Procurement Processes under Uniform Guidance

Uniform Guidance Overview

Uniform Guidance (UG), codified in 2 CFR 200, consolidated federal guidelines impacting sponsored programs. The U.S. Office of Management and Budget states that Uniform Guidance “supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.”

*Goals of Uniform Guidance*

UG, when issued in 2014, significantly changed federal grant procurement activities guidance in order to focus on increased competition and transparency to reduce the risk of waste, fraud, and abuse of federal funds.

*General Impact to Oklahoma State University’s Procurement Processes*

Oklahoma State University follows Board policies and most State purchasing requirements resulting in minimal impact to University procurement practices.

*Micro-purchase Threshold (MPT)*

MPT is federally-defined as small dollar purchases necessary to support sponsored programs. Originally set at $3,000, Congress recently passed a statute into law raising the threshold to $10,000. However, State of Oklahoma purchasing requirements are more stringent and dictate that Oklahoma State University’s threshold remain at $5,000. Purchases between $5,000 - $25,000 will continue to require at least three quotes.

Oklahoma State University has established many system-wide and punch-out contracts that have been strategically sourced and, by University policy, preclude bid requirements. When there is a contract in place policies direct that the contract is the first place to shop.

*Sole Source Procurement*

UG also establishes limited the use of sole source awards to four specific justifications:

1. Product/service is only available from a single source;
2. A Public Emergency Procurement
3. The Federal Awarding Agency Authorization (the awarding agency specifically authorizes a non-competitive procurement after a written request from the Non-federal entity);
4. Inadequate competition after solicitation of multiple sources

These changes will result in a review of all sole source justifications at OSU. The most significant change to the sole source section of UG (from the OMB circulars) is that the “continuity of research” is no longer an acceptable justification. When a requisition is processed through the University’s OKCorral, if justification #3 is used, award documents or any approvals by the Awarding Agency must be attached to the requisition.

University Purchasing will continue to manage the sourcing, (including the evaluation of sole source justifications) award, and negotiation for acquisitions above $25,000. (VPR approves research contracts). Additionally, every sole source will require a price/cost justification and will require the University to negotiate profit with the vendors for those sole sources. Sole Source requisitions must include a published price listing of the item(s) or service(s) or other supporting documentation from the vendor showing the price. When Federal Funding will used for a service, the vendor should be notified via the requisition of that fact and that the lowest and best price available be quoted.

*Academic Research Consulting*

Academic Research Consulting is a vital part of many sponsored projects and often the expertise necessary for a project’s successful completion is so specific that only a limited number of laboratories, Universities, or individuals may be able to fulfil the research requirements. The University has historically used this need as a sole source justification for awarding academic research consulting services.

To more effectively manage these potential sole source awards, Principal Investigators should provide documentation supporting the sole source during the requisition process. This documentation should include any Federal Agency approvals made during the grant’s awarding process and/or any specific approvals by the agency. The Principal Investigator should provide a “Sole Source Certificate.” All documentation must be attached to the OKCorral requisition prior to the procurement of the services.

University Purchasing reviews all sourcing awards to ensure compliance, including the evaluation of sole source justifications/award, negotiations, and execution of research consulting contracts.

*Conflict of Interest*

Faculty, staff, and student employees who make spending decisions, direct sponsored research, supervise employees, or teach students are required disclose any potential conflict of interest, of which they are aware, in accordance with OSU Policy 4-0130. This policy provides guidance for disclosing certain financial interests if they reasonably appear as related to the exercise of University employee’s duties. The policy presumes that personal financial interests should not influence the performance of University duties, but recognizes that many interests presenting a potential conflict may be permissible if disclosed and properly managed.  The policy also describes possible sanctions for noncompliance. Federal conflict of interest laws also may be applicable to those participating in federal grants/contracts or to those employed partly by federal agencies. Thus, this policy overlaps with but does not supplant a University employee’s responsibility under state or federal law, or other institutional policies which may have additional or different prohibitions, penalties or reporting duties.