

Uniform Guidance Procurement Standards

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Uniform Guidance Procurement Standards

Northwestern will implement the Uniform Guidance Procurement Standards for purchases on sponsored programs starting September 1, 2018, in accordance with government regulations 2 CFR 200.317-326.

Primary goals of these procurement standards are to:

- increase reuse of existing equipment and supplies
- increase competition when purchasing equipment and supplies
- minimize sole sources

Our team is in the process of updating all related procedures, websites, and forms, as well as developing checklists to guide departments/schools on the new review process.

Key Highlights

- Effective 6/20/18, OMB announced changes in the regulations which we will highlight in the presentation
 - Applies to grants and cooperative agreements only. It will be applicable to contracts only after the FAR is updated
- Multiple bids (**at least 2 bids**) must be solicited by departments and schools for purchases over \$10,000 *when sponsored funds are being used*, unless the product/service is purchased from a Preferred Vendor
- A cost transfer for equipment and purchases over \$10,000 from non-sponsored to sponsored chart strings must also have multiple bids attached, unless a Preferred Vendor is used, to be eligible for transfer

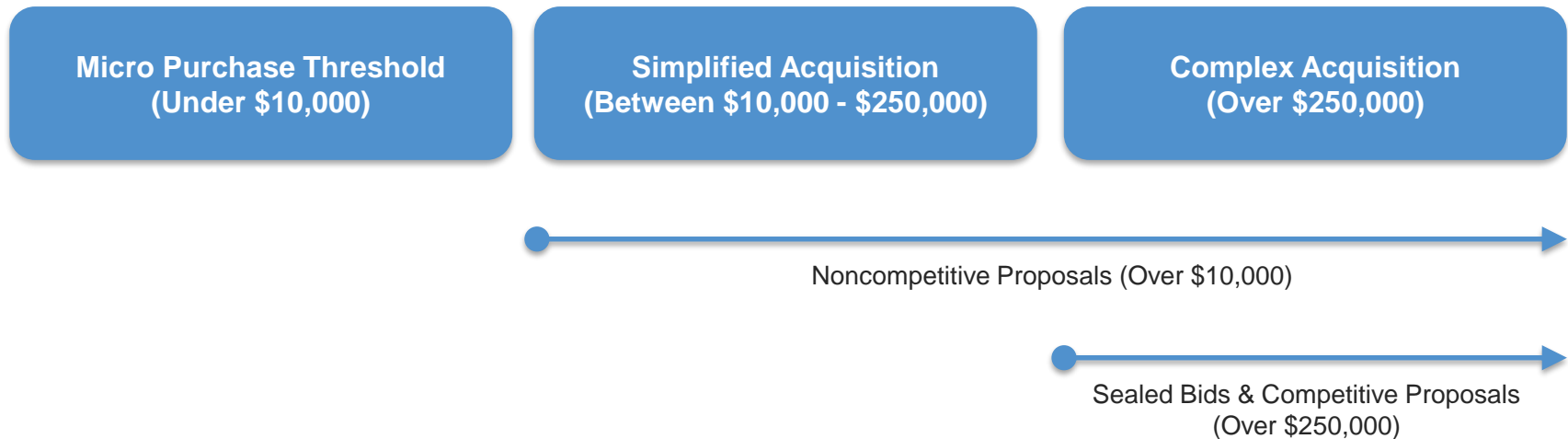
Key Highlights

- Procurement and Payment Services (PPS) will continue to be the final approver for all requisitions over \$25,000
- Bids for purchases over \$250,000 on sponsored programs will be formally conducted by PPS
- OMB sets forth approval process for certain institutions that want to request micro-purchase thresholds higher than \$10,000
- Accounting Services for Research and Sponsored Programs (ASRSP) approval will increase to transactions above \$5,000 for sponsored programs, effective in the new fiscal year
- Purchases must be reasonable, allocable, and allowable

Key Highlights

- Cost Allowability Guide located at <https://www.northwestern.edu/asrsp/expenses/cost-allowability-for-sponsored-charges.html>
- Recent audit items related to procurement:
 - Equipment purchased within the last 6 months of an award
 - Supplies and materials purchased near the end of the award and posted after the end date
 - Travel expenses outside of the project period or not benefiting the project

Uniform Guidance Standards for Procurement



Micro Purchases

	Definition	Current Northwestern Policy	Recommendation to Ensure UG Compliance
<p><u>Micro Purchase</u></p> <p>Threshold: Under \$10,000</p>	<p>Defined as less than \$10,000</p> <p>No competitive quotes are required, and it's up to the grantee to determine whether or not the price is reasonable</p> <p>Standard also requires that purchases be distributed equally among qualified suppliers to the extent practical</p> <p>Use of strategically sourced Preferred Vendor contracts and iBuyNU does not conflict with this requirement</p>	<p>Departments and schools should purchase products and services from Preferred Vendors whenever possible</p> <p>Multiple bids are not required for purchases under \$25,000</p> <p>ASRSP is included in work flow when sponsored dollars are used for purchases of \$2,500 or more</p> <p>PPS does not have to approve requisitions under \$25,000</p>	<p>Multiple bids are not required for purchases under \$10,000</p> <p>Aggregate dollar amount must not exceed \$10,000 unless the product or service is purchased from a Preferred Vendor</p> <p>Purchases need to be reasonable, allocable, and allowable</p> <p>ASRSP will still be included in work flow when sponsored dollars are used for purchases of \$5,000 or more</p>

Simplified Acquisitions

	Definition	Current Northwestern Policy	Recommendation to Ensure UG Compliance
<p><u>Simplified Acquisition</u></p> <p>Threshold: Between \$10,000 and \$250,000</p>	<p>Simple and informal procurements for services, supplies, or other property that are greater than \$10,000 and less than \$250,000</p> <p>Grantees are required to receive quotations from an adequate number of sources</p>	<p>Multiple bids must be solicited for purchases of \$25,000 or more, unless the product or service is purchased from a Preferred Vendor</p> <p>Bids can be solicited by department/school</p> <p>A Bid Documentation Form needs to be attached to the requisition</p> <p>ASRSP is included in work flow when sponsored dollars are used for purchases of \$2,500 or more</p> <p>PPS is final approver for all requisitions of \$25,000 or more</p>	<p>Multiple bids must be solicited for purchases \$10,000 - \$250,000 when sponsored dollars are being used, unless the product or service is purchased from a Preferred Vendor</p> <p>Bids can be solicited by department/school</p> <p>ASRSP will be included in work flow when sponsored dollars are used for purchases of \$5,000 or more</p> <p>PPS will still be the final approver for all requisitions of \$25,000 or more</p> <p>Current policy of requiring bids for purchases of \$25,000 or more would stay in place when non-sponsored dollars are used</p>

Complex Acquisitions – Sealed Bids

	Definition	Current Northwestern Policy	Recommendation to Ensure UG Compliance
<p><u>Complex Acquisitions – Sealed Bids</u></p> <p>Threshold: Over \$250,000</p>	<p>The Federal government's preferred procurement method for construction (when certain conditions apply) and for goods/services where price will be the main consideration for selecting the winning bidder. If sealed bids are used, the guidance outlines five explicit requirements to follow including:</p> <ul style="list-style-type: none"> - bids must be solicited from an adequate number of known suppliers and provide sufficient time to respond - invitation for bids must be publicly advertised and define the items or services in order for the bidder to properly respond - bids must be opened at the time and place prescribed in invitation for bids, and for local and tribal governments, the bids must be opened publicly - firm fixed price contract award will be made in writing to lowest responsive and responsible bidder - any or all bids may be rejected if there is a sound documented reason 	<p>Multiple bids must be solicited for purchases of \$25,000, unless the product or service is purchased from a Preferred Vendor</p> <p>Bids can be solicited by department/school</p> <p>A Bid Documentation Form needs to be attached to the requisition</p> <p>ASRSP is included in work flow when sponsored dollars are used for purchases of \$2,500 or more</p> <p>PPS is final approver for all requisitions of \$25,000 or more</p>	<p>Bids for purchases of \$250,000 or more will need to be formally solicited by PPS when sponsored dollars are being used</p> <p>ASRSP will be included in work flow when sponsored dollars are used for purchases of \$5,000 or more</p> <p>PPS will still be the final approver for all requisitions of \$25,000 or more</p> <p>Current policy of requiring bids for purchases over \$25,000 would stay in place when non-sponsored dollars are used. Departments/schools can solicit their own bids or have PPS handle the bid on their behalf</p> <p>A Bid Documentation Form needs to be attached to the requisition</p>

Complex Acquisitions – Competitive Proposals

	Definition	Current Northwestern Policy	Recommendation to Ensure UG Compliance
<p><u>Complex Acquisitions – Competitive Proposals</u></p> <p>Threshold: Over \$250,000</p>	<p>This method is typically used when there are critical factors to consider beyond just price. Both fixed-price or cost-reimbursement type contracts can be used, and certain general requirements must be followed including:</p> <ul style="list-style-type: none"> - Requests for Proposals (RFPs) must be publicized - all evaluation factors must be identified in the RFP along with their relative importance - proposals must be solicited from an adequate number of qualified sources - 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 	<p>Multiple bids must be solicited for purchases of \$25,000, unless the product or service is purchased from a Preferred Vendor</p> <p>Bids can be solicited by department/school</p> <p>A Bid Documentation Form needs to be attached to the requisition</p> <p>ASRSP is included in work flow when sponsored dollars are used for purchases of \$2,500 or more</p> <p>PPS is final approver for all requisitions of \$25,000 or more</p>	<p>Bids for purchases of \$250,000 or more will need to be formally solicited by PPS when sponsored dollars are being used</p> <p>ASRSP will be included in work flow when sponsored dollars are used for purchases of \$5,000 or more</p> <p>PPS will still be the final approver for all requisitions of \$25,000 or more</p> <p>Current policy of requiring bids for purchases over \$25,000 would stay in place when non-sponsored dollars are used. Departments/schools can solicit their own bids or have PPS handle the bid on their behalf</p> <p>A Bid Documentation Form needs to be attached to the requisition</p>

Noncompetitive Proposals

	Definition	Current Northwestern Policy	Recommendation to Ensure UG Compliance
<u>Noncompetitive Proposals</u>	<p>The noncompetitive proposal, also called a 'no-bid' contract or sole-source procurement, applies in very specific situations that eliminates the need for competition in your solicitation process.</p> <p>Noncompetitive proposals apply to any procurement greater than \$10,000 and are used when there is adequate 'justification for other than full and open competition'. This can occur when one or more of the following are met:</p> <ul style="list-style-type: none"> - the good/service is only available from a single source - the grantee needs to meet a public exigency or emergency - the Federal awarding agency has provided prior authorization - after soliciting a number of sources, the grantee determines that there is inadequate competition 	<p>A Sole Source Justification needs to be attached to the requisition</p> <p>ASRSP is included in work flow when sponsored dollars are used for purchases of \$2,500 or more</p> <p>PPS is final approver for all requisitions of \$25,000 or more</p>	<p>Department/school business office must attach a Sole Source Justification Form to the requisition for purchases of \$10,000 or more when sponsored dollars are being used</p> <p>ASRSP will be included in work flow when sponsored dollars are used for purchases of \$5,000 or more</p> <p>PPS will still be the final approver for all requisitions of \$25,000 or more</p> <p>Current policy of requiring that a Sole Source Justification Form be attached to the requisition for purchases over \$25,000 would stay in place when non-sponsored dollars are used</p>

Complex Acquisitions – Competitive Proposal Process

- Procurement and Payment Services (PPS) web page for the bid process will be updated
 - Email address will be established for departments to use to send bid requests to PPS
 - Instructions will be provided
- Bid opportunities will be posted on the PPS website with a bid due date and time (meets advertise requirement)
- Email address will be established for vendors to submit their bids
 - Bids will kept in a central folder until after the formal bid due date (meets sealed bid requirement)
- Bid results will be summarized, PPS and department will make award decision
- Department will initiate requisition with Bid Documentation Form and quote attached so an official Purchase Order can be sent to the vendor

FAQs

1. **How are Preferred Vendor Contracts Established?**

Preferred Vendor Contracts are established by Procurement and Payment Services for products and services needed by NU departments/schools on a regular basis. Contracts are established based on the results of a formal competitive bid/negotiation process that involves representatives from across campus.

2. **What if I have multiple invoices for a consultant, but each invoice is under \$10,000?**

Please note that the total intended obligation (estimated total value of the contract or project) must be considered when determining whether a competitive bid needs to be performed.

FAQs

3. Do the bid requirements still apply if I split a purchase and it is now under \$10,000?

Examples of improper use of purchasing authority include stringing or splitting a large purchase into two or more smaller orders in order to avoid bid requirements and required approvals.

4. How can I transfer supplies, services or equipment over \$10,000 that was charged to a non-sponsored chartstring but was determined to be allocable, allowable and reasonable to a grant?

Please include the multiple bids required for items over \$10,000, unless purchased from a preferred vendor, for the cost transfer. Multiple bids are required for items over \$10,000 either being purchased on a sponsored project or for transfer at a later date from a non-sponsored chartstring.

Thank You