

Applied Biomedical Science Institute

Procurement Standards

for Federal Research and Grant Purchases

2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“UG”) is a set of federal regulations that impacts research administration and significantly reforms federal grants to focus resources on improving performance and outcomes. It is a compliance requirement to follow the Uniform Guidance Procurement Standards when procuring goods and services using federal funds.

The Office of Federal Financial Management raised the thresholds for procurement standards in a memorandum dated 7/1/18 identifying five methods of procurement including the threshold for micro-purchases as purchases below \$10,000 bringing the UG into synchronization with the National Defense Authorization Act (“NDAA”) of 2017.

The memorandum also clarifies that the NDAA of 2018 increased the Simplified Acquisition Threshold to \$250,000. The entire memorandum can be found here:

<https://www.whitehouse.gov/wp-content/uploads/2018/06/M-18-18.pdf>

The Uniform Guidance streamlined guidance from either OMB circulars into a single guidance document with the goal of reducing administrative burden for grant applicants and recipients, as well as to reduce the risk of waste, fraud and abuse. Procurement Standards for UG is specifically located in sections [e-CFR 200.317 to 200.326](#) and concentrates on increased competition and transparency in the purchasing process. The Uniform Guidance outlines five methods of procurement:

- **Micro-purchase:** Purchases where the aggregate dollar amount does **not exceed \$10,000** (or \$2,000 if the procurement is construction and subject to Davis-Bacon). When practical, the requesting department should distribute micro-purchases equitably among qualified suppliers. No competitive quotes are required if management determines that the price is reasonable.
- **Small purchase:** Includes purchases where the aggregate dollar amount is \$10,000 or more **up to** the Simplified Acquisition threshold, which is currently \$250,000. **Quotes must be obtained from an adequate number of sources for purchases equal to, or greater than \$10,000.**
- **Sealed bids:** Used for purchases **over** the Simplified Acquisition Threshold, which is currently **\$250,000**. Under this purchase method, **formal solicitation is required**, and the fixed price (lump sum or unit price) is awarded to the responsible bidder who conformed to all material terms and is the lowest in price.

- **Competitive proposals:** Used for purchases **over** the Simplified Acquisition Threshold, which is currently \$250,000. This procurement method **requires formal solicitation**, fixed-price or cost-reimbursement contracts, and is used **when sealed bids are not appropriate**. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors.
- **Noncompetitive proposals:** Also known as **sole-source procurement**, this may be appropriate **only when specific criteria are met**. Examples include when an item is **available only from one source**, when a **public emergency** does not allow for the time of the competitive proposal process, when the **federal awarding agency authorizes**, or **after a number of attempts at a competitive process**, the competition is deemed inadequate.

Uniform Guidance Department Requirement

The [Source Selection \(SSPR\) & Price Reasonableness Justification Form](#) is to be completed by the requesting Department, and be attached to the requisition for all federally funded purchases **greater than or equal to \$10,000**.

Additional Resources

Additional information about the Uniform Guidance is available at the Council on Financial Assistance Reform (COFAR) website. The [COFAR website](#) contains background information, FAQs, and links to the Uniform Guidance and supplemental materials.

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