

**SOUTHERN METHODIST UNIVERSITY  
SPONSORED RESEARCH ADMINISTRATION**

**SPONSORED PROJECT**

**PROCUREMENT POLICY AND PROCEDURE**

**May 1, 2015**

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**Based upon:**

University Policy #7.4 (Sponsored Project Procurement)  
[Go To Policy #7.4 - click here](#)

# **SPONSORED PROJECT PROCUREMENT**

## **INTRODUCTION**

- x subrecipient and consulting relationships (covered under other policies and procedures)
- x a single purchase of goods (including shipping, handling, installation, etc) or services totaling less than \$3,000.00. Splitting of purchases to avoid compliance requirements related to purchases of \$3,000.00 or more is strictly prohibited.

**SIMPLIFIED ACQUISITION THRESHOLD** – defined in the FAR at 48 CFR 2.101 as \$150,000, at the time of publication, and also referred to as Small Purchase Threshold.

**SMALL PURCHASE THRESHOLD** – a term used in OMB A-110 procurement standards and defined in the FAR at 48 CFR 2.101 as \$150,000, at the time of publication, and also referred to as the Simplified Acquisition Threshold.

**SUBAWARD** - An award of financial assistance in the form of money, or property in lieu of money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement of goods and services or any form of assistance that is excluded from the definition of “award” in paragraph\_\_2(e) of OMB A-110.

**SUBRECIPIENT** - The legal entity to which a subaward, also referred to as subcontract, is made and that is accountable to the recipient for the use of the funds provided. The term may include foreign or international organizations (such as agencies of the United Nations) at the discretion of the awarding agency/external sponsor.

**SUMMARY of PROCUREMENT PROCEDURES REQUIRED BY OMB A-110 (as revised or superseded):**

The procedure addresses the procurement of the goods and services necessary for PI/PDs to meet the requirements of their sponsored project awards. The procedure requires all procurement actions to be in -1.15 7

Open competition is the best way to control the cost of a program. A-110 requires t

**(6) All procurement actions utilizing sponsored project funds must be subjected to a cost or price analysis to establish the basis for the amount paid for the item procured, (OMB A-110, Procurement Standards, Section\_\_45)**



**(2) Acquisition of Vendors Quotations**

The PI/PD will be responsible for acquiring quotations from vendors in the procurement of the project requirements. Any quotations will need to be on the vendor's letterhead, have a brief description of the technical specifications and be signed by an authorized representative. Assistance of UPD with this process may be requested by the PI/PD.

**(3) Purchase Requisitions**

The submission of purchase requisitions will be the responsibility of the PI/PD for all procurements.

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with buying consortiums and provide listings including website links and other contact information. This will prevent the PI/PD from having to search for sources of supply, provide discounted prices and serve as the price analysis for purchases made from referenced vendors. Access to information on negotiated, preferred vendors will be made available for procurement decisions. Upon the request of the PI/PD, UPD will assist by managing the competition of an order (RFP or RFQ as appropriate).

**(3) SB/SDB Program**

The UPD will assume full responsibility for the SB/SDB database, certification of applicants as SB/SDB, completion of SB/SDB subcontracting plan for major procurement projects, and providing the PI/PD with an up-to-date listing of SB/SDB (Source) for 11676013616302(in)1(g)4TJ 0 T48154J 9a111D To eehet o/r iga7(rae12n443(t)-5(,443((O441(M/

subagreements (subrecipient, consultants, subgrant, subcontracts), all subrecipient compliance material, all correspondence regarding the project with the sponsoring agency and subcontractors.

(b) ORGS will take affirmative steps to ensure that all subcontractors, subrecipients and subgrantees comply with the terms and conditions outlined in the award document. ORGS will rely upon the PI/PD to ensure technical compliance. ORGS will take primary responsibility for administrative and procedural compliance. GCA will monitor costs for compliance with the financial requirements (e.g. reasonableness, allowability and allocability).

**(4) Project Purchases greater than \$150,000**

(a) Passdown all additional requirements (e.g. legal compliance, small business and small disadvantaged business plan, FARs and special agency requirements etc.)

(b) Aid PI/PD in the performance of the cost analysis and retain results in project master file.

**V. Grant and Contract Accounting:**

**(1) Retention of Disbursement Files**

The disbursement file maintained by GCA is the focal point of the external audit. Consequently, this file contains many of the items related to the procurement of project requirements. The file contents, whether in electronic or paper form, include:

(1) the completed purchase requisitions (including justification pages)

(2) vendor quotations

(3) purchase orders

(4) greater than the SPT - justification of price/cost, sole source awards and vendor selection.

(5) invoices (also serving as receiving reports after the PI/PD signature) from vendors, subrecipients, subcontractors, consultants and subgrantees.

**(2) Review of Purchase Requisition for Completeness**

GCA will review the purchase requisition for the completion of all questions on the justification page of

- o Completion of Justification page.
  - o Completion of Capital Asset section when capital assets or components are included.
  - o Attaching documentation in support of vendor selection, as appropriate.
6. PI routes requisition to GCA for approval. This may be accomplished by mailing or delivering the completed and signed paper requisition or through the electronic requisition process, as appropriate under the eProcurement Procedure.
  7. GCA reviews for budget availability and allowability, requisition contents and attachments. If the requisition is not properly completed and actions are not documented, GCA will return the requisition to the PI. If the budget is classified as restricted and is not adequate to support the purchase or the item being requisitioned is equipment that is not included in the equipment list approved by the agency, GCA will contact ORGS and the PI for a budget revision and/or agency approval.
  8. GCA approves requisition and forwards to Purchasing for further review and generation of purchase order. If the item being purchased is capital equipment, a copy of the requisition is provided to AM to prepare for recording.
  9. Purchasing reviews the requisition and attachments for compliance, checks the vendor for suspension or debarment when applicable, issues purchase order to vendor and provides copy to GCA.
  10. Vendor supplies goods or services to PI or off-site location, if so indicated on the order.
  11. PI receives property, inspects it for condition and quantity and, if capital equipment, records identifying information such as serial number, when not included on the packing slip. PI retains copies of shipping documents.
  12. PI approves vendor invoice. This approval not only authorizes use of project funds for the payment, but also serves as acknowledgement that the goods were received and in good condition.
  13. PI completes Accounts Payable (AP) Payment Request form and attaches invoice. If the purchase is capital equipment, PI attaches copy of packing slip or other form documenting identifying information such as model number, serial number, etc. and forwards to GCA.
  14. GCA reviews for appropriate completion, follows-up with PI when required, rejects or approves as applicable.
  15. GCA forwards original payment request with vendor invoice to AP. GCA retains copies as matched with Purchase Order/Requisition for project file. For capital equipment, GCA provides a copy of the documents to AM.
  16. AP processes the payment request against the purchase order and pays the vendor.
  17. AM enters capital asset item(s) into the Asset Management System and ensures that appropriate tags are affixed to the item(s).

## **The Purchase Requisition**

The Purchase Requisition form is available on-line in pdf with four pages or on-line in Excel with four tabs. This guidance refers to the Excel format but also applies to the pdf by substituting the word 'page' for 'tab'. The first tab is the requisition, the second tab is available as a continuation of the order as needed, the third tab is the justification page, and the fourth tab contains definitions of some terms used on the form. To access a fillable requisition form in Excel please click here: [Go to Requisition Form - click here](#)

**Tab 1 of the file is the first page of the requisition.** If the purchase is a Capis619.32 t

**Question 2** addresses the OMB A-110 requirement that the procurement process encourage open and free competition. When writing the specifications for a particular item, the PI/PD must be very careful not to include requirements that will exclude potential bidders or favor a particular vendor. Specifications do not have to be elaborate but simply state what is needed to satisfy the requirements