

Drake University
Procurement Policy for Federal Grant-Funded Purchases
Effective: December 22, 2017, Revised November 10, 2019

Purpose

The purpose of this policy is to ensure that goods and services purchased for the performance of a federal grant are obtained in a cost-effective manner and in compliance with federal regulations. This policy is governed by OMB 2 CFR Part 200 and is consistent with Final Guidance issued by the Federal Office of Management and Budget on December 26, 2013 and effective as of December 26, 2017.

This Procurement Policy for Federal Grants applies to all expenditures of monies received through federal grants, whether those monies come directly from a Federal agency or through an intermediary, known as a “pass-through entity.” This Policy does not govern expenditure of funds received from other sources (e.g. research foundations, alumni donations, etc.). While reference may be made from time to time simply to “procurement transactions,” this Policy applies only to such transactions funded with federal monies.

Federal law imposes particular requirements on the use of federal grants. This Procurement Policy is designed to ensure that Drake University complies with those requirements. Individual federal grants may contain further requirements that are unique to those grants and in addition to the requirements of this Policy. It is therefore important for Principal Investigators to work closely with the Office of Sponsored Programs and Purchasing and Business Services to ensure compliance with the requirements of each grant.

Scope

This policy applies to Principal Investigators and any designees authorized to initiate purchases on behalf of a federal grant. This policy is not applicable to the general purchases of the University.

Responsibility

The Principal Investigator is responsible for determining whether a purchase is allowable under the terms of the federal grant and will ensure purchases are in accordance with this policy. The Senior Grants Accountant and the Director of Purchasing and Business Services will provide guidance related to this policy.

Code of Conduct

No employee, officer, or agent must 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 of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

Process

To promote compliance with federal regulations, the University requires buyers to perform some measure of cost/price analysis when making purchases under federal grants. Buyers shall avoid purchasing unnecessary and duplicative items. All vendor bids and quotations must be evaluated on the basis of product quality, technical compliance with specifications, total cost, and the vendor’s acceptance of the Drake’s terms and conditions. **The vendor selection process for goods and services valued at \$10,000 or greater must be documented and approved by SPARC prior to purchase.**

Vendor Selection and Bidding Requirements

Buyers shall consider the following before making a vendor selection:

- Does the vendor provide the best mix of quality, service and price for the specified need? Federal regulations require that the lowest price have priority, unless quality, service or delivery time takes priority as to need.
- Does the vendor qualify as a small, disadvantaged, minority or women-owned business? Qualifying vendors should be given preference to the extent practical and economically feasible.
- Does the vendor supply products and services that conserve natural resources, are energy efficient and protect the environment? Vendors should be given preference, to the extent practical and economically feasible, for such products

The level of bidding required and associated documentation is determined by the dollar amount of the purchase as indicated in the table below. All purchase requests of \$10,000 or greater must be submitted to the Senior Grants Accountant and the Director of Purchasing and Business Services. The Director of Purchasing and Business Services will provide guidance during the bid process.

	< \$10,000	Between \$10,000 and \$25,000	> \$25,000 – 150,000
Formal bid process required	No	Yes	Yes
Acceptable forms of bids	n/a	verbal, published catalogues, written	written only
Minimum number of bids required	n/a	3	3
Submit bid documentation to The Senior Grants Accountant when need be the Director of Purchasing and Business Services will be involved	No	Yes	Yes

For purchases under \$10,000:

Formal documentation of vendor selection is not required. Buyers are expected to conduct an informal cost/price analysis and select the vendor offering the best mix of quality, service and price for the specified need. Reasonable efforts shall be made to ensure fair and competitive pricing.

For purchases from \$10,000 to \$25,000:

A minimum of three (3) bids, written or verbal, are required. Each vendor must be provided with the same precise and accurate description of the specifications and technical requirements for the item or service. Web price lists and catalogue listings can be considered verbal bids.

For purchases \$25,000 and over:

A minimum of three (3) written bids are required. Each vendor must be provided with the same precise and accurate description of the specifications and technical requirements for the item or service. Written bids may be received by mail, fax or email and should be signed/e-mailed by an authorized representative of the vendor. See Obtaining Competitive Bids below.

Obtaining Competitive Bids

Solicitations for goods and services shall provide the following:

- A clear and accurate description of the technical requirements for the material, product, or service desired. The description shall not be designed to limit competitive solicitation from multiple vendors.
- Requirements that the bidder must fulfill and all other factors to be used in evaluating bids and proposals.
- A description of the technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
- The specific features of “brand name or equal” descriptions that bidders are required to meet.
- Preference, to the extent practical and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

Positive efforts shall be made to utilize small-business, minority-owned firms and women’s business enterprises, whenever possible.

Non-Competitive Vendor Selection

Occasionally, a buyer is unable to competitively bid the requirements. These situations are characterized as sole or single source transactions. Non-competitive vendor selection may only be used when one or more of the following circumstances apply:

1. The item is available only from a single source;
2. The emergency situation for the requirement will not permit a delay resulting from competitive solicitation;
3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
4. After solicitation of a number of sources, competition is determined inadequate.