What PIs working on federally sponsored projects need to know.
On December 26, 2013, the Office of Management and Budget (OMB) issued the “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards," a/k/a the Uniform Guidance.

Requirement for "procurement standards" compliance has been repeatedly postponed.

New implementation date is June 1, 2018.
What Purchases are Affected

- Only purchases that are Federally Sponsored
Uniform Guidance requires that non-Federal entities use their own documented procurement processes.
Revised to add Section 237 which is specific to Federally funded purchases
All other non-Federally funded purchases continue to be made according to the current IIT Purchasing Manual procedures.
THE PROCUREMENT STANDARDS REQUIRE

- Oversight to ensure contractors perform in accordance with terms conditions and specifications of their contracts or purchase orders
- Written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts
RECORDS REQUIRED

- Detailed history of the procurement
- Rationale for method of procurement
- Selection of contract type
- Contractor selection or rejection
- Basis for contract price
The Procurement Standards specifically apply to federally sponsored purchases

- The Standards must be followed for goods and services charged to federal awards only
  - Do not apply to purchases funded by nonfederal programs and grants
  - Do not apply to indirect cost pool

Reference COFAR FAQ .320-5
Uniform Guidance §200.318 - §200.326 list the Procurement Standards
LISTING OF UG PROVISIONS

200.318 General procurement standards
200.319 Competition
200.320 Methods of procurement to be followed
200.321 Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms
200.322 Procurement of recovered materials
200.323 Contract cost and price
200.324 Federal awarding agency or pass-through entity review
200.325 Bonding requirements
200.326 Contract provisions
MUST VS. SHOULD

- MUST = A requirement
- SHOULD = Best Practice, Suggestion, Recommendation
No employee, office, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.
Such a conflict of interest would arise when: the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties herein has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
Avoid purchases of duplicative items - check stock first before buying more

Strive to obtain an economical purchase by either consolidating or breaking out requirements (whichever creates the most effective solicitation) to get the best offer.

Participate in shared goods and service programs, including consortium and group purchasing organizations.
IIT belongs to a number of group purchasing organizations:

- E&I
- U.S. Communities
- MHEC
- NIPA
- NJPA
RESponsible CONTRACTORS

- Contractors must possess the ability to perform successfully under the terms and conditions of a proposed procurement.
- Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources.
Shall not be suspended or barred from conducting business with the Federal Government
Contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.
The non-Federal entity **must** use one of the following methods of procurement.

- Procurement by micro-purchases.
- Procurement by small-purchase procedures.
- Procurement by sealed bids (formal advertising).
- Procurement by competitive proposals.
- Procurement by noncompetitive proposals.
<table>
<thead>
<tr>
<th>Micro Purchases</th>
<th>Small Purchases</th>
<th>Simplified Acquisition Threshold Purchases (SAT)</th>
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</thead>
<tbody>
<tr>
<td>&lt;$10,000</td>
<td>$10,000 - $149,999</td>
<td>&gt;= $150,000</td>
</tr>
<tr>
<td>Current practices acceptable</td>
<td>If small purchase procedures are used, price or rate quotations MUST be obtained from an adequate number of qualified sources</td>
<td>•Procurement by sealed bid</td>
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<tr>
<td></td>
<td>Vendor Selection Form for Grants MUST be provided for Small Purchases</td>
<td>Also summarized on Vendor Selection Form for Grants</td>
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</table>
$10,000 to $150,000 in value
Price or rate quotations obtained by an adequate number of bidders
Documented using the Vendor Selection Form for Grant Funded Purchases Only
PURCHASES ABOVE THE SIMPLIFIED ACQUISITION THRESHOLD (SAT)

- The SAT is currently set at $150,000
- Sealed Bids (Invitation for Bids IFB)
- Procurement by competitive proposals (Requests for Proposals RFP)
- Procurement by non-competitive proposals (Sole Source Justification)
Awarded to the responsible and responsible bidder whose bid, conforming with all the material terms and conditions of the bid, is the lowest in price.

- Publicly advertised
- Publicly opened
COMPETITIVE PROPOSALS

- Must be publicized
- There must be a written method for conducting technical evaluations
- Contract must be awarded to the responsible firm whose proposal is most advantageous
- Price is a consideration however, in acquiring Architectural/Engineering professional services, qualifications are evaluated and compensation is negotiated
WHAT IIT PURCHASING PROVIDES

When an SAT procurement is required we will assist in compliance by:

- Assisting in preparing the bid documents
- Advertising the opportunity on the “Bid-Page”
- Seeking other options for the procurement
  - Group Purchasing and Consortium Contracts
Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- After solicitation of a number of sources, competition is determined inadequate.
SAT PROCUREMENTS

- The item is available only from a single source.
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- After solicitation of a number of sources, competition is determined inadequate.
NONCOMPETITIVE PROPOSALS

- Sole source is allowed only when one or more of these apply:
  - Item available only from a single source
  - Emergency need will not permit a delay
  - The Federal awarding agency expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity
  - After solicitation of a number of sources, competition is determined inadequate
At time of preparing proposal IIT needs to submit the Sole Source with expanded justification.

- Make it clear IIT is sole sourcing this vendor
- Valid scientific reason to use this vendor: establish that it is disadvantageous to the research to use any other vendor
- Perform an appropriate analysis - some vendors have proprietary equipment and processes, but a cost analysis can establish the reasonableness of their pricing
- Making the case, the PI should establish why this sole source is the best choice
Early Engagement with IIT Purchasing for SAT procurements

- Purchasing will assist with Vendors
  - Consortium Option (competitively awarded contracts)
  - Leverage existing Contractual Agreements
  - Collaborative Opportunities

- Engagement for Public offering / RFP
  - Options
  - Assistance
  - Guidance