

SUMMARY OF SIGNIFICANT CHANGES TO DISTRICT PROCUREMENT CODE

(Note: The new Code also makes some minor procedural and reporting adjustments that are not addressed in this summary. This summary of changes is not meant to be all inclusive and does not reflect other requirements of the South Carolina Procurement Code which may apply. Changes & new requirements are highlighted in **red**)

On September 15, 2021, the State completed its revision to the Procurement Code for School Districts.

Benefits to the District of adopting the new Procurement Code:

- Creates a “standardized” Code for SC School Districts that aligns with those currently used at all state agencies and public colleges
- Provides for increased compliance for the expenditures and contracting requirements of Federal Funds

A. SMALL PURCHASE THRESHOLDS

Three (3) new small purchase thresholds are created as shown below. For simplicity, District Five will implement procedures with the same limits for all three categories.

1. General

	CURRENT	NEW	D5 Procedures
No Competition Required	\$0 - \$2,500	\$0 - \$10,000	\$0 - \$2500
3 Informal Quotes, Advertising not required	>\$2,500 - \$10,000	>\$10,000 - \$25,000	>\$2,500 - \$25,000
3 Formal Quotes, Advertising required	>\$10,000 - \$50,000	>\$25,000 - \$100,000	>\$25,000 - \$100,000

2. COTS (Commercially Available Off the Shelf) – New Category

	NEW	D5 Procedures
No Competition Required	\$0 - \$10,000	\$0 - \$2500
3 Informal Quotes, Advertising not required	>\$10,000 - \$50,000	>\$2,500 - \$25,000
3 Formal Quotes, Advertising required	>\$50,000 - \$100,000	>\$25,000 - \$100,000

COTS are supplies, other than printing or information resources, that are sold in substantial quantities in the commercial marketplace and are offered to the District without modification, in the same form in which they are sold in the commercial marketplace.

3. Minor Construction – New Category

	NEW	D5 Procedures
No Competition Required	\$0 - \$10,000	\$0 - \$2,500
3 Informal Quotes, Advertising not required	>\$10,000 - \$50,000	>\$2,500 - \$25,000
3 Formal Quotes, Advertising required	>\$50,000 - \$100,000	>\$25,000 - \$100,000

B. SEALED SOLICITATIONS

Sealed Solicitations required for non-exempt, competitive procurements **> \$100,000** (Currently \$50,000)

C. SOLE SOURCE PROCUREMENTS

*Currently all Sole Source Procurements over \$2,500 are reported annually to the Board. With new Code, all Sole Source Procurements over \$10,000 will be reported annually to the Board.

New Requirements:

Sole Sources > \$50,000 - \$250,000	<ul style="list-style-type: none">• An Intent to Sole Source must be advertised for a minimum of 5 business days <u>prior to contracting</u>• Can be protested
Sole Sources > \$250,000	<ul style="list-style-type: none">• An Intent to Sole Source must be advertised for a minimum of 10 business days <u>prior to contracting</u>• Can be protested

D. EMERGENCY PROCUREMENTS

*Currently all Emergency Procurements over \$2,500 are reported annually to the Board. With new Code, all Emergency Procurements over \$10,000 will be reported annually to the Board.

New Requirements:

Emergency Procurements > \$50,000	<ul style="list-style-type: none">• Must be advertised as soon as practicable after emergency procurement is made• Can be protested
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E. PREFERENCES

The new Code requires preferences.

Preferences must be claimed by the bidder, per the solicitation. If claimed, the vendor is certifying that they are qualified for the preference claimed. Preferences can be claimed by bidders for the following:

- Resident Vendors/Contractors/Subcontractors of South Carolina
- South Carolina End Products
- United States End Products

Each preference has a percentage that will be applied to each line item of the bid. The price of the line item will be decreased by the applicable percentage before comparing the price to other vendors. The percentage depends on the preference for which the bidder qualifies.

For example, Vendor A and Vendor B both submit bids for a single line item of equipment. Vendor A bids \$12,000. Vendor B bids \$11,500. Vendor A's equipment qualifies for the SC End Product. Vendor B's equipment does not. For purposes of evaluation, Vendor A's price will be decreased by seven percent (7%), down to \$11,160.00. Vendor A wins the bid.

Price adjustments are for purposes of evaluation only. Application of the preferences does not change the actual price offered by (or paid to) the bidder.

The preferences do not apply to acquisitions of motor vehicles, construction, or supplies or services relating to construction. In addition, the preferences do not apply to competitive sealed proposals or procurements conducted pursuant to the small purchase procedures.