



# Cornell College

## Federal Grant Procurement Policy

### Background

OMB Uniform Guidance went into effect on December 26, 2014 and applies to awards or funding increments issued on or after that date. Purchases funded by federal grant funds must adhere to regulations found in Uniform Guidance as a condition of receiving funds and to meet annual audit compliance requirements.

### What are the Methods of Procurement?

- **Micro-purchases** - the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000.
- **Small purchase** - the acquisition of supplies, services or equipment in the range of \$3,001 to \$150,000. Price or rate quotations must be obtained from at least two qualified sources prior to making a purchase.
- **Sealed bids** - For acquisitions costing more than \$150,000, bids are publicly solicited and a firm fixed price contract is awarded to the responsible bidder whose bid is the lowest price.
- **Competitive proposals** - For acquisitions costing more than \$150,000, conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program with price and other factors considered.
- **Noncompetitive proposals (sole source)** - procurement through solicitation of a proposal from only one source. A waiver must be granted by contacting the Grants Compliance Office.

### What You Need to Know

**For purchases \$3,000 or less**, use your own judgment in identifying potential suppliers. Pre-approval through the “Voucher/Request for Payment” form will not be required. When possible, buyers should use Cornell discounts. If you are uncertain as to whether or not a purchase qualifies as a micro purchase or a small purchase, please contact the **Grants Compliance Office** prior to making the purchase. For example, installment payments less than \$3,000 towards a total purchase price greater than \$3,000 do not count as micro purchases.

**For purchases between \$3,001 and \$150,000** buyers will need to document at least 2 price quotes and the basis for vendor selection prior to making a purchase. Documentation needs to be in writing from the vendors and can include screen shots from websites, copies of published price lists and advertised pricing in established magazines or

journals. This documentation must be attached to the "Voucher/Request for Payment" form and submitted to the Grants Compliance Office.

**For purchases greater than \$150,000** buyers will need to get prior approval from the Grants Compliance Office.

**Sole Source** There may be times when competitive bids/quotes are not appropriate and the requirement for obtaining them is waived. Please contact the Grants Compliance Office to request a Sole Source waiver.

Situations that would justify purchases without the competitive bid process are:

- The supplier is obviously a sole source for the item. Examples:
  - Artwork
  - Unusual and not generally available used equipment
  - A very specialized piece of scientific equipment
  - A specialized service (lobbyist, consultant) when the supplier has a one-of-a-kind ability to provide the required service due to demonstrably unique circumstances (knowledge, contacts, experience)
- There is an undeniable compatibility requirement. The item will be hooked up to existing equipment or the purchase is an upgrade to existing equipment/software.
- There has been an unpredictable emergency and there is no time to bid. Examples:
  - Human life, health or University property is in jeopardy
  - Repairs are immediately needed for equipment where delay would lead to higher expense.
- Subcontracts whereby the agreement to work with another individual or institution was written into the grant award.

Situations that would **NOT** justify purchases without the competitive bid process are:

- We did some looking around and this supplier is offering a very good deal - while this may be true, federal guidelines require a competitive bidding process that demonstrates that due diligence was used in spending tax payer dollars.
- I waited so long to work on this that now I need it tomorrow - busy schedules do not excuse the University from following federal regulations
- It would be so much more convenient if we could just use this supplier - Convenience is not a strong enough factor to allow the granting of a waiver from the process. An emergency situation must be present.
- The company already started the work. - making such agreements or purchases at a departmental level is contrary to this University policy and federal regulations.

## Questions?

Please contact the Grants Compliance Office at (319) 895-4321.