

Understanding “EDGAR” When Using Purchasing Cooperatives

By: Micki Morris

The Education Department General Administrative Regulations (EDGAR) are federal regulations that govern all federal grants awarded by the U.S. Department of Education. The regulations require that purchases made with federal grant funds follow the procurement procedures set forth in the federal Uniform Administrative Requirements, located in 2 CFR Part 200. While non-federal entities were given a series of one-year “grace periods” during which to complete implementation of the procurement and contracting procedures set forth in 2 CFR Part 200, all non-federal entities, including public school districts, were required to become fully compliant by the start of their 2018 fiscal year.

The Uniform Administrative Requirements explicitly the use of interlocal agreements for the procurement or use of common or shared goods and services, in order to foster greater economy and efficiency. In many states, many local governments utilize such interlocal agreements to join government purchasing cooperatives. In a typical purchasing cooperative, one or more governmental entities (referred to as “lead agencies”), competitively procure and award unit price or catalog discount contracts for a variety of goods and services. The governmental entities who have executed interlocal agreements are the “members” of the cooperative. In the federal procurement context, the contracts awarded by purchasing cooperatives are more commonly referred to as “advance contracts” or “indefinite delivery/indefinite quantity (IDIQ) contracts.” This difference in nomenclature between state/local and federal purchasing terms has proven to be a source of confusion when discussing compliance requirements with federal officials from various agencies.

Local Education Entities (“LEA”s), such as public school districts, must comply with the most restrictive procurement rules as between EDGAR and the LEA’s applicable state rules. Purchasing cooperatives should therefore be able to demonstrate to their members that the contracts awarded by the cooperative have been procured in compliance with the most restrictive EDGAR rules. Such compliance, as a minimum would include evidence that the purchasing cooperative engaged in the following actions required under 2 CFR Part 200:

- Conducted an Independent Estimate prior to the solicitation;
- Sought competitive bids/proposals in a manner which ensured full, open and fair competition and did not utilize prohibited geographical preferences;
- Took affirmative steps to encourage participation by small, minority and women-owned businesses;
- Performed a Cost Analysis/Price Analysis, as applicable, prior to awarding the contract to the vendor;
- Incorporated all applicable contract provisions into the award, and obtained required certifications from vendors; and

- Required its awarded vendors to retain all financial records and supporting documents for a period of three years following the end of the contract award.

LEAs should consult with their legal counsel to ensure whether the above types of documentation provided by a purchasing cooperative will be sufficient for a given type of purchase or contract. In some situations, depending on the contract type and amount, the LEA may be required to perform other actions, including its own Independent Estimate or Cost/Price Analysis, or obtain additional documentation from a vendor to ensure compliance with EDGAR or the regulations of other federal agencies.

More information concerning 1GPA's compliance with EDGAR may be found at: WWW.1GPA.ORG.

MICKI MORRIS IS AN ATTORNEY WITH THE FIRM OF ROGERS, MORRIS AND GROVER, L.L.P., LOCATED IN TEXAS. THE FOREGOING ARTICLE IS INTENDED TO BE USED SOLELY FOR GENERAL INFORMATION PURPOSES AND IS NOT TO BE REGARDED AS LEGAL ADVICE. IF SPECIFIC LEGAL ADVICE IS SOUGHT, PLEASE CONSULT AN ATTORNEY.