



<b>SUBJECT:</b> Procurement for Sponsored Activities	<b>Effective Date:</b> 01/25/13	<b>Policy Number</b> 10.5.12
	<b>Supersedes:</b> 02/23/11 02/18/10	<b>Page</b> <b>Of</b> 1              5
	<b>Responsible Authority:</b> Division of Research Director, Research Accounting	

**I. Background**

Florida Atlantic University is required to comply with Procurement Standards in accordance with OMB Circular A-110.

**II. Purpose**

The purpose of this policy is to establish uniform guidelines for the procurement of supplies and other expendable property, equipment, real property and other services with sponsored funds.

**III. General Statement**

The Purchasing Department and the Division of Research are available to answer questions and provide assistance regarding the requirements of this policy.

**IV. Policy**

**Purchasing Department Overview:**

The Purchasing Department is a customer service organization which supports the students, the instructional and research efforts of the faculty and staff, as well as other University service departments such as the Physical Plant, the University Controller's office, Student Activities, and Information Resource Management and the direct-support organizations of the campus community.

Purchasing involves the acquisition of equipment, furnishings, supplies, construction services, maintenance services, professional services, contractual services, and the lease of space for the University within established budgetary constraints. Purchasing functions also include preparing budget estimates; preparing bid specifications; initiating formal quotations, proposals and bids; conducting public bid openings; evaluating bids; and negotiating and awarding contracts..

The complete Policies and Procedures for the Purchasing Department are located at <http://www.fau.edu/purchasing>

Conduct of Employees engaged in Procurement: All University personnel engaged in the procurement process and related activities shall conduct business dealings in a manner above reproach in every respect. Transactions relating to expenditure of public funds require the highest degree of public trust to protect the interests of the University and the taxpayers of Florida. All University personnel engaged in the purchasing cycle, including the President, Vice Presidents, Deans, Chairpersons, Directors, budget committee members, initiators of requirements and their supervisors, receiving personnel, finance and accounting personnel, pCard holders, and all members of a purchasing activity are bound by the standard of conduct for public officers and employees set forth in Chapter 112, Part 3, Florida Statutes and Florida Atlantic University Regulations 5.011, University Ethics.

Conflict of Interest: Except as may be permitted by the regulations of Florida Atlantic University, it shall be a breach of ethical standards for any employee of the University to participate directly or indirectly in the purchasing process when the employee knows that:

- A. He/she or any member of his/her immediate family will benefit from a University purchasing transaction;
- B. A business or organization in which he/she, or any member of his/her family, (spouse, children, parents, brothers and sisters) has a financial interest and will benefit from a University purchasing transaction; or
- C. Any other person, business or organization with whom he/she or any member of his/her immediate family, is negotiating or has an arrangement for employment and will ultimately benefit from a University purchasing transaction;
- D. All employees having a financial interest in a private concern shall file a statement annually with the University disclosing such interest;
- E. All individuals taking part in the development or selection of criteria for evaluation, the evaluation process, and the contract award process in any purchase shall be independent of, and have no conflict of interest in the entities evaluated and selected.

Fair Competition: Unless otherwise exempt, university purchases shall ensure free and fair competition. General monetary limits and levels are set forth as follows:

- A. Informal For purchases up to \$12,499 informal quotations may be solicited in writing or by telephone.
- B. Competitive Quotes - For purchases between \$12,500 and \$74,999, competitive quotations must be obtained in writing from two or more sources when the commodity or service warrants competitive pricing and not otherwise exempted.
- C. Formal Purchases of contractual services, commodities or deferred payment contracts in excess of \$74,999 shall not be made without attempting to secure two or more formal bids, unless otherwise exempted.
- D. For the purposes of determining the bidding threshold the total cost of the requirement may include any options, add or deduct alternates, and trade-ins, for the life of the contract including option years.

- E. \$25,000 – Formal two party agreements contract may be required for subcontracts in excess of \$24,999.

Sponsored Programs Exemption: The sponsored programs exemption gives the Division of Research the authority to exempt from the bidding procedure certain purchases made with research funds which would provide for the more efficient and expeditious management of a research project. The Division of Research may exempt a contract from certain general requirements by certifying that one or more of the following conditions exist:

- A. A certain vendor is specified as a prime contract or grant award.
- B. A certain vendor is specified in writing by the prime contractor or granting agency in accordance with the provisions of the prime contract or grant award.
- C. The purchase of specific goods or services from a certain vendor can be demonstrated to be more efficient or expeditious based on compatibility, availability or the current capabilities of the principal investigator and staff.
- D. The purchase of specific goods or services from a certain vendor can be demonstrated to be necessary to meet time requirements of the prime contract or grant award.
- E. The purchase of specific goods or services from a certain vendor can be demonstrated to be mandated by scientific or technical requirements.

Sponsored Programs Exemption forms are available at  
[http://www.fau.edu/research/docs/forms/sponsored-programs/sp\\_exemption.pdf](http://www.fau.edu/research/docs/forms/sponsored-programs/sp_exemption.pdf)

Purchases for the Institution or Program: All purchases shall support the needs of the university or program, and shall not be personal in nature. The expenditures for the items listed below are prohibited unless expressly provided by law, or expressly referenced in the grant, or otherwise exempt.

- A. Congratulatory telegrams
- B. Flowers and/or telegraphic condolences
- C. Awards and Plaques
- D. Entertainment
- E. Refreshments, such as coffee and doughnuts
- F. Decorative items, such as globes, statues, potted plants, desk lamps, picture frames, and wall hangings
- G. Christmas or other greeting cards and postage for such cards
- H. Personal subscriptions to magazines and trade journals
- I. Desk pen sets
- J. Coffee and coffee brewing devices
- K. Portable heaters
- L. Fans, for personal use
- M. Refrigerators for personal use
- N. Stoves and microwave ovens
- O. Smoke filters and smokeless ashtrays
- P. Various decorative items
- Q. Clothing (except approved uniforms)
- R. Promotional materials and/or advertising expenses

- S. Personalized printed materials such as envelopes and stationary, except business cards

Lease & Lease Purchases:

- A. Leases, including month to month leases and all other leases of equipment regardless of the period of time, are subject to the review and approval of the Purchasing Department and approval of the Senior Vice President of Financial Affairs.
- B. All deferred payment contracts, including CEFP, of 5 years (60 months) or more requires the approval of the Board of Governors (BOG).
- C. The lease of equipment is subject to all purchasing and bid procedures. Interest on deferred payment commodity contracts is defined as a commodity and is subject to the bid requirements if the interest exceeds the bid threshold.
- D. The requesting department shall be responsible for submitting a requisition for the lease or installment purchase of equipment to with the equipment specifications, a lease versus purchase cost analysis, and a statement from the Dean, or appropriate Vice President guaranteeing that funds will be provided during the entire term of the lease.

Availability of Procurement Documentation: The Purchasing Department is responsible for the administration and maintenance of all procurement records and documents. Copies of these documents may be obtained through the records request process.

Basis for Contractor Selection: The Purchasing Department has the authority to develop specifications, selection and solicitation of sources, and prepare award of contracts for commodities and services, often working in tandem with the Principal Investigator or his/her designee. In formal competition, the documentation to support the award and basis for selection of a contractor shall be maintained by Purchasing and shall include:

- A. A copy of all advertisements,
- B. A copy of the proposal specifications,
- C. A copy of all bids/proposals received,
- D. A synopsis of the University's findings for award, and
- E. A publicly announced selection by the University.

Ensuring Contract Conformance:

All procurements of contractual services in excess of the bid threshold unless otherwise exempted or as may be required shall be evidenced by a written agreement embodying all provisions and conditions of the procurement of such services.

The terms and conditions of an agreement should be stated clearly and unambiguously in order that any person would have no difficulty in determining that the precise duties and obligations undertaken by the University are not in violation of any of the laws of the state relative to the expenditure of funds.

Only university personnel specifically delegated the authority, in writing, by the President are authorized to sign agreements and financially commit the University within the limits of their delegation. The approval of any contract or agreement by an authorized signatory does not absolve nor exempt the department from full and satisfactory compliance with the Purchasing requirements especially adherence to the competitive thresholds. All contracts and agreements

should be reviewed for compliance by General Counsel, as required, prior to signature by an authorized person.

University agreements represent clear milestones and deliverables which shall be approved by the administrator of the contract (Principal Investigator or his/her designee) prior to any payment(s) being made. Contracts and Grants must be notified by the Principal Investigator as soon as any issues of subcontractor noncompliance, delays, changes to the scope, etc. become known.

**V. Annual Review of Procedures Manual**

The Procurement Policy for Sponsored Activities will be reviewed annually.

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**POLICY APPROVAL**

*Initiating Authority*

Signature: Barry T. Rosson Date: 1/25/13

Barry T. Rosson, Vice President for Research

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