

## **Procurement of goods and services with funds from grants and cooperative agreements awarded by the Federal government under Uniform Guidance**

The Office of Management and Budget (OMB) introduced a single document known as Uniform Guidance (2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) that superseded several circulars promulgated by OMB that became effective on December 26, 2014. The Research Foundation transitioned to the Procurement Standards (2 CFR 200, sections 318 – 326) outlined in UG on July 1, 2018.

Purchases must be reasonable, allowable, and allocable to the sponsored project that will be charged. In addition, they must:

- Comply with the RF's documented procedures;
- Comply with the RF's Conflict of Interest Policy;
- Be necessary, non-duplicative, and properly documented;
- Include all necessary affirmative steps to ensure that minority businesses, women-owned business enterprises, and labor surplus area firms are used when possible; and,
- Be conducted in a manner providing full and open competition consistent with section 200.319. Examples of situations considered to be restrictive of competition include but are not limited to:
  - Placing unreasonable requirements on firms in order for them to qualify to do business;
  - Requiring unnecessary experience and excessive bonding;
  - Noncompetitive pricing practices between firms or between affiliated companies;
  - Noncompetitive contracts to consultants that are no retainer contracts;
  - Organizational conflicts of interest;
  - Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement;
  - Any arbitrary action in the procurement process; and,
  - Geographical preferences, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. If contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract;

Contractors that develop or draft specifications, requirements, statement of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.

Section 200.320 details the methods that must be used when procuring supplies, services, or other property (tangible/intangible). The five methods are summarized below:

1. Micro-Purchase: aggregate transaction amount not exceeding \$10,000
  - Competition is not required; however, the price must be reasonable.
  - Purchases should be distributed equitably among qualified suppliers to the extent possible.
  
2. Small Purchase Procedure: aggregate transaction amount between \$10,000.01 up to \$250,000
  - Informal procurement method used to purchase services, supplies, or other property.
  - Price or cost analysis is not required.
  - Price or rate quotation must be obtained from at least two (2) qualified sources.
  - Purchases should be distributed equitably among qualified suppliers to the extent possible.
  
3. Sealed Bids: aggregate transaction amount greater than \$250,000
  - Bids are publicly solicited (advertised).
  - A firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid – that conforms to all the material terms and conditions of the invitation for bids – is the lowest in price.
  - If sealed bids are used, the following apply:
    - Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids.
    - The invitation for bids must include any specification and pertinent attachments, and 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.
    - Any or all bids may be rejected if there is a sound documented reason.
  - We require three (3) written bids from qualified suppliers.
  - The sealed bid method is the preferred method for procuring construction if the following apply:
    - 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.
  - A price or cost analysis is required.
  - Purchases should be distributed equitably among qualified suppliers to the extent possible.
  
4. Competitive proposals: aggregate transaction amount greater than \$250,000

This type of transaction requires the submission of three (3) written bids from qualified sources

  - Formal procurement method used when Seal Bidding is not applicable.
  - A fixed price or cost-reimbursement type contract is awarded.
  - Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
  - There must be a written method for conducting technical evaluations of the proposals received and for selecting recipients.
  - Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.
  - When procuring architectural/engineering (A/E) professional services, qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation.
  - A price or cost analysis is required.
  - Purchases should be distributed equitably among qualified suppliers to the extent possible.

5. Noncompetitive proposals: aggregate transaction amount greater than \$10,000

- Procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
  - i. The item is available only from a single source;
  - ii. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - iii. The Federal awarding agency or pass-through entity expressly authorizes non-competitive proposals in response to a written request from the non-Federal entity; or
  - iv. After solicitation of a number of sources, competition is determined inadequate.

Principal Investigators can initiate procurement transactions independently of the RF for orders totaling under \$5,000. For orders totaling \$5,000 and above, the RF must initiate the transactions on their behalf. Please submit a completed Purchase Requisition Form along with the required number of quotes and supporting documentation to [PO@rfcuny.org](mailto:PO@rfcuny.org) for processing. For Independent Contractor Agreements, Memorandums of Understanding, and Sub-Awards, please submit your request using the Research Foundation’s Contract Manager System.

Aggregate Purchase Threshold	Purchase Method	Key Summary Points	Price/Cost Analysis
Up to \$10,000.00	Micro Purchase	<ul style="list-style-type: none"> <li>• Not competitively bid. Price must be reasonable.</li> <li>• Purchases should be equitably distributed among qualified suppliers to extent practicable.</li> </ul>	No
\$10,000.01 to \$250,000.00	Small Purchase Procedure	<ul style="list-style-type: none"> <li>• Require quotes from two (2) qualified suppliers.</li> <li>• Quotes must be documented.</li> <li>• Purchases should be equitably distributed among qualified suppliers to extent practicable.</li> </ul>	No
Greater than \$250K	Sealed Bidding	<ul style="list-style-type: none"> <li>• Formal (public) advertising.</li> <li>• Preferred method for procuring construction.</li> <li>• Require at least two (2) written bids from qualified suppliers for construction procurement and three (3) written bids from qualified suppliers for non-construction procurement.</li> <li>• A firm fixed price contract is awarded to the responsible bidder that meets the requirements with the lowest bid.</li> <li>• Purchase should be equitably distributed among qualified suppliers to extent practicable.</li> <li>• Bids may be rejected if there are sound reasons.</li> </ul>	Yes
Greater than \$250K	Competitive Bidding	<ul style="list-style-type: none"> <li>• Formal bidding process. Publicly bid.</li> <li>• Used when Sealed Bidding is not applicable.</li> <li>• Require written bids from three (3) from qualified suppliers.</li> <li>• Awarded to supplier whose proposal is the most advantageous to the program/project.</li> <li>• Purchases should be equitably distributed among qualified suppliers to extent practicable.</li> <li>• Written method is required for conducting technical evaluations of proposals and selecting recipients.</li> </ul>	Yes
All Values	Noncompetitive Bidding	<ul style="list-style-type: none"> <li>• Price/Cost Analysis needed for transactions greater than \$250K.</li> <li>• Allowable when either: Item is available only from a single source; There is a public exigency or emergency that will not permit a delay resulting from competitive solicitation; Competition is determined inadequate; or, Approved by Federal awarding agency or pass-through entity.</li> </ul>	Yes