

# Procurement Best Practices

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# Key Factors for Procurement Standards

- Explicitly state procurement policy is written to comply with Uniform Guidance requirements.
- Include standards of conduct and conflicts of interest.
- Avoid unnecessary or duplicative acquisitions.
- Use vendors who are responsible and have a proven track record of integrity, compliance with public policy, and successful past performance.



# Key Factors for Procurement Standards

- Maintain records sufficient to detail history of procurement (rationale for the method, contractor selection, and price considerations).
- *Must* be conducted providing full and open competition consistent with federal requirements
- *Must* take steps to use minority or women owned business when possible.



# General Procurement Standards

- Micro-purchase threshold to **below \$10,000**
- Simplified acquisition threshold **below \$250,000**
- Identify anything **above the \$250,000** threshold
- **Sole Source**



# Special Note

- Record sufficient detail to show the history of vendor or contract procurement including the justification of the need for the work to be done.
- Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.



# Minimum Compliance Requirements

- **Competition**

- Do not place unreasonable requirements to qualify
- Do not require unnecessary experience and excessive bonding
- Protect against OCI
- Specify relevant requirements
- Avoid arbitrary action



# Minimum Compliance Requirements

- **Procurement by Competitive Proposals**
  - Publicize RFP and identify all evaluation factors and relative importance
  - Consider all responses to publicized RFP to the maximum extent practical
  - Solicit from an adequate number of qualified sources
  - Fairly and consistently evaluate responses
  - Award to responsible firm whose proposal is most advantageous with price and other factors considered



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- **Micro-Purchases of \$10,000 or less**

- May be awarded by soliciting bids

- *Should* distribute micro-purchases equitably among qualified suppliers





- **Small Purchases \$10,000 to \$250,000**

- Price or rate quotations *must* be obtained from an adequate number of qualified sources.
- *Must* use a bidding process, but is not required to select the lowest price vendor.



- **Construction Projects over \$250,000 with a Firm Fixed Price**
  - Procurement by publicly solicited sealed bids
  - *Must* be awarded to the lowest price qualified bidder whose bid conforms to all material terms and conditions
  - Bids may be rejected if there is a sound documented reason



- **Competitive Proposals over \$250,000 Based on Either a Fixed Price or Cost Reimbursement**

- When conditions are not appropriate for the use of sealed bids.
- *Must* be awarded to a qualified vendor whose proposal is most advantageous with price and other factors considered



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- **Sole Source Contracts over \$10,000**

- May only be used if one or more of these criteria are met:
  - 1) the service or good provided is unique
  - 2) in the case of an emergency or
  - 3) if federal funder authorizes it.



# Selection Criteria

- Price but deference if other factors are important to the decision
- Objective method for selection
- Award is responsive and is most advantageous
- May reject when in best interest to do so



# Policies to Consider for RFP

- Cost
- Subcontracts and Employment Standards
- Contract Terms
- Pre-Proposal Meeting/Questions
- Late Proposals
- Bonding Requirements
- Code of Conduct
- Equity



# Documentation

- At a minimum:
  - Price sampling for small purchases
  - Selection of method of procurement
  - Selection of type of contract
  - Determination of proposals accepted or rejected
  - Determination of the basis for cost or price



# Contract Administration

- Ensure proper oversight and management of procurement actions including contract execution
- Evaluating timely contractor performance
- Consider progress inspections, audits





# Conflict of Interest Policy

Protect interests of tax-exempt corporation or taxpayer funds when contemplating transaction or arrangement which might benefit the private interest of an individual or might result in a possible excess in transaction.



# Definitions

Who -

- 1) Any director, officer, employee, or member of a committee with governing board delegated powers who has
- 2) A direct or indirect financial interest



# Definitions

- **What -**
  - Financial Interest, directly or indirectly:
    - Ownership or investment interest in any entity (current or potential)
    - Compensation arrangement with any entity or individual who has a transaction or arrangement
  - Compensation includes direct and indirect remuneration as well as gifts or favors



# Procedures

- Duty to Disclose
- Determining Presence and Impact of Conflict of Interest
- Removal from Decision or Administration



# Multiple Document Requirements

- All procedures must be documented in writing
- Conflict of interest policies covering employees involved in procurement
- Records detailing each procurement – including bids solicited, selection criteria, quotes from vendors and the final contract price



# Procurement Practices to Chase Grants/RFPs



# Prepare Your Boilerplate Text

- Have 100-word blurbs about each of your programs at hand so that they're ready to drop into a proposal
- Master the Mission Statement



# Read/Reread Applications and RFPs

- Highlight all the questions you must answer for each application
- Funders will be clear about what they will and will not fund





# Start with a Summary

- Summarize your nonprofit's needs in one paragraph
- Explain project and a brief plan of action
- State what funds seeking and what will accomplish
- Discuss the community your organization serves and how many people you impacted last year



# Tips for Good Proposal

- Each proposal is unique
- Executive Summary
- A list of resume, qualifications and responsibilities of the key personnel and subcontractors
- Address the major topics in RFP in the same sequence as requested
- Ensure that the charts and graphs are relevant
- Provide a list of satisfactory completions of similar projects
- Make sure that the proposal is well-written – **Proofread**
- Make sure math is complete and correct
- Complete and signed all paperwork correctly





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