

General Procurement Standards for Federal Awards

Contractor Oversight

The District shall maintain oversight to ensure that its contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Conflict of Interest

The following standards of conduct define conflicts of interest and governing the performance of employees engaged in the selection, award, and administration of contracts:

1. No District employee, officer, agent, or board member may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest is present when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm or person considered for a contract.
2. District officers, employees, and agents of the non-federal entity must neither solicit nor accept gratuities, favors, nor any service or item exceeding \$50 in value from any contractors or subcontractor. Any District employee, who solicits any gift, or who accepts an unsolicited gift with a value exceeding \$50, shall be subject to disciplinary action up to and including termination. Any District officer or agent shall be immediately terminated or separated from District service.
3. Any subrecipient of the District that is not a state, local government or Indian tribe shall also maintain written standards of conduct covering organizational conflicts of interest. For the purposes of this policy, organizational conflicts of interest are when a recipient or subrecipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization due to relationships with a parent company, affiliate, or subsidiary organization.

Efficient Purchases

The District shall use all resources and assets effectively and efficiently. Accordingly, prior to any purchase request, the requestor shall evaluate the need for the item, and shall ensure that the acquisition of unnecessary or duplicative items is avoided. In addition to the previous requirements, whenever feasible, consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Finally, where appropriate, an analysis will be made of lease versus purchase alternatives, and any similar analysis of alternatives to determine the most economical approach.

1. To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the federal government, the District shall endeavor to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.
2. The District shall endeavor to use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
3. The District shall endeavor to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
4. The District shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
5. The District shall maintain records sufficient to detail the history of procurement. These records shall include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
6. The District may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to the District is the sum of:
  - A. The actual cost of materials; and
  - B. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

This formula generates an open-ended contract price, a time-and materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract shall set a ceiling price that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

7. The District alone shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the District of any contractual responsibilities under its contracts. Violations of law shall be referred to the local, state, or federal authority that has proper jurisdiction.

**Legal References**

2 CFR § 200.317  
 2 CFR § 200.318  
 2 CFR § 200.320  
 2 CFR § 200.334  
 2 CFR § 200.67  
 2 CFR § 200.88  
 IC § 18-1351  
 IC § 33-316

**Description**

Procurement by States  
 General Procurement Standards  
 Methods of Procurement to be Followed  
 Record Retention Requirements  
 Micropurchase  
 Simplified Acquisition Threshold  
 Bribery and Corrupt Practices – Definitions  
 Cooperative Contracts to Employ Specialized Personnel  
 and/or Purchase Materials

**Other References**

ISBA Policy Services

**Description**

<https://www.idsba.org/member-services/policy/>

**Cross References****Code**

7218  
 7235  
 7235F1  
 7235F2  
 7235F3  
 7235P  
 7235PF1  
 7235PF2  
 7237  
 7320  
 7320P1  
 7320P2  
 7405  
 7405P  
 7408  
 7410  
 7420

**Description**

Federal Grant Financial Management System  
 Fiscal Accountability and Federal Grant Funds  
 Federal Funds Semi-Annual Certification Form  
 Personnel Activity Report  
 Multiple Cost Objective Time and Effort Certification  
 Written Compensation Procedure (Time and Effort)  
 Personal Activity Report  
 Single Federal Award or Cost Objective  
 Retention of Records Relating to Federal Grants  
 Allowable Uses for Grant Funds  
 Determining Necessity and Reasonableness  
 Selected Items of Cost  
 Public Works Contracting and Procurement  
 Public Works Contracting and Procurement  
 Entering into Professional Service Contracts  
 Petty Cash Funds  
 Personal Reimbursements

**Procedure History:**

Promulgated on: 11/10/2021  
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