

FEDERAL PROCUREMENT STANDARDS THAT APPLY IN NONCOMPETITIVE PROPOSALS

USDA has provided additional guidance to clarify what federal procurement standards still apply when using noncompetitive proposal to obtain goods and services from a single source. Though many of the formal and informal methods and procedures (IFB, RFP, small purchase) would not be carried out under a noncompetitive procurement, all other Program and government-wide procurement standards apply when using noncompetitive proposals allowed in 2 CFR 200.320(f) under certain conditions.

During the national emergency, when obtaining prices from a single source allowed in 2 CFR 200.320(f)(2), all Program procurement standards in 7 CFR 210.21, 225.17, 226.22, and requirements for FSMC contracts apply [7 CFR 210.16, 225.6, and 225.15 and 226.21].

Program operator proposals need to:

- Include a clear and accurate description of the technical requirements for the material, product, or service to be procured including quality standards. Detailed product specifications should be avoided. [2 CFR 200.319(b)]
- Not specify only a brand name which is considered restrictive of competition. [2 CFR 200.319(a)(6)]
- Include applicable required contract provisions in Appendix II to 2 CFR 200.
- Award contract to a responsible contractor. [2 CFR 200.318(h)]
- Obtain an independent cost/price estimate before receiving bids or proposals when costs are expected to exceed the Federal simplified acquisition threshold. [2 CFR 200.323(a) and (b)]
- Prohibit the use of cost-plus-percentage-of-cost contracts [2 CFR 200.323(c)] and cost plus-a-percentage of income contracts. [7 CFR 210.16(c)]
- Comply with 2 CFR 200.318(j) if time and materials contracts are applicable.
- Follow documentation, contractor oversight, conflict of interest requirements, and other general procurement standards in 2 CFR 200.318. If a conflict of interest is unavoidable due to the exigent/emergency circumstances, Program operators must explain that in the procurement documentation.
- Ensure all costs are necessary, reasonable, and allocable. [2 CFR 200.403]

In addition, all SFAs should review the USDA procurement guidance posted in SNEARS under USDA CNP Memos FY 2020 that addresses questions and answers related to Food Service Management Company (FSMC) Contracts and other Contract Suppliers, Monitoring, and Allowable Costs:

SP 21-2020 – Questions and Answers related to Food Service Management Company Contracts and Allowable Costs during the COVID-19 Pandemic (June 3, 2020)

[LINK: SP 21-2020 - Questions and Answers related to Food Service Management Company Contracts and Allowable Costs Durink the Covid-19 Pandemic \(June 3, 2020\)](#)