

Procurement under the Uniform Guidance

V1.3

Sponsored Projects Accounting (SPA) and Purchasing Services have developed a set of policies and procedures for procurement transactions involving all sponsored projects (federal and non-federal). The information noted is based on the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance, 2 CFR 200). All University personnel involved with the financial management of sponsored projects should utilize these policies and procedures.

Standard Procurement Policies

Washington University in St. Louis (WashU), as a legal entity, must delegate the legal and financial office responsibility and authority (agency) for making purchasing commitments to a single office – the [Purchasing Services Office](#). No other departments or individuals may be allowed to assume or imply this agency.

The Federal Uniform Guidance (UG) requires the University to maintain documented procurement policies (2 CFR 200.318 (a)) and they are available at:

- Policies: <http://resourcemanagement.wustl.edu/purchasing-services/policies-old/>
- WashU has an obligation to act as a responsible steward in managing its financial resources.
- WashU promotes ethical business practices, professional integrity and objectivity in all of its commercial activities, including all procurement transactions. Refer to the University's Code of Conduct for additional information, <http://universitycompliance.wustl.edu/code-of-conduct/>.
- Faculty and staff will, at all times, act in the best interest of WU and with the highest ethical and legal standards.

The UG also requires the University to maintain written standards of conduct covering conflict of interests in administration of procurement transactions (2 CFR 200.318 (c) (1)). The Procurement COI Policy, Disclosure Form and Frequently asked questions are available at:

<http://resourcemanagement.wustl.edu/purchasing-services/policies-old/codes-of-conduct-and-conflicts-of-interest/>

The purchase of goods or services, using University or sponsored funds, from a privately-held business in which a faculty or staff member (employee) or his/her spouse, partner (dependents) has a financial interest (investment, ownership, employment or consulting relationship in the business), or may directly benefit from such purchase, is a potential procurement conflict of interest, and the following policy points apply:

- Such potential purchase situations must be disclosed as soon as they are contemplated and prior to purchase using the [Procurement Conflict of Interest Disclosure Form](#). The form should be submitted to the Department Heads of both the employee that is potentially conflicted and the disclosing employee; and to the University's Associate Vice Chancellor for Resource Management for review and approval/disapproval.

Competition Standards for Sponsored Projects

Effective July 2018, the Uniform Guidance requires grantees to provide full and open competition on procurement transactions (UG 200.319). Accordingly, the University will implement the following procurement methods/standards for transactions involving all sponsored funds (federal and non-federal).

Micropurchase Standard (UG 200.320(a)): Applies to the acquisition of goods or services in which the aggregate dollar of the transaction is below the Micropurchase Threshold (MPT). Per the National Defense Authorization Act the MPT is set at \$10,000. Price or rate quotations are **not** required for these transactions.

Small Purchase Standard (UG 200.320b)): Applies to the acquisition of goods or services in which the aggregate dollar amount of the transaction meets or exceeds \$10,000. Price or rate quotations must be obtained from an adequate number (i.e., any number greater than one) of qualified sources for transactions involving sponsored funds.

Note: Transactions involving Preferred Vendors do not require price or rate quotations – see Preferred Vendor section below.

University Standard: Applies to the acquisition of goods or services for transactions in which the aggregate dollar amount meets or exceeds \$25,000. Procurement actions involving all other accounts or funding sources (non-sponsored) will continue to utilize the established competitive bid threshold.

Procurement Transactions

Procurement transactions involving external vendors are subject to the Competition Standards. The cumulative/total cost of the transaction includes the net price of all items, shipping, taxes and related vendor fees. Within the WashU financial systems (FIS/Marketplace), the following transaction codes are utilized for procurement:

- Purchase Orders (Source Document Code = PO)
- Blanket Orders (Source Document Code = BO)
- Change Orders (Source Document Code = CO)
- Check Requests (Source Document Code = CR)
- Purchase Card (Source Document Code = RP)

Note: All other FIS transaction codes are **not** subject to the Competition Standards.

Excludable Transactions

In conjunction with The Federal Demonstration Partnership's (FDP) UG Procurement Workgroup, WashU has determined that certain functional expense classes are excludable from the UG provisions because full and open competition (quotes/bids) is not applicable due to the nature of transaction. These items are excluded from the Competition Standards:

- Human Subject Payments (Subclass Object 3505)
- Travel (Subclass 36XX)
- Subagreements-outgoing (Subclass 38)
- Consultants/independent contractors (Subclass 30)
- Student Financial Aid/Tuition (Subclass 42, 43, 44)
- Employee Reimbursements (Vendor number corresponds to employee)

Goods or services obtained from internal WashU sources (e.g., recharge center, scientific cores, departmental stock rooms...) are excludable from the Competition Standards.

Bid/Quote Process

WashU is required to obtain at least two bids/quotes when a procurement transaction involving sponsored funds reaches or exceeds \$10,000. Accordingly, the user is required to complete a [Supplier Selection Justification form \(SSJ\)](#) and include the related quotes/bids from the selected vendor and at least one other vendor. Each bid/quote should contain comparable information for the item(s) (e.g., brand, model number, item description, unit price, quantity, total price...). The bid should be documented in writing from the vendor (e.g., supplier proposal, price quotes, emails from vendor, print screen from vendor website, copy of vendor catalog page...).

Sole/Selected Source

The [UG FAQ 200.320-2](#) recognizes that researchers need to acquire items from a sole/selected source for scientific/technical 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). This "sole/selected source" option is available at all dollar amounts and should be documented and described in the SSJ.

Instances when sole/selected source purchasing may be applicable would include, but not limited to, the following:

- The equipment, supplies and/or service provider are required by the funding agency (specifically named in an awarded grant or contract) and therefore deemed essential to the project.
- Specific materials or supplies are required to maintain critical experimental continuity.
- Property or services can be obtained only from a specific supplier (i.e., real estate, utilities services, one of a kind items, etc.).
- Competitive sourcing is precluded because of the existence of patents, copyrights, secret processes, control of raw materials by suppliers or similar circumstances that limit competition.
- Procurement of replacement or upgrade components for equipment manufactured by a specific Original Equipment Manufacturer (OEM) if OEM parts are required in order to not void the warranty.

- Purchasing of support services in connection with the assembly, installation or servicing of equipment or software of a highly technical or specialized nature.
- Purchasing of compatible additions to existing equipment where a different manufacturer's equipment would be impractical for the specific need.
- The project/work has a firm schedule requirement which only one supplier has the capability of meeting. Failure to meet the schedule requirement would seriously impact the project/work.
- Purchasing where only a single supplier in a relevant market is licensed or authorized to service or sell a specific product line and related services.
- Software / Subscription renewal or equipment services / maintenance agreement.

Preferred Vendors

The [UG FAQ 200.320-3](#) clarifies that broader procurement decisions/approaches such as “strategic sourcing” satisfy the Competition Standards. WashU has negotiated and maintains competitive pricing agreements with selected vendors. Under this strategic sourcing approach, these entities are designated as “Preferred Vendors”. Accordingly, the Competition Standards noted above are automatically met when items are purchased from a WashU Preferred Vendor (i.e., bid/quotes are not required).

Purchasing Services maintains pricing contracts with over 250 suppliers. These companies are considered to be WashU’s “Preferred Vendors” and qualify as strategic sourcing under the UG. Within Marketplace, each Preferred Vendor has a designated contract and the purchase requisition will reference that relationship. Marketplace contains approximately 50 detailed merchandise catalogs from Preferred Vendors. Note: Every catalog within Marketplace is from a preferred vendor, but not all Preferred Vendors maintain a catalog within Marketplace. The current list of Preferred Vendors can be located at: <https://resourcemanagement.wustl.edu/purchasing-services/suppliers/>.

Transaction Procedures

Based upon the above noted criteria, the following procedures will apply to the following FIS transaction codes effective July 2018.

Purchase Order (PO)

The user will initiate a requisition within Marketplace. If the total amount of the requisition reaches or exceeds \$10,000 and it involves sponsored funds, the user will attach/upload the completed SSJ and related bids/quotes into Marketplace. During the departmental approval process of the PO, FIS will display the following message regarding the Competition Standards:

“This order exceeds a dollar amount that may require additional documentation, per OMB’s Uniform Guidance, prior to approval. Please submit a completed Supplier Selection Justification form and quotes to Purchasing Services for orders that reach or exceed \$10,000 using sponsored funds or orders that reach or exceed \$25,000 for all other.

The use of a Purchasing Services Preferred Supplier does not require any further documentation.”

Subsequent to departmental and SPA approvals, the requisition will route to Purchasing Services and they will review the SSJ. Purchasing Services will contact the academic unit if additional information/documentation is required prior to approval. Subsequent to the final approval of the requisition, a Purchase Order will be issued to the vendor.

Blanket Order (BO)

The user will initiate a BO transaction within FIS for goods/services. When the order is saved in FIS, the user will receive a warning message (see below) regarding the MPT when the transaction involves one or more sponsored funds and the total amount is equal to or exceeds \$10K. The user will send the completed SSJ and related bids/quotes to Purchasing Services by fax (314-935-4395) or email (purchasingservices@wustl.edu). The BO and SSJ will be reviewed by Purchasing Services. Purchasing Services will contact the academic unit if additional information/documentation is required prior to approval.

“This order exceeds a dollar amount that may require additional documentation, per OMB’s Uniform Guidance, prior to approval. Please submit a completed Supplier Selection Justification form and quotes to Purchasing Services for orders that reach or exceed \$10,000 using sponsored funds or orders that reach or exceed \$25,000 for all other.

The use of a Purchasing Services Preferred Supplier does not require any further documentation.”

Change Order (CO)

When the user modifies an existing PO/BO so that it now includes at least one sponsored fund and the total amount is equal to or exceeds \$10K, the Competition Standards are applicable. The user will receive the warning message below subsequent to saving the CO document. Accordingly, the user will send the completed SSJ and related bids/quotes to Purchasing services by fax (314-935-4395) or email (purchasingservices@wustl.edu). The CO and SSJ will be reviewed by Purchasing Services. Purchasing Services will contact the academic unit via email if additional information/documentation is required prior to approval.

“This order exceeds a dollar amount that may require additional documentation, per OMB’s Uniform Guidance, prior to approval. Please submit a completed Supplier Selection Justification form and quotes to Purchasing Services for orders over \$10,000 using sponsored funds or orders over \$25,000 for all other.

The use of a Purchasing Services Preferred Supplier does not require any further documentation.”

Check Request (CR)

The user is required to provide a completed SSJ form and related bids/quotes for a CR that contains at least one sponsored fund and the total amount is equal to or exceeds \$10K. This information should be

uploaded into FIS along with the standard supporting documentation for the transaction. Sponsored Projects Accounting will contact the academic unit if additional information/ documentation is needed.

Procurement Card (RP)

The user is required to provide a completed SSJ form and related bids/quotes for a RP that contains at least one sponsored fund and the total amount is equal to or exceeds \$10K. This information should be retained along with the standard supporting documentation for the transaction within the academic unit. A brief description of the bid(s) should be added to the Cardholder Remarks or Reviewer Remarks section of the RP transaction screen within FIS. Sponsored Projects Accounting (SPA) will contact the academic unit if additional information/ documentation is needed.

Cost Transfer

In some instances, the original costing allocation to sponsored projects and/or departmental accounts will have to be adjusted subsequent to the transaction posting to the general ledger. These adjustments are processed via a Journal Entry (JR) transaction. The user is responsible for identifying and reviewing the details of the original transaction utilizing the applicability criteria noted above. The original transaction number should be referenced in the JR.

- If the original transactions included at least one sponsored fund and the total amount was equal to or exceeded \$10K, then the user should reference the original transaction and note that the competitive bid was obtained, a preferred supplier was utilized or a sole source was justified via a SSJ.
- If the original transaction **did not** contain a sponsored fund and the total amount was equal to or exceeded \$10K, then the reallocation of any portion of that transaction to a sponsored fund will trigger the Competition Standards. The user should submit a completed SSJ form along with at least one other bid/quote to SPA. This data will be reviewed by SPA and the transaction will be approved or disapproved based upon the information provided. SPA will contact the academic unit if additional information/ documentation is needed.





Primary contacts for the UG Procurement issues are Joe Gindhart in Sponsored Projects Accounting (314-935-7089 / jgindhart@wustl.edu) and Greg Mosley in Purchasing Services (314-935-5927 / gmosley@wustl.edu).

Preferred Vendor Catalogs in Marketplace



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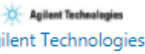


















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 abcam	 Agilent Technologies	 Cylinder Gas	 Alban Scientific
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Preferred Vendor Contract in Marketplace

[Continue Shopping](#)

1 Item(s) for a total of
617.94 USD

 **Shopping Cart** for Joseph Gindhart

Proceed to Checkout




Save

Cart Name	<input type="text" value="2018-03-23 20143634 01"/>	Department/Lab	000125	Order Type	PO
Description	<input type="text"/>		Select from profile values...		Select from profile values...
			Clear selected value...	Internal Note	add note...
		Bypass Requisitioner Review	Yes Select from profile values...	Supplier Note	add note...

Supplier / Line Item Details ?

Show line details For selected line items Add to Favorites

FISHER SCIENTIFIC more info...	PO Number	To Be Assigned
9999 VETERAN MEMORIAL DR, HOUSTON, TX 770382499 US	WUSM D&C / Supplier Account	<input type="text"/>

	Product Description	Catalog No	Size / Packaging	Unit Price	Quantity	Ext. Price	
1	4-Methylpyridine-3-carboxylic acid 97%, AC429420050 C7H7NO2, CAS Number: 3222-50-2, 5g 429420050 1/EA  more info...		5g 1/EA	617.94	<input type="text" value="1"/>	EA 617.94 USD	<input type="checkbox"/>
						Contract: PUR-00025 more info...	
						Select price or contract...	
Supplier subtotal						617.94 USD	

Shipping and Handling charges are calculated and charged by each supplier. The values shown here are for estimation purposes, budget checking, and workflow approvals.	Subtotal	617.94
	Shipping	0.00
	Handling	0.00
	Total	617.94 USD

Save

Proceed to Checkout