

Quote Process for Federally Funded Grant Procurement

New federal grant administration requirements, known as the ***OMB Uniform Guidance***, will go into effective 7/1/2018. These requirements establish NEW procurement requirements for purchases funded by Federal grant dollars (direct and pass-through awards). Below is a summary of these new requirements and procedures.

FEDERAL INFORMAL QUOTE PROCESS for PURCHASES above \$10,000 to \$99,999

1. Obtain & Document Quotes

The responsible department must obtain quotes from two or more vendors for goods or services. Each vendor must be provided the same information and desired specifications.

Quotes can be written, verbal, catalog pricing or screen prints from the internet.

Each quote should include the following information:

- Vendor name and contact information
- Price & Sales Terms (must include any associated agreement)
- Quote Period (Time period for how long the quote is valid).
- Quotation Date
- A description of goods and/or services supplied.
 - Goods: Including quantity, unit of measure, price per unit, model or unit number.
 - Services: Include complete details of the scope of work to be provided.

Each department must ensure this process is undertaken in a timely manner so that goods/services are received in sufficient time to allow compliance with program requirements and contractual benchmarks. Quotes must be obtained and approved before any commodities are ordered or any services are provided. **If an adequate number of quotes are not available, department must follow the Federal Sole Source process outlined in section 7 below.**

2. Conflict of Interest

- a. **All PURCHASES regardless of \$ level** must follow the IL Procurement requirements.
- b. **Procurement Services processes all requests for University and State conflict waivers**
 - i. Is any University employee or agent, or member of a University employee's immediate family employed by the proposed vendor?
 - ii. Does any SIU employee or agent, or member of an SIU employee's immediate family have any other type financial interest in the proposed vendor or the contract?
 - iii. Waivers must be granted before any goods/services are received.

3. Brand Only

Any identified brand only requirements must be pre-approved by Procurement Services before designated as desired specifications in quote process.

4. Quote Requests

- Each vendor must be provided the same information and desired specifications.
- Include small, minority, and women owned businesses.
- To the extent practicable, attempt to request quotes from a wide selection of qualified suppliers.

5. Responsible department

- The responsible department must collect the quotes.
- The responsible department must identify a recommended vendor.
- Complete and attach "Federal Grant – Purchase Justification Form".
- If lowest quote is not awarded, the department must provide a brief justification as to why lowest cost should not be the determining factor for the purchase.
- Acceptable reasons to deviate from lowest cost may include: product/services do not provide the minimum essential characteristics to meet the intended use; record of past performance; nonprofit: quality and other factors considered, etc.

6. Submit Quotes

All vendor quotes must be completed and submitted to Procurement Services along with the purchase requisition. The Purchase Order process must be completed before any commodities are ordered or any services are provided.

All requisitions and supporting quotes must be submitted at least 14 calendar days before quote expires.

Procurement Services will review vendor quotes and will issue purchase order and sign agreements.

Any contractual terms or agreements regardless of dollar amount, must be presented to Procurement Services for review and signature. Neither Principal Investigator nor Budget Officer are authorized to sign an agreement.

Normal processing timeline is 7-14 calendar days after all required documentation is received. However, delays can occur during high volume periods such as fiscal yearend (May –July). Delays can also occur during vendor's review of University and state required contract edits.

7. Federal Sole Source Process –

- a. Purchases above \$10,000 and not to exceed the Simplified Acquisition Threshold of \$99,999:

If a department cannot obtain two or more quotes, the department may complete the process when one or more of the following circumstances apply:

- i. Purchase of item is authorized in budget and approved by Federal grant agency.
- ii. Item is available only from a single source.
- iii. Public exigency or emergency for the requirement will not permit a delay resulting from competitive process.

- iv. After soliciting from a number of sources, there are insufficient numbers of competitive products/services.

b. SOLE SOURCE ABOVE Simplified Acquisition Threshold of \$100,000:

- i. Procurement Services must follow the IL Procurement requirements for sole source purchases.
- ii. Normal processing time is 6-8 weeks, expedited processes are at least 4 weeks.
- iii. Contact Procurement Services for additional guidance on process requirements.

FEDERAL QUOTE PROCESS for PURCHASES of \$100,000 and up

Must follow standard competitive bid process (including Board of Trustees approval for purchases of \$500,000 or more).

Requirements:

Purchase requisition with specifications for goods or services and letter of justification; completion of any sole source or emergency purchase justifications (when/if needed).

Federal Grant – Purchase Justification Form
 (Attach to all Purchase Requisitions utilizing Federal Grant Accounts)

Accepted Quote:

Selected Vendor: _____			
Justification if not Lowest: (provide details)			
Sole Source Reason (if applicable):			
_____ Purchase of item is authorized in budget and approved by Federal grant agency.			
_____ Item is available only from a single source.			
_____ Public exigency or emergency for the requirement will not permit a delay resulting from competitive process.			
_____ After soliciting from a number of sources, there are insufficient numbers of competitive products/services.			
	Signature	Printed Name	Date
Fiscal Officer:			
	Approved By	Name/Signature	Date
Principal Investigator or Procurement Officer			

If transaction is less than University requisition level, this form and all vendor quotes must be completed, submitted and filed with the Invoice Distribution Form within Accounts Payable. Approval by Procurement Services is not required for below requisition level transactions.

Any contractual terms or agreements regardless of dollar amount, must be presented to Procurement Services for review and signature. Neither Principal Investigator nor Budget Officer are authorized to sign an agreement.

If transaction level meets University requisition requirements, all vendor quotes must be completed and submitted to Procurement Services along with the requisition. All purchase requisitions utilizing Grant accounts must be approved by Grant and Contract Accounting within the Office of Sponsored Projects Administration (OSPA).

Three purchasing thresholds—What you need to know.

Under \$10,000 (Micro-purchase)

What SIU must document: Price reasonableness and decision for selecting vendor.

What we need from Principal Investigators (PIs): Continue to email your Grants and Contracts Associate prior to initiating a purchase and explain the need for the purchase and provide a sentence or two explaining why you're selecting the vendor.

Reasons for selecting a vendor:

- Item is only available from one source.
- Emergency or scheduling requirement.
- Expected processing time.
- Need for research or programmatic compatibility.
- Personal knowledge of the item being purchased.

\$10,001 - \$99,999 (Small Purchase)

What SIU must document: Price or rate quotes from an adequate number of vendors and the decision for selecting vendor.

Requirements: Purchase requisition with at least two vendor quotes attached. There may be exceptions for obtaining quotes when the purchase is a sole source.

Quote examples:

- Catalog pricing.
- Screenprint of vendor pricing from internet.
- Written quote from vendor.

\$100,000 and Up (Large Purchase)

Standard competitive bid process

(including Board of Trustees approval for purchases of \$500,000 or more)

What SIU must document: Proposals were solicited from an adequate number of vendors (ensuring free and open competition), the vendor selection process utilized, and the final cost and price analysis. Rationale for sole source or emergency purchases when appropriate.

Requirements: Purchase requisition with specifications for goods or services and letter of justification; completion of any sole source or emergency purchase justifications (when/if needed).

Tips:

- Clearly justify vendor and professional services in your proposal and budget.
- Provide sufficient lead time for purchases, including consultants (they are considered vendors by the federal regulations).
- Approve vendor payments as quickly as possible when goods or services are received to your satisfaction.
- Notify Procurement Services immediately of any issues with your vendor, and do not approve payment.

Useful Links

Office of Sponsored Projects Administration: <https://ospa.siu.edu/>

Procurement Services: <https://procurement.siu.edu/>