



Procurement and Contracts

Jill Lewis

Regional Finance Consultant

Division of Finance, Office of Local Finance

Jerri Beth Nave

Director of Relief Funding

Division of Federal Programs and Oversight





BEST FOR ALL

We will set all students on a path to success.

ACADEMICS

ALL TENNESSEE STUDENTS WILL HAVE ACCESS TO A HIGH-QUALITY EDUCATION, NO MATTER WHERE THEY LIVE

STUDENT READINESS

TENNESSEE PUBLIC SCHOOLS WILL BE EQUIPPED TO SERVE THE ACADEMIC AND NON-ACADEMIC NEEDS OF ALL STUDENTS IN THEIR CAREER PATHWAYS

EDUCATORS

TENNESSEE WILL SET A NEW PATH FOR THE EDUCATION PROFESSION AND BE THE TOP STATE IN WHICH TO BECOME AND REMAIN A TEACHER AND LEADER FOR ALL

Norms and Expectations

- Take calls and necessary communications outside of the session room.
- Remain engaged.
- Ask questions at conclusion of presentation.
- Complete the session survey before exiting.
- All session slide decks will be available in ePlan > TDOE Resources > Fiscal – District Technical Assistance> 2023 Annual Fiscal Workshop.
- Visit a team member at the registration table if you have questions about the conference.



Agenda

- Procurement and Contracts
 - Required Policies and Procedures
- Methods of Procurement
- Suspension and Debarment
- Davis-Bacon Act
- Monitoring Findings and Pitfalls
- Period of Performance for Federal Grants
- Resources



Procurement and Contracts

Procurement and Contracts

- Why have procurement rules?
 - Promotes open competition
 - Guides agencies to purchase cost-effectively and prevents stockpiling
 - Aids in the prevention of Fraud, waste, and abuse
 - 2 §CFR 200.302



Procurement and Contracts

- Required policies and procedures must address:
 - Procurement methods 2 CFR §200.320
 - Promote open competition 2 CFR §200.319
 - Conflicts of interest 2 CFR §200.318
 - Maintaining records to detail the history of procurement 2 CFR §200.318



Expenditures

- Must be reasonable, allowable and allocable 2CFR §§200.403-405
- Must adhere to policy/procedures
 - Follow most restrictive between federal, state and local.
- Grant director must approve all expenditures
 - Example: Signature on purchase order and invoice or packing slip



Contract Requirements

- Benefit of using contracts is reduction of risk
- 2 CFR §200.327; Appendix II
 - Provisions- 13 Required elements
 - All might not apply to every contract
- Contracts over \$10,000 must address termination for cause and convenience.
- LEA's must provide oversight to ensure contractors perform in accordance with terms of the contract 2 CFR §200.318.
 - Prevents cost overruns



Cost or Price Analysis

- Required for purchases > 250,000
- Ensures cost or price is fair and reasonable
- Cost Analysis
 - Used for complex purchases that require evaluation of several elements
- Price Analysis
 - Clear bottom line price
 - Example: fleet vehicle purchase
 - Typically used for sealed bid purchased



Methods of Procurement

Methods of Procurement

2 CFR §200.320

- Informal
 - Micro Purchases
 - Small Purchases
- Formal
 - Sealed Bid
 - Proposals
- Non-competitive
 - Sole Source
 - Piggy-Back
 - Co-Op



Methods of Procurement- Micro Purchases

- Purchases up to the bid limit
 - No quotes are required but the purchase cost must be reasonable
 - Example- simple google search
 - Less than the federal simplified cost acquisition threshold
 - Less than \$50,000 or the amount set by the district for bids
 - LEA's bid threshold is \$25,000 or less, unless the district has a purchasing agent and the county/municipality has adopted a higher limit (up to \$50,000)
 - T.C.A. § 49-2-203(a)(3)(b)(ii)



Methods of Procurement- Small Purchases

- Up to \$150,000 or less
 - Higher than the micro-purchase threshold
 - LEAs may have lower thresholds based on local policy
- Price or rate quotes must be used for purchases
 - Best practice is 3 quotes



Methods of Procurement- Sealed Bid

- Sealed Bids

- Feasibility

- Purchase description is available
 - 2 or more bidders are willing to compete
 - Fixed price is possible

- RFP

- Bids must be solicited from an adequate number of qualified vendors
 - Invitation to bid
 - Must be advertised
 - Must include required federal language



Methods of Procurement- Sealed Bid

- What if no one bids?
 - Retain all bid documentation for backup
 - Options
 - Obtain 3 quotes (best practice) to purchase in the open market
 - Look for a state contract or other LEA contract
 - Explore Co-op agreements



Methods of Procurement- Proposal

- Used when conditions are not appropriate for bidding/work is not defined
 - Must obtain proposals from a number of qualified vendors
 - Must be publicized
 - Must include written method for evaluation
 - Contract must be awarded to the vendor that is most advantageous to the entity
 - Example: Architectural Services
 - T.C.A. § 12-4-107



Methods of Procurement- Non-Competitive

- Must be allowable in LEA's procedures
- LEA is responsible to vet any contract from another agency to ensure the proper bid process was followed
- Sole Source
 - Contracts over the bid limit that are not procured using a formal procurement process
- Co-Op
 - Go between, the organization has already bid out the purchase and passes on the defined purchase price
- Piggyback
 - Using another LEA or state agency contract



Methods of Procurement- Non-Competitive

- When can I use sole source purchasing?
 - Only one vendor that can provide the goods/services
 - Not feasible to bid
 - Emergencies
 - Compatibility
 - Example: add on module to software that was previously purchased and installed
 - Repair/Replacement
 - Retain documentation for justification
 - Google search
 - Written justification



Methods of Procurement- Non-Competitive

- Piggyback off another state or LEA contract
 - State of TN contract lookup website
 - Does another LEA have a contract in place?
 - List Serve
 - Ask the vendor for list of other Schools with contracts
 - Ensure that the entity followed proper bidding procedures and review documentation
- Co-Op
 - Collective that offers promotes aggregate purchasing
 - Handles the bidding process
 - Can provide cost savings
- [Procurement \(tn.gov\)](https://www.tn.gov)



Suspension and Debarment

Suspension and Debarment

2CFR §180.300

- SAM.gov
 - Federal System for Award Management
 - Used for verification Vendor not suspended or debarred
 - Must check for transactions/contracts for covered transactions over \$25,000
 - Check Sam.gov for each vendor
 - Collect a certification from the vendor that they are in good standing
 - Add a clause or condition to the transaction/contract with the vendor



Davis-Bacon Act

Davis-Bacon Act

- Construction contracts paid in whole or part by federal funds
 - Remodels, renovation, repairs, or construction on public use or works buildings
- Contracts over \$2000 total



Davis-Bacon Act

- Who is responsible?

- Contractor:

- Pay prevailing wages for all hours worked
 - Pay is based on duties performed
 - Apprentices can be paid less if enrolled in a registered program

- LEA:

- Ensure Davis-Bacon Act requirements are included in the contract
 - Oversee contractor to ensure compliance
 - Collect and retain copies of weekly wage sheets from the contractor
 - Make sure Davis-Bacon Act poster is visible at the worksite



Monitoring Findings and Pitfalls of Procurement

Monitoring Findings and Pitfalls of Procurement

- Most Common Monitoring Findings:
 - Lack of written policies and procedures
 - Lack of Documentation
 - Sole Source contracts that do not meet the criteria for sole source purchasing
 - Inadequate approvals
- Possible Resolutions:
 - Payback
 - Training for staff
 - Must provide evidence of adherence to policies/procedures in the future



Purchasing- Other Potential Pitfalls

- Excessive change orders that change the amount of a construction contract in a way that reduces open competition
- Missing contract provisions from 2 CFR-Appendix II
- Not following the most restrictive policy between federal, state, and local



Period of Performance

Federal Grants Period of Performance

- The Uniform Guidance in 2 CFR §200.77 defines "period of performance" as the time during which the non-Federal entity (grantee) may incur new obligations to carry out the work authorized under the Federal award.
- Federal guidance specifies that grant funds may not be used for activities outside of the period of performance (2 CFR § 200.344). Materials, supplies, and/or services received outside of the period of performance would not be allowable.



Obligation and Liquidation of Funds

- Obligation: ESSER funds are obligated when the LEA commits those funds to specific purposes (e.g., contracts, services, subscriptions, materials) (34 C.F.R. § 76.707). Funds are not obligated until the LEA commits the funds to specific purposes.
- Liquidation: To liquidate an obligation, the purchased item or service has occurred, and payment has been made to the vendor or provider. A grantee must liquidate all obligations incurred under the award no later than 120 days after the end of the funding period or as specified in a program regulation (34 C.F.R. § 80.23).



Period of Performance and Employee Pay

- Services provided by an employee are considered obligated when the services are rendered, or the work is performed [34 CFR § 76.707(b)].
- Payroll expenses for employees may only be charged to the grant for services provided through the end of the obligation period.



Period of Performance and Goods/Services

- Federal guidance specifies that grant funds may not be used for activities outside of the period of performance (2 CFR § 200.344).
- Costs must be incurred during the approved budget period; therefore, you may not prepay for items and stockpile for use outside of the grant period of performance [2 CFR § 200.403(h)].



ESSER Periods of Performance

GRANT	OBLIGATION	LIQUIDATION
ESSER 2.0 (CRSSA)	Sept. 30, 2023	Dec. 15, 2023*
ESSER 3.0 (ARP ESSER)	Sept. 30, 2024	Dec. 15, 2024*

**Recommended deadline to ensure funds are reimbursed in ePlan for adequate time for grants to close. The Tennessee Department of Education (the department) is awaiting guidance from the U.S. Department of Education (ED) on the extension of liquidation for ESSER 2.0 and ESSER 3.0. Extension of liquidation will provide an additional 14 months for LEAs to draw down these funds, which will extend the period of performance for each grant.*



ESSER Funds, Textbooks, and Period of Performance

- An LEA may only pay for the textbooks and any supplemental materials or supplies that accompany the texts that will be received during the period of performance for the respective grant.
- Materials, supplies, and/or services obligated by September 30, 2024, but received after January 2025 would be outside of the period of performance for ESSER 3.0 and would not be allowable.
- Please see [this document](#) for specific examples with timelines.



ESSER Funds and Multi-year agreements

- An LEA may enter a multi-year agreement/contract, adhering to any applicable caps on duration. The LEA would need to use a funding source other than ESSER for the time outside of the period of performance. Relief funds may be braided (in combination) with state and local education funds to support agreements/contracts.
- Braiding occurs when different funding streams are used together to leverage the support provided for the different needs of educators and students while maintaining documentation to support the charging and allocation of costs to multiple separate funding streams or programs.



Resources

TDOE Resources in ePlan

- Fiscal - District Technical Assistance
 - + 2023 Annual Fiscal Workshop
 - + 2022 Spring Fiscal Workshop
 - + Cross-Cutting Fiscal Materials
 - + Templates for Uploading into ePlan
 - + Year-end Close One Pagers
 - [Accounting for Education Technology Expenditures](#)
 - [TN Comptroller of the Treasury: Chart of Accounts](#)
 - [CCEIS for Spring Fiscal Workshops](#)
 - [Federal Revenue Codes and Sub-funds](#)
 - [FY22 Daily Rates for Residential Mental Health Facilities](#)
 - [Local Education Agencies 2021 Health Insurance Benefits](#)
 - [Local Finance Office Hours Link](#)
 - [Per Pupil Expenditure Reporting_FAQ FY20](#)
 - [Prior Period Expense Entries - Journal Entries](#)
 - [Release of Funds Form](#)
 - [Resolution to Transfer to Federal Projects - Template](#)
 - [Returning Funds to the State](#)
 - [SNS Methodology Monitoring 2020-21](#)
 - [State Minimum Salary Schedule FY2022-23](#)
 - [State Minimum Salary Schedule FY2021-22](#)
 - [Summer Learning Camp 2023 Economically Disadvantaged Percentages](#)
 - [TN Compass December 1 Report](#)
 - [TISA Calculator](#)



Office Hours

- **Local Finance**

Tuesdays 10 - 11 a.m. CT | 11 a.m. - 12 p.m. ET.

Join via Microsoft Teams: [Click HERE to join the meeting](#)

Meeting ID: 224 112 731 254 | Passcode: X47t4h

Or Call in (Audio only): [+1 \(615\) 270-9704](#)

Phone Conference ID: 916 098 92#

- **ESSER Office Hours**

Wednesdays from 9 - 10 a.m. CT | 10 - 11 a.m. ET.

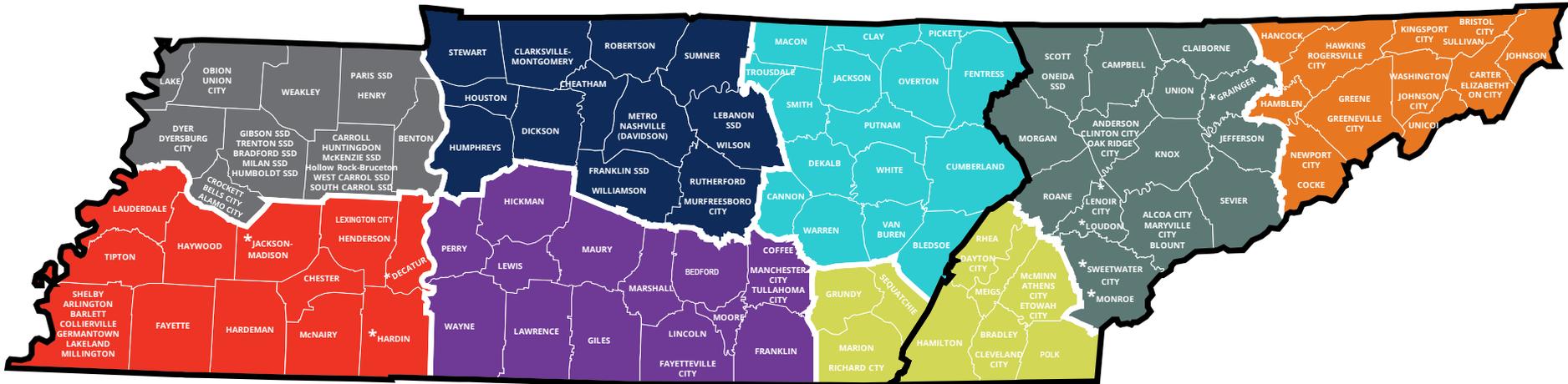
Dates and login information for FPO office hours

can be found [here](#).



Regional Finance Consultant District Map

As of 5/1/2023



CENTRAL TIME ZONE EASTERN TIME ZONE

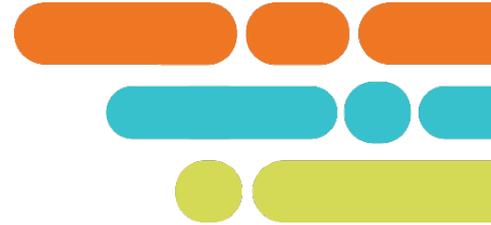
Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Holly Kellar		Rob Mynhier		Taffe Bishop		Jill Lewis	
Holly.Kellar@tn.gov		Robert.Mynhier@tn.gov		Taffe.Bishop@tn.gov		Jill.Lewis@tn.gov	
*Districts that are assigned to a finance consultant in a different CORE region.							

Regional Finance Consultant District Assignment

As of 5/1/2023

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Holly Kellar		Rob Mynhier		Taffe Bishop		Jill Lewis	
Holly.Kellar@tn.gov		Robert.Mynhier@tn.gov		Taffe.Bishop@tn.gov		Jill.Lewis@tn.gov	
Districts: Alamo City Bells City Benton County Bradford SSD Carroll County Crockett County Dyer County Dyersburg City Gibson County SSD Henry County Hollow Rock-Bruceton SSD Humboldt SSD Huntingdon SSD Lake County McKenzie SSD Milan SSD Obion County Paris SSD South Carroll SSD Trenton SSD Union City Weakley County West Carroll SSD	Districts: Achievement Schools Arlington SSD Bartlett SSD Chester County Collierville SSD Fayette County Germantown SSD Hardeman County Haywood County Henderson County Lakeland SSD Lauderdale County Lexington City McNairy County Millington Shelby County Tipton County WTSD	Districts: Cheatham County Charter Schools Commission Dickson County Dept. of Children Services Dept. of Corrections Franklin SSD Houston County Humphreys County Lebanon SSD Metro-Nashville Montgomery County Murfreesboro City Robertson County Rutherford County Stewart County Sumner County TN School for Blind Williamson County Wilson County *Jackson-Madison County	Districts: Alvin York Institute Bledsoe County Cannon County Clay County Cumberland County DeKalb County Fentress County Jackson County Macon County Overton County Pickett County Putnam County Smith County Trousdale County Van Buren County Warren County White County	Districts: Bedford County Coffee County Fayetteville City Franklin County Giles County Hickman County Lawrence County Lewis County Lincoln County Manchester City Marshall County Maury County Moore County Perry County Tullahoma City Wayne County *Decatur County *Hardin County	Districts: Athens City Bradley County Cleveland City Dayton City Etowah City Grundy County Hamilton County Marion County McMinn County Meigs County Polk County Rhea County Richard City Sequatchie County *Lenoir City *Loudon County *Monroe County *Sweetwater City	Districts: Alcoa City Anderson County Blount County Campbell County Claiborne County Clinton City Jefferson County Knox County Maryville City Morgan County Oak Ridge Oneida SSD Roane County Scott County Sevier County TSDK Union County	Districts: Bristol City Carter County Cocke County Elizabethton City Greene County Greeneville City Hamblen County Hancock County Hawkins County Johnson City Johnson County Kingsport City Newport City Rogersville City Sullivan County Unicoi County Washington County *Grainger County
*Districts that are assigned to a finance consultant in a different CORE region.							

Finance Division Contacts



Chief Financial Officer

Maryanne.Durski@tn.gov

Director of Local Finance

Holly.Kellar@tn.gov

Fiscal Director/Director of Local Disbursements

Spencer.Yonce@tn.gov

LEA Data Support

Karen.Justice@tn.gov

Finance Data Analyst

Meribeth.B.Carpenter@tn.gov

Regional Finance Consultants

Robert.Mynhier@tn.gov (615) 238-1008

Jill.Lewis@tn.gov (629) 259-1645

Taffe.Bishop@tn.gov (423) 677-1405

Holly.Kellar@tn.gov (731) 991-4234

Federal Reporting/Nutrition

Andrew.Mccluskey@tn.gov



Resources

- Tennessee Department of Education [Education \(tn.gov\)](https://www.tn.gov/education)
- Tennessee State Board of Education [Rules, Policies and Guidance \(tn.gov\)](https://www.tn.gov/education/rules-policies)
- ePlan TDOE Resources <https://eplan.tn.gov/>
- Electronic Code of Federal Regulations [eCFR :: Home](https://www.ecfr.gov/)
- Tennessee Code Annotated [Tennessee Code Unannotated – Free Public Access | Main Page \(lexis.com\)](https://www.lexis.com/tn)
- Tennessee Comptroller of the Treasury [Manuals \(tn.gov\)](https://www.tn.gov/treasury)
- Tennessee Consolidated Retirement System <https://treasury.tn.gov/Retirement/Information-and-Resources/TCRS-Overview-and-Self-Service>
- Tennessee General Assembly [Legislation - TN General Assembly](https://www.tn.gov/legislation)
- County Technical Assistance Service (CTAS) Record Retention <https://www.ctas.tennessee.edu/eli/departments-education-records>

Fraud, Waste or Abuse

Citizens and agencies are encouraged to report fraud, waste, or abuse in State and Local government.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper or wasteful, please call the state Comptroller's toll-free Hotline:

1-800-232-5454

Notifications can also be submitted electronically at:

comptroller.tn.gov/hotline



Thank You!