

# Bowdoin Finance Manual

## Procurement Policy for Federal Grant-Funded Purchases

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### Contents

1. Purpose .....	1
2. Scope .....	1
3. Responsibility .....	1
4. Code of Conduct .....	1
5. Overview .....	1
6. Federal Methods of Procurement per Uniform Guidance 2 CFR §200.320 .....	2
7. Procurement documentation summary: .....	3
8. Uniform Guidance Conflicts of Interest Policy .....	3
9. Exceptions .....	4

### 1. 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.

### 2. Scope

This policy applies to Principal Investigators and any designees (“buyer”) authorized to initiate purchases on behalf of a federal grant. This policy is not applicable to the general purchases of the College or to faculty awards made directly to a PI.

### 3. Responsibility

Awards are made to Bowdoin College as the official Grantee, and not to the Principal Investigator (PI). It is the responsibility of the Sponsored Research office (SRO), Controller’s office, in collaboration with the PI, to monitor and administer the purchase of goods and services made with federal awards. It is the responsibility of the PI to ensure that Grant Analyst and/or Senior Financial Analyst-Grants receives all required information in a timely manner.

### 4. Code of Conduct

As representatives of the College, all employees (faculty and staff) are expected to conduct themselves in a professional and ethical manner, maintain high standards of integrity and use good judgment. Employees are expected to be principled in their business interactions and act in good faith with individuals both inside and outside the campus community.

A full description of the College’s code of conduct is available in the [Employee Handbook](#).

### 5. Overview

Use of federal funds for purchases must comply with federal Procurement Standards under OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR§200). Bowdoin College seeks to do business with small businesses, minority-owned firms, and business enterprises owned by women, whenever possible. In all cases, however, College procurement decisions are made on the basis of both competitive prices and other essential considerations such as quality, suitability, delivery and service, and compliance with federal guidelines outlined below.

Individual federal grants may contain terms and conditions that are unique and specific to the grants and are in addition to this Policy.

The College, and those acting on its behalf, must comply with the following general procurement standards when procuring goods or services with Federal funds:

- Purchases must be reasonable, necessary, and must provide a direct benefit to the Federal grant.
- Where appropriate and to the extent required by each procurement method outlined in section 6 below, analysis and selection must ensure open competition, objective contractor performance and elimination of unfair competitive advantage.
- Where appropriate, an analysis to determine the most economical and practical procurement should be performed and documented.
- Transactions must be supported by original detailed and unduplicated documentation.
- Purchases must remain in aggregate and cannot be separated into multiple increments in order to bypass procurement threshold requirements.

***Please note: purchases or commitments not in compliance with these Federal requirements must be cancelled, returned, or paid for with approved non-federal sources.***

## **6. Federal Methods of Procurement per Uniform Guidance 2 CFR §200.320**

The following are acceptable methods of procurement for each purchasing threshold:

- a. Micro-purchases:** The acquisition of supplies, services, or equipment with an aggregate dollar amount **less than \$10,000**.
  - To the extent practicable, micro-purchases must be distributed in an equitable and reasonable manner to ensure fair and competitive pricing.
- b. Small purchase -** The acquisition of supplies, services or equipment in the **range of \$10,000 to \$250,000**.
  - Price or rate quotations must be obtained from a minimum of three qualified sources prior to making a purchase; sources can include documentation of verbal discussion, catalogs, and written bids.
  - To the extent practicable, small purchases must be distributed in an equitable and reasonable manner to ensure fair and competitive pricing.
  - Additional approval from the federal funding agency may be needed.
  - Prior to making a small purchase, the PI must obtain approval from the Controller's Office by submitting a [Vendor Selection Form](#) to the Senior Financial Analyst- Grants.
- c. Large Purchase -** The acquisition of supplies, services or equipment greater than **\$250,000**.
  - Prior to making a large purchase, the PI must obtain approval from the Controller's Office by submitting a [Vendor Selection Form](#) to the Senior Financial Analyst- Grants.
  - **Competitive proposals** - Conducted with more than one source submitting an offer. Either a fixed price or cost-reimbursement type contract is awarded. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program with price and other factors considered. Please contact James Kelley, Procurement & Risk Manager in the Treasurer's Office, for assistance with a formal bid process.
  - **Sealed bids** – Sealed bids must be publicly solicited. A firm fixed price contract is awarded to the responsible bidder whose bid is the lowest price. Using a sealed bid process can be advantageous when trying to manage the cost of a large ticket item. Please contact James Kelley, Procurement & Risk Manager in the Treasurer's Office, for assistance with a formal bid process.

- d. Noncompetitive proposals (Sole Source)** – The acquisition of supplies or services through solicitation of a proposal from only one source.
- Prior to making a sole source purchase, the PI must obtain approval from the Controller’s Office by submitting a [Vendor Selection Form](#) to the Senior Financial Analyst- Grants.
  - The PI should not proceed with the purchase until approval has been granted. Additional approval from the federal funding agency may be needed.

Per Uniform Guidance 2 CFR §200.320 (f), sole source acquisition may be used only when one or more of the following circumstances apply: (1) The item is available only from a single source; (2) The public exigency or emergency 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.

**7. Procurement process:**

1. Determine size of purchase and obtain quotes or formal bids, as required,
2. Complete [Vendor Selection Form](#) as appropriate, and purchase order, if required by vendor, and submit to the Senior Financial Analyst-Grants for approval.
3. Upon approval, proceed with purchase.
4. Submit invoice for processing. Attach purchase order, as applicable.

Procurement documentation summary

Requirement	< \$10,000	Between \$10,000 and \$250,000	> \$250,000
Complete a <a href="#">Vendor Selection Form</a>	No	Yes	Yes
Documented price/rate quotes	No	Yes	N/A
Formal bid process	No	No	Yes
Sole source justification	No	Yes	Yes

**8. Debarment and Suspension**

For purchases of \$25,000 or more, the College must verify that vendors and subawardees do not appear on the Excluded Parties Listing using the search function of SAM (System for Award Management).

- For purchases of supplies and equipment, the Controller’s Office performs this verification when reviewing the [Vendor Selection Form](#).
- For procurement of services, the Treasurer’s Office performs this verification when reviewing the contract.
- For subawards, the Office of Sponsored Research and Compliance performs this verification prior to issuance of subaward.

## **9. Uniform Guidance Conflicts of Interest Policy**

As part of the OMB's Uniform Guidance, there are new requirements for conflicts of interest within a procurement action and how the College must handle them.

The OMB Uniform Guidance regulation 2 CFR§200.318(c)(3)(1) states:

"No employee, officer, or agent may 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."

## **10. Exceptions**

The Controller must approve any exceptions to this policy by written notice.

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### **Policy Distribution List:**

Controller's Office

Treasurer's Office

Office of Sponsored Research Programs

Office of the Dean for Academic Affairs