

POLICY NO. 551 - PROCUREMENT POLICY

BACKGROUND

Grants and contracts are awarded to the Research Foundation on behalf of the City University of New York (CUNY) colleges with the assumption that there is sufficient staff and technical expertise to carry out the project without extensive outside assistance. Occasionally, vendors supplement a project's technical and/or programmatic needs and provide specific goods and services to a CUNY college. Vendors are generally contracted through Purchase Orders, Purchase Contracts, and Independent Contractor Agreements.

PURPOSE

The intent of this policy is to streamline the procurement process while promoting full and open competition to the extent possible, to guide CUNY Project Directors and others in the use of various procurement mechanisms and their related requirements, and to ensure that procurements are priced competitively and meet the technical and programmatic requirements of the project.

APPLICABILITY

This policy applies to all Research Foundation accounts administered on behalf of CUNY that will be used to purchase goods or services from a vendor.

POLICY

All procurement transactions must be conducted in a manner that promotes full and open competition, is reasonably priced, and is consistent with applicable sponsor policies and regulations.

Vendors who develop or draft specifications, requirements, statements of work, or invitations for bids or proposals for a particular procurement must be excluded from competing on that procurement.

PROCUREMENT MECHANISMS

There are several ways to initiate a procurement transaction. Choosing the right procurement mechanism largely depends upon the type of goods or services being purchased (and purchase prices in the case of P-Cards). Each transaction must adhere to the procurement methods and documentation requirements listed in Table 1 below, according to the applicable Purchase Threshold. Brief summaries of the different procurement mechanisms are provided below. Detailed guidance about each of these mechanisms is provided on RFCUNY's website and is listed in the Related Links section at the bottom of this page.

- **P-Card:** used to procure goods under \$5,000.00. P-Cards cannot be used to purchase services, personal items, equipment, items requiring governmental licenses or permissions, items that are controlled under U.S. export controls, gifts, or alcohol. Under certain circumstances in which RFCUNY is unable to issue a P-Card due to the short duration of the grant or other extenuating situations, RFCUNY's Procurement & Payables Department may provide prior written approval to process an invoice-only transaction.
- **Purchase Order (PO):** used to procure equipment, goods, and services which are ineligible to be procured with a P-card.
- **Purchase Contract:** used to procure specific goods and services such as lease agreements, custom equipment, hotel facilities for meetings, etc., and limited circumstances for which the use of purchase orders is not practical.
- **Independent Contractor Agreement (ICA):** used for procurement of tailored services or both goods and services. ICAs are not used for purchasing goods alone.

PROCUREMENT PLANNING

The Methods of Competitive Procurement and the corresponding Purchase Thresholds listed in Table 1 below are subject to sponsor restrictions. This means that if a project sponsor requires that the Project Director obtain prior approval for vendors, or that more stringent procurement methods be followed, the more restrictive method must be followed, and any necessary sponsor approvals must be obtained by the college. Procurement using New York City funding is typically more restrictive and varies by agency. Please be sure to review the project sponsor's fiscal manual or other procurement guidelines.

Table 1. Methods of Competitive Procurement and Corresponding Thresholds

Procurement Method	Purchase Threshold	Required Documentation
Micro Purchases (should be distributed equitably among qualified suppliers to the extent possible)	Up to \$50,000.00	A statement demonstrating the reasonableness of the price for the purchase, which may be based on prior experience, purchase history, pricing research, or other information. -OR- Competitive price or rate quotations from at least two (2) qualified sources.
Small Purchases	Between \$50,000.01 to \$250,000.00	Competitive price or rate quotations from at least two (2) qualified sources.
Large Purchases	\$250,000.01 and above	Either Sealed Bids or Proposals, both of which require public notice.

PROCEDURES

Determining Applicable Purchase Threshold

For each transaction, the dollar amount of the procurement must reflect the aggregate purchase price that the Project Director reasonably expects to expend on a particular procurement. Procurements must not be divided into multiple transactions in order to circumvent the Purchase Thresholds for required solicitation of quotes, bids, or proposals. Procurement activity should be planned and consolidated whenever practical to avoid the division of a procurement into multiple transactions.

Competitive Procurement for Large Purchases

Sealed Bids: This type of transaction requires the submission of at least three (3) written bids from responsible and qualified bidders who are willing and able to effectively compete. Bids are generally used for construction agreements and are appropriate where the transaction lends itself to a fixed price contract (lump sum or unit price), or selection of the successful bidder can be made primarily based on price. The invitation for bids must include detailed specifications defining the items or services being procured in order for the bidder to properly respond. Bids must be publicly advertised, solicited from an adequate number of known suppliers, and provide vendors with

sufficient response time prior to the date set for opening the bids. A price or cost analysis is required, which should include making independent estimates before receiving bids. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is the lowest. Payment discounts may only be used to determine the low bid if the Project Director is able to establish in their supporting documentation that the discount(s) is a valid factor based on prior experience. Any or all bids may be rejected if there is a sound documented reason.

- Project Directors must submit the top three top bids chosen, supporting documentation, and a brief statement outlining the reasons why the vendor was chosen (including a price or cost analysis). Please note that bids should be awarded to **a responsible bidder whose bid conforms with all the material terms and conditions of the invitation for bid and is the lowest in price.**

Proposals: This type of transaction requires the submission of at least three (3) proposals from qualified sources. Proposals should be used when the purchase lends itself to a fixed price or cost-reimbursement agreement and sealed bids are not appropriate. Requests for Proposals must be publicized and should identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical. The Project Director must document a written method for conducting technical evaluations of the proposals received and for selecting recipients. When architectural/engineering (A/E) professional services are procured, qualifications should be evaluated and the most qualified candidate should be selected, subject to negotiation of fair and reasonable compensation. A price or cost analysis is required, which should include making independent estimates before receiving proposals.

- Project Directors must submit the three top proposals chosen, supporting documentation, and a brief statement outlining the reasons why the vendor was chosen (including a price or cost analysis). Please note that **proposals should be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.**

Solicitation Requirements

In accordance with Uniform Guidance at 2 CFR Part 200.319, solicitations must:

1. Incorporate a clear and accurate description of the technical requirements for the property, equipment, or service being procured. This description may include a statement of the qualitative nature of the goods or services to be procured. When necessary, the description must provide minimum essential characteristics and

standards to which the property, equipment, or service must conform. Detailed product specifications should be avoided if possible. When it is impractical or uneconomical to clearly and accurately describe the technical requirements, a “brand name or equivalent” description of features may be used to provide procurement requirements. The specific features of the named brand must be clearly stated.

2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

3. Ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition.

4. Not preclude potential bidders from qualifying during the solicitation period.

NON-COMPETITIVE PROCUREMENT

Single Source Justification: A written justification for selecting a particular vendor to provide personal services without obtaining price or rate quotations, proposals, or bids for such services. Single source procurement should be used only when competitive solicitation procedures are not applicable or not feasible. This method of procurement may be selected if **one or more** of the following circumstances apply:

- The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold of \$50,000.00;
- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- The project sponsor or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request (if selected, please include the project sponsor’s written approval authorizing this as a noncompetitive procurement); or
- After solicitation of a number of sources, competition is determined inadequate.

A written statement providing justification for a single source procurement must be used to provide details outlining the following:

1. A detailed statement explaining the applicable circumstance(s) qualifying the transaction as a single source procurement (as indicated above);
2. The process used to select the particular vendor;

3. The unique area of expertise of the vendor;
4. The reasonableness of the vendor's fee in relation to:
 - a. the qualifications of the vendor;
 - b. his/her/their normal charges; and
 - c. the specific nature of the vendor's services.

Unsupported single source procurement must not be used for the purpose of circumventing the Purchase Thresholds for required solicitation of quotes, bids, or proposals.

SELECTING A VENDOR

Research

Project Directors should select responsible vendors who have the skill, expertise, and ability to effectively perform the work necessary to carry out the goals of the project. Additional points to consider in selecting a vendor are their integrity, reputation in the field, classification of employees, capacity to fully perform the requirements of the procurement, past performance record, and financial and technical resources. Procurements must not be made to vendors who are listed on the government-wide exclusions list.

A Project Director must conduct sufficient market research to determine whether the price of goods, services, or equipment is reasonable. This may include requesting quotes from vendors (two or more) or performing web searches for pricing.

CFR § 200.321

When possible, Project Directors should ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms are considered. These efforts may include placing these types of vendors on solicitation lists, soliciting them when they are eligible, dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by these groups. Project Directors are encouraged to refer to the Small Business Administration, the Minority Business Development Agency of the Department of Commerce, the New York State M/WBE Directory, or the Online Directory of NYC Certified Business available through the New York City Agency for Small Business Services. Links to these directories are provided under the Related Links section below.

IMPLEMENTATION

The provisions of this policy are effective as of 07/01/2025

Department Ownership: Operations & Office of Legal Affairs

Contacts:

Mindaugas Paunksnis, Chief Operating Officer: Mindaugas_Paunksnis@rfcuny.org

Matthew R. Drost, Chief Counsel: Matthew_Drost@rfcuny.org