Equipment Procurement Guidelines

Procurements of equipment supported by Washington State Department of Agriculture (WSDA) Food Assistance (FA) funding must comply with this guidance. If your agency has internal equipment procurement policies that are more restrictive, then you should adhere to the stricter of the two policies.

Definitions

**Equipment:** Equipment means tangible personal property (including information technology systems) that has a useful life of more than one year, is movable, and has a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or $5,000.

**Ancillary charges:** Ancillary charges such as taxes, duty, transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with your agency’s accounting practices.

**Acquisition cost:** Acquisition cost means the cost of the equipment including modifications, attachments, and ancillary charges.

Guidelines for approval

- Prior WSDA approval is required before any reimbursable costs are incurred on equipment estimated to cost $5,000 or more.

- Receiving WSDA approval is a three-part process:
  - The contractor should submit the Food Assistance – Equipment Purchase Request/Approval Form (AGR-2204) to the applicable Food Assistance regional representative. The form must include the estimated cost for the equipment procurement and sufficient bids or quotes from responsible bidders based on the cost as described below.
    - If using the competitive proposal process or sealed bid process, a narrative description of the purchase and the procurement process is required.
  - WSDA will return the approval form to the contractor indicating the project is approved or not approved.
  - The contractor should resubmit the form for post-purchase finalized cost verification along with the final reimbursement invoice voucher. For the competitive or sealed bid process, proof of your publicized request for proposals/invitation for bids must be submitted with your reimbursement request. Payment will not be processed without all of the required documentation.

- Contractors are to submit the form on their behalf and on behalf of their subcontractor(s).

- The contractor must submit the bids or quotes attached to the approval form. A responsible bidder cannot be suspended, debarred or have an active exclusion. Visit Sam.gov to search for active exclusions or visit this webpage: sam.gov

Guidelines for bid/quote(s) based on procurement level (based on acquisition cost)

- For procurements of equipment ranging from $5,000-$29,999.99, the contractor must include a quote/bid from at least one responsible bidder. WSDA recommends that contractors obtain a minimum of three quotes.

- For procurements of equipment ranging from $30,000-$149,999.99, the contractor must include quotes/bids from at least three responsible bidders.
For procurements of equipment $150,000 or more, a competitive proposal process or sealed bid process is required, it must be compliant with the requirements of 2 CFR § 200.320, and proof of your publicized request for proposals/invitation for bids must be submitted with your reimbursement request. Payment will not be processed without all required documentation.

Exceptions to these requirements may apply, please contact your Food Assistance regional representative for more information.

**Procurement by sealed bids**

Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (1) of this section apply.

1. In order for sealed bidding to be feasible, the following conditions should be present:
   - i. A complete, adequate, and realistic specification or purchase description is available;
   - ii. Two or more responsible bidders are willing and able to compete effectively for the business; and
   - iii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

2. If sealed bids are used, the following requirements apply:
   - i. The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;
   - ii. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
   - iii. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
   - iv. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
   - v. Any or all bids may be rejected if there is a sound documented reason.

**Procurement by competitive proposals**

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
2. Proposals must be solicited from an adequate number of qualified sources;
3. The non-federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
5. The non-federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors’ qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

**Questions**

Please work with your fiscal or purchasing department. Additional information is available in the procedures manuals or by contacting your Food Assistance regional representative.