
PURCHASING PROCEDURES FOR FEDERALLY FUNDED SPONSORED
PROJECTS

Purpose:

To establish procedures governing purchases made with Sponsored Projects using federal funds.

Additional Authority:

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: [2 CFR Part 200](#)
Federal Acquisition Regulation (FAR): [48 CFR Parts 1 – 53](#)
FAR Supplements: [48 CFR Parts 200 – 5499](#)

Scope:

Applies to all purchases made with Sponsored Project using federal funds or federal flow-through funds.

Responsible Party:

University Purchasing Director
426-1283

PROCEDURES

I. Definitions

- A. ***Sponsored Project:*** A grant, contract, cooperative agreement, sub grant, subcontract, consortium agreement, purchase order, or memorandum of understanding (hereafter collectively referred to as a “**Sponsored Project**”) that formalizes the transfer of money or property from a sponsor in exchange for specified activities (e.g., research and development, instruction, public services etc.), and may require specific deliverables such as detailed financial and/or technical reporting by the recipient. Performance is usually to be accomplished within a specified time frame, with payment subject to revocation. It may include provisions related to intellectual property and publication rights. The University’s Office of Sponsored Programs in the Division of Research and Economic and Development is responsible for accepting and administering Sponsored Projects.

II. Procurement Methods

- A. **Micro-Purchases:** Purchases of goods or services costing under ten thousand dollars (\$10,000) do not require bidding. University employees making such purchases should distribute Micro-Purchases equitably among qualified vendors whenever practicable. See Purchasing Quick Reference Guide for processes. University employees shall perform an exclusions/debarment check using the Federal Government's System for Award Management site (SAM.gov <https://www.sam.gov/portal/SAM/##11#1>) on the day of the PCard purchase and prior to making the purchase.
- B. **Small Purchases (RFQ/Informal Bid):** Those purchases of goods or services expected to cost ten thousand dollars (\$10,000) or more and less than two hundred fifty thousand dollars (\$250,000). For these procurements, price or rate quotations will be obtained from an adequate number of qualified sources. Purchasing will choose a solicitation method that is deemed appropriate for the dollar amount and/or complexity of the purchase. See Purchasing Quick Reference Guide for processes. Informal RFQs will be posted under "Bid Opportunities" on the Purchasing web page. If sole source, see Section F.
- C. **Sealed Bids (ITB):** Sealed Bids (**ITB/Formal Bid**) are for the purchase of goods or services expected to equal \$250,000 and above, for which a firm fixed-price contract will be awarded. ITBs will be posted under "Bid Opportunities" on the Purchasing web page. If sole source, see Section F.

For Sealed Bidding to be feasible, the following conditions should be present:

1. A complete, adequate and realistic specification or purchase description is available;
2. Two or more responsible bidders are willing and able to compete effectively for the business; and
3. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

All of the following requirements apply to Sealed Bids:

1. Bids will be solicited from an adequate number of known suppliers, providing them with sufficient response time prior to the date set for opening bids.

2. Solicitations, which will include any specifications and pertinent attachments, will define the items or services in order for bidders to properly respond.
3. The University will prepare independent price estimates before receiving bids.
4. At the place, date, and time set forth in the solicitation, all bids received in accordance with the submittal requirements in the solicitation shall be publicly opened and read aloud. Buyer will read aloud bidder's name and price (when solicitation award is based solely on price) to those persons present.
5. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs will be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. If there is no price competition (i.e., only one bidder), the University will determine if the bidder's proposed profit is fair and reasonable by requesting profit information from the sole bidder.
6. Any or all bids may be rejected if there is a sound documented reason.

E. *Competitive Proposals (RFP/Formal Request for Proposal)*: Competitive Proposals are for the purchase of goods or services expected to cost two hundred fifty thousand dollars (\$250,000) or more and for which either a fixed price or cost-reimbursement contract will be awarded.

All of the following requirements apply to Competitive Proposals:

1. All RFPs will be posted under "Bid Opportunities" on the Purchasing web page.
2. RFPs will identify all evaluation factors and their relative importance.
3. Proposals will be solicited from an adequate number of qualified sources.

4. The University will prepare independent cost/price estimates before receiving proposals.
 5. A cost-reimbursement or fixed price contract will be awarded to the responsible bidder whose proposal, conforming with all material terms and conditions of the applicable solicitation, is most advantageous to the University based on the criteria outlined in the solicitation, with price and other factors considered (see, e.g., [48 CFR § 15.101-1](#) & [48 CFR § 15.101](#)).
 6. Bidders' **technical proposals** will be evaluated as follows (see, e.g., [48 CFR § 15.305\(a\)\(3\)](#)):
 - a. An assessment will be made of each bidder's ability to accomplish the technical requirements specified in the solicitation; and
 - b. The University will prepare a summary, matrix or quantitative/qualitative ranking, along with appropriate supporting narratives, of each technical proposal using the evaluation factors.
 7. When a **cost-reimbursement contract** will be issued, the University will perform a basic cost realism analysis to determine: (i) what the University should realistically expect to pay for the proposed effort; (ii) the bidder's understanding of the work; (iii) the bidder's ability to perform the contract; and (iv) whether any profit proposed is fair and reasonable (see, e.g., [48 CFR § 15.305\(a\)\(1\)](#), [48 CFR § 15.404-1\(d\)](#) and [2 CFR § 200.323\(b\)](#))
 8. Any or all proposals may be rejected if there is a sound documented reason. Any response to publicized solicitations will be considered to the maximum extent practicable.
- F. ***Non-Competitive Proposals (Sole Source)***: The determination to waive the competitive bid process may be made only by the University Purchasing Director ("UPD"). Any request by a department to restrict a purchase to one potential supplier must be accompanied by an explanation as to why no other item is suitable or that no other vendors exist to meet the need. A requirement for a particular proprietary item does not justify a sole source purchase if there is more than one potential source for that item. The University Purchasing Department or OSP shall conduct negotiations, as appropriate, to determine price, availability, and terms.

Sole Source acquisitions may only be used in the following situations:

1. The good or service is available only from a single source.
2. A public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
3. The federal sponsor or the prime contractor/recipient of a federally-funded Sponsored Project expressly authorizes noncompetitive proposals in response to a written request from the University.
4. After solicitation of a number of sources, competition is determined inadequate.
5. Sole source procurements will be posted by Purchasing pursuant to Idaho Code 67-9221.

III. Other Procurement Standards

- A. For procurements using Federal Sponsored Project funds, the University will: (i) review and implement the required procurement standards to include 2 CFR Part 200, 48 CFR Parts 1-53, 48 CFR Parts 200-5499 as applicable and as described in the [Frevvo Data Output: Purchasing Information Google Sheet](#);¹ and (ii) ensure that applicable flow-down clauses are included in solicitations and contracts.
- B. The University seeks to enhance small, minority, women-owned, veteran-owned business and labor surplus area firms (all, collectively, “**Small Business(es)**”) bidding opportunities. For procurements using federal Sponsored Project funds, the University shall take the following actions whenever practicable:
 1. Place Small Businesses on solicitation lists;
 2. Assure that Small Businesses are solicited whenever they are potential sources;

¹ For older Sponsored Projects, this information continues to be available in OSP’s Sponsored Project Files at [\\fircreek1\departments\Vice President Research\Sponsored Project Files](#). Open the “**Internal Forms**” subfolder within the folder labeled with the applicable OSP Proposal Number. The applicable procurement standards and flow down clauses are found in Section 17g of the “Award Checklist & PI Acceptance” document.

3. Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by Small Businesses;
 4. Establish delivery schedules, where the requirement permits, which encourages participation by Small Businesses;
 5. Use the services and assistance, as appropriate, of such organizations as the University's Small Business Development Center; and
 6. Require prime contractors, if subcontracts are to be let, to take the preceding affirmative steps to enhance Small Business opportunities.
- C. When the University is acting as a Subrecipient or Contractor under an applicable federally-funded award to a State of Idaho agency or political subdivision, the University will procure goods designated in Environmental Protection Agency regulations at [40 CFR Part 247](#) containing the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.
- D. Until the University has a federally "approved purchasing system" as set forth in [48 CFR Subpart 44.3](#) and [48 CFR § 52.244-2](#), University will, as part of its Procurement Standards Review, seek consent to subcontract, as appropriate (e.g., Sponsored Projects funded federal contracts or subcontracts, including awards from Battelle Energy Alliance, LLC / Idaho National Laboratory), for: (i) all cost-reimbursement contracts; and (ii) all fixed-price contracts that exceed five percent (5%) of the University's award.

IV. Exemptions from Bidding

- A. Micro-Purchases
- B. State Open Contracts: Certain commodities are procured through open contracts by the State of Idaho Division of Purchasing in order to obtain the lowest possible pricing for all agencies; **provided**, such contracts must contain compliant flow-down provisions for the specific Sponsored Projects in question.
- C. Purchases from General Services Administration Federal Supply Schedule Contractors are allowed when: (i) the acquisition is

advantageous to the University with approval from the UPD; and (ii) applicable rules are followed (e.g., number of quotations).

- D. Federal government acquisitions including federal surplus.
- E. Subawards, as defined in [2 CFR §§ 200.92](#) and [200.330\(a\)](#), are not procurement actions subject to the dollar thresholds or other requirements in these procedures.

V. Recordkeeping

- A. While the terms and conditions of specific Sponsored Projects may be more or less restrictive, the University will, at a minimum, satisfy the record retention and access requirements in [2 CFR §§ 200.333 to 200.337](#).
- B. At a minimum, the University will retain the following procurement information during the applicable records retention period:
 - 1. Rationale for the method of procurement (e.g., Small Purchases, Sealed Bidding, Competitive Proposals, Sole Source);
 - 2. Selection of the contract type (e.g., fixed-price, cost-reimbursement);
 - 3. Contractor selection or rejection; and
 - 4. Basis for the contract price or estimated cost.

VI. Purchasing Responsibilities

- A. Purchasing and OSP responsibilities per dollar amount on requisition:
 - 1. Standard Purchasing Requisitions related to contracts for services or the purchase of goods, costing up to \$9,999.99 will be processed by the Purchasing Dept. Contracts for services involving an Independent Contractor (IC) will require a standard requisition which will route to Purchasing for procurement method and terms and conditions review.
 - 2. Standard Purchasing Requisitions related to contracts for services or the purchase of goods, costing at or above \$10,000.00 will route electronically, via the University's ERP system approval workflow, to the Office of Sponsored Programs for review of allowability, allocability and reasonableness. The requisition will then move via approval workflow to

Purchasing where the appropriate purchasing method steps will be completed.

3. For (i) sole source (ii) Contracts for Services (iii) funded by Sponsored Projects (iv) requiring terms and conditions review, the Office of Sponsored Programs will negotiate/sign the contracts and issue signed purchase orders. If no terms and conditions negotiation is required, Purchasing will issue and sign the purchase order.

VII. Subawards

- A. The Office of Sponsored Programs will create purchase orders in the University's ERP system for subawards, to include all applicable flow-down clauses. (Boise State Purchasing Policy 6130 does not apply to Subawards.)