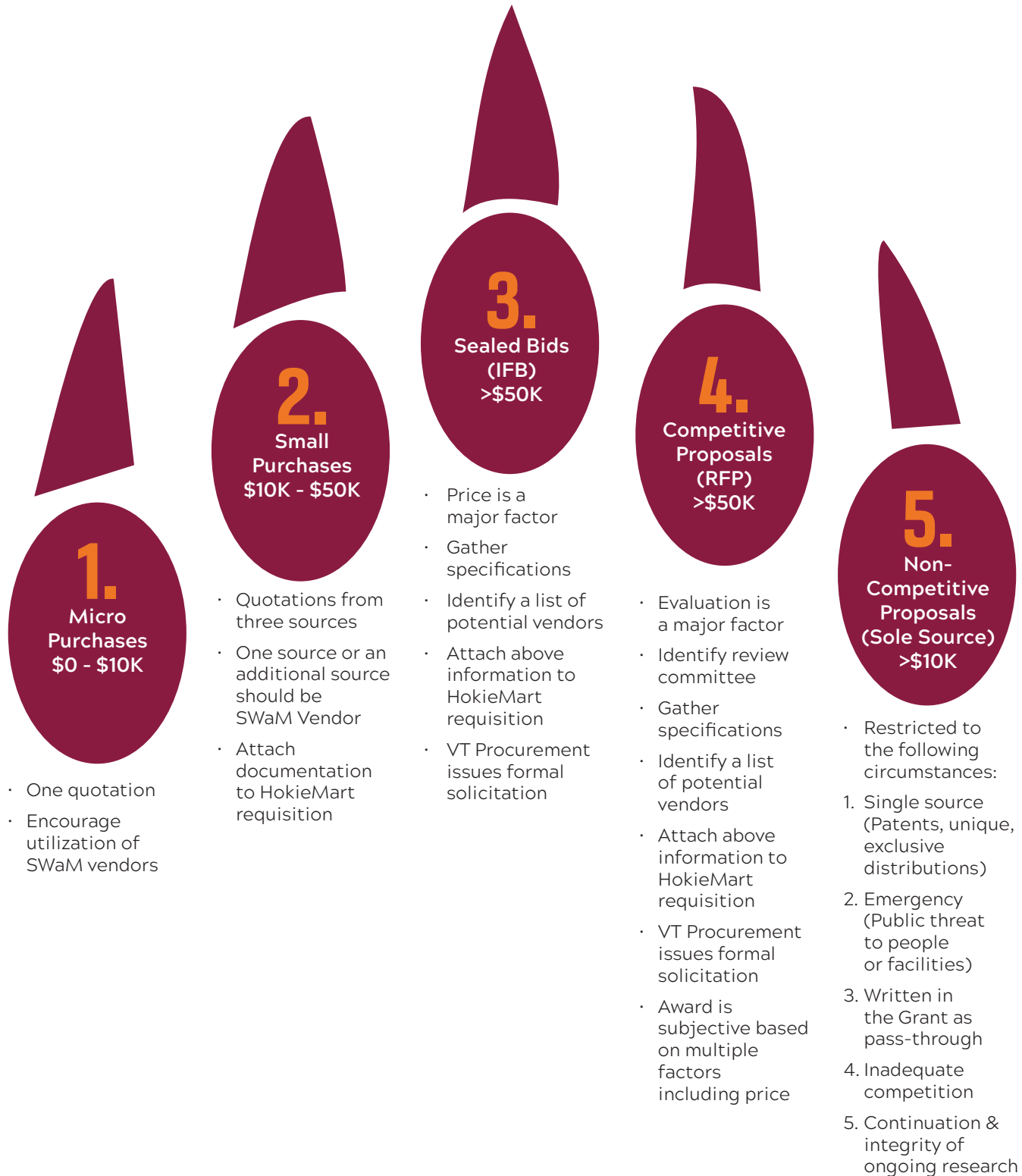


■ PROCUREMENT THRESHOLDS WHEN USING OSP FUNDS

[THE CLAW]*



*The U.S. Office of Management and Budget (OMB) has combined many federal circulars into a single document of government-wide grants management policies and guidelines, known as Uniform Guidance or 2 CFR 200.

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CONTRACTS

Any Procurement

Procurements from competitively awarded contracts are allowed under Uniform Guidance. If no contract is available, one of the 5 procurement methods below must be used.

1. MICRO PURCHASES/DEPARTMENTAL DELEGATION LIMIT

Procurements \$0 up to and including \$10,000

- a. Micro-purchases/Department delegated purchases may be awarded without soliciting competitive quotations.
- b. Obtaining a written quote is recommended. Be sure the name and address of vendor on the quote matches the name and address of the vendor in HokieMart. If there are differences, select “New Supplier” to notify the Vendor Team in Procurement that information needs to be updated.
- c. Small, Women Owned and Minority Owned Businesses should be utilized to the greatest extent possible. Distribute awards of micro-purchases/department delegated purchases equitably among qualified SWaM businesses.
- d. All purchases must process through HokieMart ahead of the purchase being made and must follow the University’s financial procedures for prompt payment.

2. SMALL PURCHASES

Procurements greater than \$10,000 up to and including \$50,000

- a. A minimum of three quotations must be obtained from qualified sources. One of the sources or an additional source should be a Small, Woman Owned or Minority Owned Business if there is a SWaM vendor who can provide the good or service needed.
- b. Attach all requests for quotes (including emails) and quotations received to the HokieMart requisition.
- c. All purchases must process through HokieMart ahead of the purchase being made and must follow the University’s financial procedures for prompt payment.

3. SEALED BIDS (IFB)

Procurements greater than \$50,000

- a. Attach a complete, adequate, and realistic specification or purchase description to the HokieMart requisition.
- b. Attach any research, requests for information, and quotations received to the HokieMart requisition.
- c. Attach a list of potential vendors that can be considered a possible source for the purchase.
- d. VT Procurement issues formal solicitation.
- e. The procurement process could take between 10 and 45 days with a minimum of 10 working days allowed for vendors to respond to a posted solicitation. Allowing 30 days for vendors to respond is considered best practice.
- f. A firm fixed price award will be made in writing to the lowest responsive and responsible bidder.
- g. The final solicitation decision shall be determined by Procurement and the award will be publicly posted.
- h. All resulting purchases must process through HokieMart and follow University financial procedures for prompt payment.

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4. COMPETITIVE PROPOSALS (RFP)

Procurements greater than \$50,000

- a. Competitive proposals (RFP) are normally conducted with more than one source submitting an offer and are generally used when the purchase would benefit from negotiations.
- b. Attach a complete, adequate, and realistic specification or purchase description to the HokieMart requisition.
- c. Attach any research, requests for information, and quotations received to the HokieMart requisition.
- d. Attach a list of potential vendors that can be contacted as potential vendors.
- e. VT Procurement issues formal solicitation.
- f. A minimum of 10 working days must be allowed for vendors to respond to a posted solicitation (30 days is preferred for best practice).
- g. Procurement process may take weeks to complete depending on the complexity.
- h. Identify committee chairman and committee members that will work with Procurement through the RFP process (suggestion of no more than 3 committee members).
- i. The contract shall be awarded to the responsible firm whose proposal is the most advantageous with price and other factors such as warranty, service, experience, value added services, and timeliness taken into consideration.
- j. The final solicitation decision is determined by the review committee and Procurement will announce the award through a public posting.
- k. All resulting purchases must process through HokieMart and follow University's financial procedures for prompt payment.

5. NON-COMPETITIVE PROPOSALS (SOLE SOURCE)

Procurements greater than \$10,000 that meet non-competitive requirements are processed separately than as the procedures shown above.

- a. Non-competitive procurements which exceed \$50,000 require substantial analysis to conform to Uniform Guidance rules which may impact timelines. Please plan ahead.
- b. Procurement by noncompetitive proposals (sole source) is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
 1. The item is available only from a [single source](#) (Patents, copyright, and exclusive distributions).
 2. An [emergency](#) will not permit the time it may take to conduct a competitive solicitation. Emergency is defined as: a serious, unexpected, and often dangerous situation requiring immediate action.
 3. The awarding agency or [pass-through](#) entity expressly authorizes a noncompetitive proposal in response to a written request from the university.
 4. After solicitation of a number of sources, competition is determined inadequate. [Inadequate competition](#) is defined as not being able to provide the good or service or competition that is scarce or in short supply.
 5. When researchers need to acquire items from a particular source for scientific reasons (for example, when a service or item is only available with the required quality from one source or only one source can provide the items or service in the time frame required); [Continuation & integrity of ongoing research](#).
- c. All purchases must process through HokieMart and follow University financial procedures for prompt payment.
- d. Remember that a [REQUEST FOR WAIVER OF COMPETITION \[SOLE SOURCE JUSTIFICATION\]](#) form must be completed in writing; this becomes a public document subject to Freedom of Information requirements; be truthful and take care in preparation of the justification for noncompetition.

REQUEST FOR WAIVER OF COMPETITION [SOLE SOURCE JUSTIFICATION]

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ADDITIONAL INFORMATION

- The university must avoid acquisition of unnecessary or duplicative items. Check with VT surplus property or use an applicable listserv to inquire if there has been a previous purchase of the same type of product currently being utilized on campus.
- Procure sustainable and recovered materials whenever possible.
- The university is liable for refunding OSP funds to the granting agencies when procedures are not followed. Willful ignorance and intentional disregard for the rules will result in a financial penalty to the university.

PCARD

- When requesting an increase in the standard limit of the pcard, purchasers and buyers should be cognizant of Uniform Guidance rules.

[\[Contact Procurement at 540-231-6221 for additional information\]](#)

12/7/2018