



Moshannon Creek Watershed Association Procurement Policy Adopted 2-10-26.

1. Purpose and Applicability

This policy establishes procurement procedures for the Moshannon Creek Watershed Association (MCWA) to ensure compliance with 2 CFR 200, Subpart D (Procurement Standards, §§ 200.317–200.327), as required for federal awards under the Abandoned Mine Lands and Abandoned Mine Drainage (AML/AMD) Grant Program. These procedures apply to all procurements using federal funds and must be followed consistently for non-federal funds as well. The policy promotes full and open competition, cost-effectiveness, and accountability while supporting equal opportunity and fairness.

MCWA relies on its Board of Directors and designated volunteers to implement this policy. The Board ensures oversight, delegates tasks to qualified volunteers, and maintains centralized records using simple tools like shared digital folders.

MCWA will maintain oversight of all procurements and contractors to ensure performance aligns with contract terms, federal requirements, and this policy. All board members and volunteers involved in procurement must adhere to written standards of conduct to avoid conflicts of interest: No individual with a real or apparent financial, organizational, personal, or family conflict may participate in selection, award, or administration of contracts. Violations will result in disciplinary action according to MCWA's bylaws and conflict of interest policy.

2. General Procurement Standards

- **Economic and Efficient Procurement:** MCWA will avoid unnecessary or duplicative purchases. It will review lease vs. purchase options, consolidate procurements for better pricing, and use value engineering where applicable. MCWA will prioritize federal excess/surplus property or inter-entity agreements for cost savings when these opportunities are present.
- **Responsible Contractors:** MCWA will award contracts only to responsible vendors with proven integrity, compliance history, financial/technical resources, and no debarment (verified via [SAM.gov](https://www.sam.gov)).

- **Records:** MCWA will maintain detailed records for each procurement, including rationale for method, contractor selection/rejection, basis for price, and retain all supporting documents (e.g., quotes, bids, contracts).
- **Contract Types:** MCWA will primarily use fixed-price or cost-reimbursement contracts. Time-and-materials contracts are allowed only if no other type is suitable, with a price ceiling and high-level oversight.
- **Cost/Price Analysis:** For all procurements, MCWA will work to ensure prices are reasonable based on market research or historical data. For procurements over the simplified acquisition threshold (\$250,000), MCWA will use independent cost estimates and formal analysis.
- **Protests and Disputes:** MCWA will handle contractor disputes internally. MCWA will report potential violations of law to federal awarding agencies.

3. Competition Requirements

All procurements must promote full and open competition. MCWA will:

- Avoid restrictive practices, such as unreasonable qualifications, noncompetitive pricing, or specifying only brand names without allowing “or equal” alternatives.
- Ensure solicitations clearly describe requirements, evaluation factors, and minimum standards without overly detailed product specs.
- Use prequalified vendor lists only if they include enough qualified sources to ensure competition and allow new vendors to qualify during solicitations.
- Prohibit contractors who developed specifications from competing for the work.

4. Methods of Procurement

MCWA will use the following methods based on the procurement amount (aggregated for similar items within a fiscal year). The micro-purchase threshold is \$10,000 (or lower if required by state law), and the simplified acquisition threshold is \$250,000.

- **Micro-Purchases (up to \$10,000):** No competitive quotes required if the price is reasonable (determined by market research, past purchases, or catalogs). Distribute purchases equitably among qualified suppliers. Document the purchase with invoices, receipts, and a brief rationale for price reasonableness.
- **Simplified Acquisitions (over \$10,000 up to \$250,000):** Obtain price or rate quotations from an adequate number of qualified sources (at least three, unless justified). Quotations can be oral, written, or from catalogs/websites. Select the lowest reasonable quote or best value. Document quotes received, evaluation, and selection rationale.
- **Formal Procurements (over \$250,000):** Use either sealed bids or competitive proposals.

- **Sealed Bids** (preferred for construction): Publicly advertise, provide complete specs, open bids publicly, and award to the lowest responsive and responsible bidder. Reject if fewer than two bids or costs are unreasonable.
- **Competitive Proposals**: Solicit publicly, evaluate based on predefined factors (including price), and award to the most advantageous proposal. For architectural/engineering services, use qualifications-based selection.
- **Noncompetitive Procurements**: Allowed only if:
 - The item is available from a single source.
 - Public emergency requires immediate action.
 - The federal awarding agency authorizes it.
 - Competition is inadequate after solicitation. Document the specific justification and approval by an authorized MCWA official.

5. Domestic Preferences and Bonding

- MCWA will prefer unmanufactured goods produced in the U.S. and manufactured products substantially made from U.S. components, to the extent practicable.
- For construction contracts over \$250,000, require bid guarantees (5% of bid), performance bonds (100%), and payment bonds (100%), unless MCWA's policy provides equivalent protection.

7. Contract Provisions

All contracts must include applicable provisions from 2 CFR 200 Appendix II, such as:

- Remedies for breach.
- Termination for cause/convenience.
- Equal employment opportunity.
- Davis-Bacon Act compliance (if applicable).
- Rights to inventions.
- Clean Air/Water Acts.
- Debarment certification.
- Anti-lobbying.
- Flow-down to subcontractors.

8. Review and Approval

Procurements over \$200 require approval by the MCWA Board. The policy will be reviewed annually or as regulations change. Federal or pass-through entities may review MCWA's procurement documents upon request.

9. Training and Implementation

Board members and volunteers involved in procurement will receive orientation on this policy (e.g., via a brief meeting or handout). Non-compliance may result in corrective action plans as required by the Department of Environmental Protection.