potential vendors during procurement and incorporated as an attachment to the contract entered by the purchaser (the Golden LEAF grantee), and the vendor. By entering the contract, the vendor agrees to comply with the terms and conditions. **The purchaser is not required to obtain documentation verifying that the vendor has complied with the terms and conditions; failure of the vendor to do so could be a breach of the contract.**

[See solicitation document template for more information.](#) Organizations must complete the applicable fields of the [Procurement Certification Form](#) and provide documentation of quotes to Golden LEAF.

Procurement Compliance Requirements

Complete these searches prior to entering into a contract with the selected vendor in addition to any other due diligence typically performed by your organization.

<u>Requirement</u>	<u>Purchases of \$25,000 or Less</u>	<u>Purchases of More than \$25,000</u>
Confirm the vendor is not on the State Debarred Vendor List	Required	Required
Check references (if applicable, typically for services)	Encouraged	Encouraged
Obtain the vendor's UEI number and search SAM.gov	Not Required	Required
Add General Terms and Conditions to purchase contract	Not Required	Required
Golden LEAF Procurement Certification Form	Required	Required

Suspension and Debarment

All recipients of Golden LEAF Food Distribution Assistance Program funds are subject to suspension and debarment regulations at 2 CFR Part 180, which restrict awards, subawards, and contracts with parties that are debarred, suspended, or otherwise excluded from participation in federal assistance programs or activities.

Grantees are responsible for ensuring that vendors have not been suspended, debarred, or disqualified by checking <https://www.sam.gov/SAM/> for SAM Exclusions. **Grantees must check this information before a contract is awarded but are not required to obtain it during the RFQ process.**

Grantees will be required to search SAM.gov, download a copy of the vendor's profile confirming they are active and not excluded, and maintain this report in the procurement files.

Grantees must also confirm the vendor is not on the [State Debarred Vendor List](#).

General Terms and Conditions

The General Terms and Conditions should be shared with potential vendors during procurement and incorporated as an attachment to the contract entered by the purchaser (the Golden LEAF grantee), and the vendor. By entering the contract, the vendor agrees to comply with the terms and conditions. **The purchaser is not required to obtain documentation verifying that the vendor has complied with the terms and conditions; failure of the vendor to do so could be a breach of the contract.**

Historically Underutilized Businesses

Organizations should develop initiatives to encourage and promote the use of Historically Underutilized Business (HUB) vendors. Historically Underutilized Businesses are defined by the State of North Carolina as any of the following minority owned businesses: Black, Hispanic, Asian American, American Indian, Female, Disabled & Disadvantaged. You can learn more about HUB at [About HUB | NC DOA](#).

Conflict of Interest

No employee or agent of the nonprofit organization may participate in the selection, award, or administration of a contract, funded by Food Distribution Assistance Program funds, if he or she has an actual or apparent conflict of interest. A conflict of interest may result when an employee's private interest conflicts or raises a reasonable question of conflict with the employee's public duties and responsibilities.

To help prevent conflicts of interest, in addition to complying with the conflicts of interest requirements in the Grantee Acknowledgment and Agreement, the grantee shall follow these guidelines [adapted from the N.C. Department of Agriculture & Consumer Services](#):

1. Review programs, policies, and activities of the organization to identify and report any potential, real, or perceived conflicts of interest.
2. Employees shall report in writing, through appropriate management, when a conflict of interest is identified.
3. A determination will be made whether to excuse the employee from participation in the matter when a conflict of interest is identified.
4. No employee will draft, negotiate, evaluate, administer, accept or approve any contract or subcontract or procurement of any type on behalf of the grantee if they or their immediate family has, directly or indirectly, any financial interest in such a contract or subcontract, including federal contracts.
5. No employee or member of their immediate family may use the employee's position to profit from, directly or indirectly, an interest in real or personal property; and
6. No employee or member of their immediate family may accept any business or professional opportunity when such person knows, or reasonably should know, that the opportunity is being afforded to them with the intent to influence the performance of official duties.

Providing Documentation to Golden LEAF

Grantees must provide documentation to Golden LEAF demonstrating that the organization complied with applicable procurement requirements using the [Procurement Certification Form](#).

Documentation may be provided after entering into a contract, however grantees will be responsible for costs or termination of a contract that was found not to follow procurement requirements. **Golden LEAF will not reimburse costs associated with improperly procured items and will require repayment of any Golden LEAF grant funds used for improperly procured items.**

See Guidelines for Grantees for additional information.