

Background

The Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") include Procurement Standards for purchased made with Federal funds.

General Procurement Standards

- Recipients must use its own documented procurement procedures which reflect applicable Local, State and Federal laws and regulations.
- Recipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- Recipients must maintain written standards of conduct covering conflicts of interest (available in the Grants Manual) and governing actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, 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.
- Recipients must avoid purchasing unnecessary or duplicative items
- Where appropriate, an analysis of lease versus purchase alternatives, cost or price analysis to determine the most economical approach.
- Recipients are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment.
- Recipients are required to maintain sufficient historical procurement records, to include: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- All procurement transactions must be conducted in a manner providing full and open competition consistent with Federal Standards.
- All requests for proposals must contain the phrase "Equal Opportunity Employer".
- Consider whether larger firms intend to subcontract with smaller businesses, minority-owned firms, and women's business enterprises.

Methods of Procurement

- Micro-Purchases (< \$10,000)
 - Purchases may be awarded without soliciting competitive quotations if the Principal Investigator considers the price to be reasonable; and
 - To the extent practicable, micro-purchases must be distributed in an equitable manner among qualified suppliers.
- Small Purchases (\$10,000 up to \$250,000 Simplified Acquisition Threshold)
 - Price or rate quotations must be obtained (via writing, vendor price list on website or generated via online search engine) from a minimum of three (3) qualified vendors and included with the purchase requisition; and
 - To the extent practicable, small purchases must be distributed in an equitable manner among qualified suppliers.
- Sealed Bids (more than \$250,000). Bids are publicly solicited and a firm fixed price contract is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
 - In order for sealed bidding to be feasible, the following conditions should be present:
 - A complete, adequate, and realistic specification or purchase description is available;
 - Two or more responsible bidders are willing and able to compete effectively for the business; and
 - The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

- If sealed bids are used, the following requirements apply:
 - Bids must be solicited from at least three (3) qualified vendors, providing them sufficient response time prior to the date set for opening the bids;
 - The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
 - All bids will be opened at the time and place prescribed in the invitation for bids;
 - A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experiences indicates that such discounts are usually taken advantage of; and
 - Any or all bids may be rejected if there is a sound documented reason.

ⁱ Thresholds are periodically adjusted for inflation by the OMB.

ⁱⁱ Threshold amounts provided above are as of October 25, 2018. Prior to any purchases, verify the threshold has not changed at the following links: [Micro-purchases](#) and [Small Purchases](#).

Responsibility

It is the responsibility of the Principal Investigator/Program Director, with the assistance of the Office of Sponsored Programs, to ensure that all costs charge to any external grant adhere to the OMB Uniform Guidance rules and requirements. All necessary documentation (quotes, price verification) must be provided with either a Banner Requisition or Finance Direct Pay Form. Principal Investigator/Program Directors should refer to the Lewis University Grants Manual published with the Office of Sponsored Programs.

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Purchase Threshold	Federal Requirements (2 CFR Part 320)	Documentation Standards
Micro Purchases: Total cost is less than \$10,000	<ul style="list-style-type: none"> • Price reasonableness • When practical, purchases are evenly distributed among qualified vendors 	<ul style="list-style-type: none"> • Document basis for price; e.g.: <ul style="list-style-type: none"> ○ Print screen with vendor pricing ○ Written quote or invoice from vendor ○ Vendor catalog reference
Small Purchases: Total cost is \$10,000 or less than \$250,000	<ul style="list-style-type: none"> • No formal quotes required but need proof of cost/price review for more than one vendor • Written justification if only one vendor is considered and if this vendor does not have an existing Adler-wide pricing arrangement 	<ul style="list-style-type: none"> • Document cost and price analysis; e.g.: <ul style="list-style-type: none"> ○ Print screens with vendor pricing from more than one vendor ○ Vendor quotations • Document vendor selection; e.g.: <ul style="list-style-type: none"> ○ Notes about why a vendor was selected especially if lowest cost provider not chosen ○ Sole Source Explanation
Large Purchases: Total cost is \$250,000 or more	<ul style="list-style-type: none"> • Competitive proposal process • Sealed bids for construction projects • Sole source justification if only one vendor considered and if this vendor does not have an existing Adler-wide pricing arrangement 	<ul style="list-style-type: none"> • Document cost and price analysis (required): <ul style="list-style-type: none"> ○ Proposal issued and responses received OR ○ Sole Source Explanation • Document Vendor Selection (required): <ul style="list-style-type: none"> ○ Competitive Bid Documentation OR ○ Sole Source Explanation