



## **Procurement Standards Expectations Document**

Certain of the procurement requirements of 2 CFR 200 are explicit statements of what the University would consider as general expectations of any University representative who initiates a procurement transaction on behalf of the University involving federal funds.

The purpose of this “Expectations Document” is to officially communicate those general expectations to the University community to achieve consistent approaches and understanding among all University personnel involved with procurement transactions using federal funds.

**Please note:** The principles in this “Expectations Document” do not pertain to initiating subaward agreements with entities that conduct programmatic work for a research study. For those arrangements, please consult the “ORPA Subagreement Manual” on ORPA’s website.

### **Section A: General Procurement Expectations**

Principles for this group of expectations are that the same fiduciary care should be applied to University transactions as the person would apply to their own personal transactions.

The University buyer must:

#### Expectation to Utilize Established Procurement Venues

Utilize established Corporate Purchasing mechanisms to procure goods and services in order to ensure requirements of 2 CFR 200 are satisfied. It is not appropriate to reimburse employees for purchases made using their own means or to use Request for Payment forms to directly pay vendors as such circumstances are a direct result of circumvention of established Corporate Purchasing mechanisms.

#### Expectation of Oversight of Contractors and Vendors

Ensure fulfillment of ordered goods performance of services in accordance with the terms, conditions, and specifications of the associated contracts or purchase orders prior to authorizing payment to such contractor or vendor.

### Expectation of Avoidance of Unnecessary or Duplicative Items

Seek opportunities to leverage the UR consolidated buying power. Consideration should be given to either consolidating or splitting procurements to obtain a more economical purchase.

Where appropriate, seek or perform an analysis of lease versus purchase alternatives. An analysis of alternatives should be done to determine the most economical approach to obtain use of equipment and other long-lived assets, particularly if they are needed for a relatively short period of time (i.e., less than their useful life). One alternative might be to share the item with another person/department.

### Expectation Regarding Federal Excess and Surplus Property

Attempt to use excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. After a federal project ends, if there was equipment purchased by the project and the equipment is still usable, make every attempt to 1) continue to use the equipment in support of other federal projects or 2) publicize the availability of the equipment for use on other federal projects both within the department and throughout the entire University.

### Expectation to Award Contracts Only to Responsible Contractors

Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. This can be accomplished through involvement of Corporate Purchasing in your procurement activity, since Corporate Purchasing maintains a list of qualified suppliers and has a process to evaluate prospective suppliers. Consideration is given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Apply due diligence steps such as conducting reference checks, observing results of work performed for other clients, and inquiring if Corporate Purchasing has been made aware of complaints from past transactions.

### Expectation Regarding Time and Materials Contracts

Time and Materials Contracts are contracts where the amount to be paid to a vendor is the sum of direct materials and direct labors that are based on fixed hourly rates. Time and Materials Contracts should only be pursued if a determination is made that no other contract type (cost-reimbursable or fixed price) is suitable. In these circumstances, the contract must include a maximum amount that the vendor exceeds at its own risk.

## **Section B: Competition Expectations**

Principles for this group of expectations are to ensure the best price and value for funds spent, and to keep procurement decisions free of bias and discrimination.

### Expectation to Promote Full and Open Competition

Conduct all procurement transactions in a manner providing full and open competition. If contractors develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals, they are to be excluded from competing for such procurements.

Some of the situations considered to be restrictive of competition (thus are to be avoided) include but are not limited to: (1) placing unreasonable requirements on firms in order for them to qualify to do business; (2) requiring unnecessary experience and excessive bonding; (3) noncompetitive pricing practices between firms or between affiliated companies; (4) noncompetitive contracts to consultants that are on retainer contracts; (5) third parties for which there are organizational conflicts of interest; (6) specifying only a “brand name” product instead of allowing “an equal” product to be offered; and (7) any arbitrary action in the procurement process.

### Expectation of Prohibition of Geographic Preferences

Conduct procurements in a manner that prohibits the use of geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference or when contracting for architectural and engineering (A/E) services, whereby geographic location may be a selection criterion provided its application results in an appropriate number of qualified firms, given the nature and size of the project.

## **Section C: Methods of Procurement Expectation**

The procurement process and degree of formality associated with a given purchase will vary based upon the estimated cost of the transaction.

### Procurement by micro-purchases

Micro-purchases are individual transactions of less than \$25,000.

To the extent practicable, micro-purchases must be distributed equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the price is deemed to be reasonable. This expectation always applies to PCard and SOLO transactions.

### Procurement by small purchase procedures

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property between \$25,000 and \$249,999.

A brief description of the item or service to be procured must be included with the procurement documents. The description should be sufficient for any potential supplier to provide exactly the item or service needed for the sponsored project.

If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. If Corporate Purchasing is asked to source the order, they will fulfill this requirement on behalf of the requestor. Corporate Purchasing uses the Supplier Justification Form to document available potential vendors and respective costs. Sole source situations must be explained and adequately supported as truly sole source. See next section for further guidance on sole source documentation/justification.

### Procurement by noncompetitive proposals

Procurement by non-competitive 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:

- (1) The item is available only from a single source;
- (2) Time sensitivity (not self-imposed) will not permit time to perform competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request or as identified in the project proposal; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

### **Section D: Small, Minority and Women's Business Enterprises (MBEs WBEs)**

The procuring party must take steps to ensure MBEs WBEs) are used when possible. Such steps include, when practical:

- Inclusion of MBEs WBEs on solicitation lists and soliciting MBEs WBEs that are known to be possible sources for procurement needs
- Dividing orders into smaller components and establishing delivery schedules that are conducive for MBEs WBEs to participate and compete

- Consulting with agencies/agency web sites that assist with identification of MBEs WBEs (e.g., Small Business Administration, Minority Business Development Agency)

### **Section E: Expectation Regarding Federal Agency or Pass-Through Entity Review**

Make available, upon request of the Federal awarding agency or pass- through entity:

- technical specifications for proposed procurements and/or
- procurement documents for transactions expected to be \$250,000 or more, such as requests for proposals or invitations for bids and independent cost estimates, when the procurement (1) is to be awarded without competition or only one bid or offer is received in response to a solicitation; (2) specifies a “brand name” product; (3) is to be awarded to other than the apparent low bidder under a sealed bid procurement; or (4) involves a contract modification that changes the scope of a contract or increases the contract amount by more than \$249,999.

This expectation is analogous to the cooperation afforded by University personnel when a sponsor conducts a pre-award or post-award audit of sponsored research expenditures.

Note that procurement transactions of \$250,000 or greater should always be made in collaboration with Corporate Purchasing.

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For any clarification needs or questions regarding this “Expectations Document” please contact Debbie Flotteron (Assistant Director, Purchasing), Michael Ritz (Research Compliance Officer) or Jeff Sullivan (Assistant Controller – Research Accounting and Costing Standards).