

**G. PROCUREMENT**

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## **I. Purchasing Policy**

This section sets forth the policies and procedures for governing the procurement of goods and services for the Carnegie Institution of Washington (hereafter CIW) and for its Departments.

All procurement actions that involve federal funds will meet the minimum procurement standards outlined in OMB Circular A-110 (a federal circular that sets uniform administrative requirements for institutions of higher education, hospitals and other non-profit organizations), Sections 40 through 48. This applies to both direct costs charged to federal grants and costs charged to the indirect cost pool. Costs not consistent with federal guidelines shall be charged to project codes or accounts designated by the P Street Accounting Office to accumulate unallowable expenses that are to be absorbed by the endowment. This is to ensure that only costs allowable and allocable under federal guidelines will be charged directly or indirectly to federal grants.

Federal grant funding includes “pass-through funds,” e.g., funding provided to CIW by means of an outside entity that receives subject funds from a federal source. Hereafter, all references to federal grant funding will include “pass-through funds.”

Procurement of goods and services funded by non-federal sources should meet CIW’s general procurement guidelines (endowment spending) or the awarding agencies’ (state, private or other) guidelines.

## **II. Authority and General Requirements**

The Director and/or other comparable official have the authority and responsibility for procurement of materials, equipment, supplies, and services on behalf of the Department, in conformity with A-110. In the purchasing role, a Business Manager oversees vendor relationships and the flow of vendor information.

Purchase orders are used for the procurement of all contracts, parts, and services used by the Department. When in use at a Department level, requisitions are issued and approved by authorized persons prior to the issuing of a purchase order.

Purchase orders are not required for the following: utilities; direct (ACH) payments; insurance premiums; legal bills; accounting bills; fees from investment managers; lodging and meals; and necessary purchases made in remote locations while on travel. Department Business Managers may identify other situations and instances that do not require the use of purchase orders.

When available, an electronic purchasing system will be fully integrated into the purchasing and vendor payment cycle. The Business Manager will maintain a list of all active projects, and a corresponding list of all individuals who have the ability/authority

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to authorize spending for each of the active projects. The Business Manager will control and update the list of authorized approvers.

Except for credit applications, which may be signed by purchasing and accounting personnel, all supplier terms and conditions and contracts are to be signed by the Director or a designated official. Purchase orders over \$200,000 and all lease agreements must be submitted to P Street for review. All new memoranda of understanding, agreements and contracts should be sent to P Street to permit a legal review before they are signed. Renewals of agreements and contracts need not be sent to P Street for review, unless the terms have changed or P Street officials request a review.

All purchase orders (POs) issued should be maintained for a period of three years following completion of the contract or grant periods. (See 'C. Grants and Awards' for record retention requirements related to grants.) All paper documentation relating to the purchase order should be maintained with the P.O., including supplier quotations, competitive bid analyses, sole source memos, price analyses, etc. An exception must be made in those instances of fixed assets with lives exceeding 10 years; the supplier quotations, bid analyses, sole source memos, etc., must be maintained for as long as Carnegie owns the asset. It is probably best to combine this information with the rest of the property records, so that documents that must be maintained for periods in excess of the standard record retention guidelines are consolidated in a single location.

Except as directed by the Director, all requisitions will be handled by Business Office personnel.

### **III. Standards**

Each Department is responsible for ensuring compliance with OMB Circular A-110 standards established or outlined in this section. A Department's system of procurement and contract administration (federal, state, private or endowment funded) will, at a minimum: provide for the review and approval by the appropriate Department personnel (scientific and/or administrative), monitor conformance to terms and conditions of any active contract, and ensure timely follow up on all purchases.

The institution's policy on conflict of interest related to employees is included under Section H – Research and Related Policies. This policy is intended to protect the Institution's mission and meet requirements for grant proposals and awards established by the National Science Foundation. In addition, every officer, director and trustee is asked to read and sign a conflict of interest statement, which is maintained by a designated official. Conflict of interest statements for officers, directors, and trustees shall be periodically updated as the President determines, but no less frequently than every two years.

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All Departments adhere to the following rules and practices:

1. No unnecessary purchases shall be made.
2. Practices will include:
  - a) the determination of the need for goods and services shall be made by the appropriate Department personnel familiar with budgetary constraints and availability of funds and that consider proper specifications, reasonable prices (including discount schedules, other price breaks and use of generic brands), timely receipt, and adequate quantities and quality
  - b) adequate controls over the placement of orders, receipt, acceptance (and return) of goods and services
  - c) the recording of the related liability (Accounts Payable) in the proper period and payment of only valid transactions in compliance with vendor/contract terms and conditions (see also procedures under Accounting and Financial Management -- Accounts Payable and Cash Disbursements section)
  - d) storage and control of goods
  - e) proper review and approval of services received
3. The duties of contracting, approving and cash disbursements are segregated among the appropriate Department personnel (both scientific and administrative) such that no one individual is responsible for more than one of these functions.
4. Job descriptions or other means of defining tasks will reflect any procurement responsibilities.
5. Contract files should document significant procurement history.
6. Contract files should document procurement method, selection of contract type, contractor selection or rejection and the basis of the contract price.
7. The procurement process shall provide, to the maximum extent practical, open and free competition.
8. Cost and price analyses shall be made for contracts, as well as for contract modifications.
9. Suspension and debarment certifications (attached) will be collected from potential contractors and vendors. For all sub awards, contracts and subcontract in excess of \$25,000, CIW shall obtain written certification

that an organization and its principals are not suspended or disbarred. CIW shall not “award a sub award, covered contract or any other covered agreement for program administration, goods, services or any other program purpose” to any suspended or debarred party.

#### **IV. Contract Review**

Requirements for a mandatory review of contracts and agreements by P Street administrative staff (hereafter P Street) and/or CIW’s General Counsel or Patent Counsel (hereafter Counsel) are as follows:

1. In general, annual individual routine maintenance or operational/support contracts of less than \$200,000 are not subject to P Street or Counsel review. Individual contracts and agreements in excess of this amount should be reviewed periodically at P Street. For contracts and agreements of less than \$200,000, Departments may submit to P Street and/or Counsel for review, if it is determined that such review could be beneficial.
2. For any service contracts, regardless of size, certificates of insurance must be obtained from every provider of such service.
3. Any construction, renovation, collaboration or other “non standard” contract or agreement with a total value (including management fees and related services) of \$200,000 or more must be submitted to P Street for review prior to being signed.
4. Equipment purchase contracts with a total value of \$200,000 or more must be submitted to P Street for review prior to being signed. Contracts for less than \$200,000 with unusual transport or other provisions or when the Department determines it is in CIW’s best interest should be submitted to P Street for review. The mandatory review is not to evaluate the scientific merit of such acquisitions but to ascertain appropriateness, liability and/or insurance issues and potential problems with the contractual arrangement.
5. All lease agreements should be reviewed at P Street to determine capital/purchase implications to ensure proper accounting treatment.

#### **Review Procedures**

The items to be reviewed are as follows:

##### **Insurance coverage**

P Street, along with CIW’s insurance agent, shall review the insurance coverage of the contractor to ensure it is sufficient to protect CIW.

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### Payments

P Street shall review and note the contract payment structure to ensure any needed cash management steps and compliance with accounting requirements are met.

### Performance

P Street and Counsel shall review the contract to ensure the terms of review and payment is reasonable and manageable.

### Intellectual property

P Street shall review the contract to ensure intellectual property provisions touching on patents, inventions, materials and the like are reasonable and prudent.

### Funding

P Street shall review the Department's detail of funding sources which support the contract efforts.

As a rule, Department Directors may sign contracts upon the completion of the review process. In cases where it is deemed more appropriate (determined on a case by case basis), the President shall sign contracts for CIW and forward to the Department. In all instances, a copy of the signed contract shall be forwarded to P Street's Accounting Office.

Subsequent to the review and approval process, the necessary project codes and/or accounts shall be established, budgets entered and any related administrative action incident to the contract taken.

## **V. Contracts for Complex or High Dollar Items or Services**

Bidder Selection: Competition is required unless there is only a single source that can meet requirements. When compiling a bidders list, the authorized individual should ensure all suppliers are capable financially as well as technically. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the organization -- price, quality and other factors considered. Procurement records and files for purchases in excess of the small purchase threshold (\$25,000) shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

Request for Quotation: Any request for quotations should be clear, concise and complete. The request should specify the date upon which quotations are due. All bidders should be provided with the same information (project schedule, instructions,

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description of technical performance, technical specifications, drawings, statement of work, data required, delivery schedule, milestones expected, special instructions for submitting quotation and terms and conditions).

A written RFQ is recommended when an order is of high dollars or if the requirement is complex.

Proposal Evaluation and award: Evaluate the proposal for completeness. Each segment of the proposal must be evaluated and rated (price, technical ability, schedule, etc.).

Fact Finding and Negotiation: The fact finding activity is to resolve any discrepancies between the technical and cost segments of the proposal. When appropriate, offer to meet the supplier's management team at their facility to become better acquainted with their on-site resources and capabilities. Negotiation should include anything overlooked in the proposal.

The Contract: Once the negotiations are complete a contract must be drawn up and signed. It should include the following:

- 1) Who the parties are and what type of contract is used (for example, firm fixed price);
- 2) Date of agreement and list of all documents included with the contract and their order of hierarchy;
- 3) Definition of work to be performed;
- 4) Definition of deliverables;
- 5) Definition terms and conditions;
- 6) Outline of pricing agreement;
- 7) Delivery outline for all items;
- 8) Outline of any special inspection requirements;
- 9) Directions for packing, shipping and delivery of material (includes FOB point);
- 10) Point of contact for administrative and technical purposes; and
- 11) Authorizing signatures for both parties.

Once it appears that the contract is complete, the document should be faxed to P Street, so that it can be submitted to general counsel for review and comment.

All changes to the contract should be in writing and should be initialed by binding officials of all participating parties in the contract.

### Business Office:

Once the contract has been signed by the appropriate parties, a purchase order will be attached and the PO and the contract will be sent to the successful bidder.

The Business Office will insure that all parts of the contract procurement process are in compliance with the procurement standards of OMB Circulars A-133 and A-110.

In most cases, the Business Office will notify unsuccessful bidders. Information may be provided to unsuccessful bidders, as long as information from the successful proposal remains confidential.

## **VI. Suspension and Debarment Documentation**

Federal guidelines require that Carnegie has on file a Suspension and Debarment Certification Form from any vendor that incurs \$25,000 of business with Carnegie during any fiscal year.

To insure that this Department conforms to this requirement, vendors likely to invoice the Department \$25,000 or more during the fiscal year, shall be sent Debarred Vendor Certificate (attached) to be completed and returned. Alternatively, a Department may accept certification from a central data base such as the Central Contractors Registration website.

When purchasing from a foreign vendor, the Department shall request a letter signed by an official of the foreign entity, stating that neither the entity nor any of its principals is debarred or suspended from doing business with the U.S. Government.

A copy of the Debarment Certification or letter will be kept on file in the business office. These files will be updated periodically.

If a former Carnegie vendor shows up on the debarred and suspended list, evidence will be gathered to prove that the Department did not transact business with that vendor while it was debarred/suspended.

The list of debarred, suspended, and voluntarily excluded individuals and organizations may be found on <http://www.epls.gov>.

## **Grants**

Please refer to the Grants section of this manual for policies and procedures governing the following: the authority to approve grant and contract applications, pre-award spending, application of federal cost principles as outlined in Exhibit 2 of OMB Circular A-133.

## **VII. OMB Circular A-110 Standards**

The following highlights key standards in OMB Circular A-110. These standards are summarized through a checklist that is attached to this document to help assure that all requirements of A-110 are met.

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Applicable CFDA numbers should be included in all contracts issued under federal awards.

CIW employees, officers and directors shall not participate in the selection, award or administration of a contract supported by federal funds if a real or apparent conflict of interest is involved. A conflict would arise when an employee, officer, agent, any member of his/her immediate family, his/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 the firm selected for an award. Employees, officers or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub agreement. An unsolicited gift or a financial interest of nominal value does not establish a situation in violation of OMB Circular A-110. Disciplinary actions will be taken for violations of such standards by CIW employees, officers and directors.

All federally funded procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. CIW shall not contract with anyone that restricts, eliminates competition or otherwise restrains trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the contractor whose bid or offer is responsive to the solicitation and is most advantageous as to price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the contractor shall fulfill in order for the bid or offer to be evaluated.

CIW has adopted procurement procedures that provide, at a minimum, the following:

1. Unnecessary items will not be purchased.
2. Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.
3. Solicitations for goods and services include all of the following:
  - a) clear and accurate description (in competitive procurements, the description should not unduly restrict competition) of the technical requirements for the material, product or service to be procured
  - b) requirements that bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals
  - c) a description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards
  - d) specific features of brand name or equivalent that bidders are required to match

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- e) preference for metric and energy efficient products and services that conserve natural resources and protect the environment, to the extent possible and economically feasible
4. Ensure the use of small businesses, minority-owned firms, and women's business enterprises, whenever possible, by taking the following steps:
- a) ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable
  - b) make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises
  - c) consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises
  - d) encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually
  - e) use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority- owned firms and women's business enterprises
5. The type of procurement instrument (excluding “cost-plus-a-percentage-of-cost” and “percentage of construction cost”) used shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved.
6. CIW utilizes only responsible contractors with the resources available to perform successfully under the terms and conditions of the proposed procurement. CIW will not use a debarred or suspended contractor or vendor in connection with a federally sponsored project. For all subawards, contracts and subcontracts in excess of \$25,000, Departments shall obtain written certification that the organization and its principals are not suspended or disbarred.
7. CIW shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:
- a) a Department's operations fail to comply with the procurement standards in the Federal awarding agency's implementation of Circular A-110
  - b) the procurement is expected to exceed the small purchase threshold fixed at 41 U.S.C. 403 (11) (currently \$25,000) and is to be awarded without competition or only one bid or offer is received in response to a solicitation

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- c) the procurement, which is expected to exceed the small purchase threshold, specifies a "brand name" product
- d) the proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement
- e) a proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold

CIW conducts, for every federal procurement purchase above a threshold of \$5,000, "some form of cost or price analysis" which is documented in the procurement files. For every federal acquisition that exceeds the small purchase threshold, CIW maintains documentation in the procurement files for all federal purchases that indicate: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained if applicable, and (c) basis for award cost.

Federal contracts, including subcontracts, are reviewed to verify the inclusion of the following:

- a) contracts in excess of the small purchase threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate
- b) all contracts in excess of the small purchase threshold shall contain suitable provisions (due to default of the contractor and for circumstances beyond the control of the contractor) for termination by CIW, including the manner by which termination shall be effected and the basis for settlement
- c) CIW follows the guidelines set forth in OMB Circular A-110, section 48 (including appendix A) concerning performance and payment bonds
- d) all negotiated contracts (except those for less than the small purchase threshold) awarded by CIW shall include a provision to the effect that the CIW, the federal awarding agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions
- e) all contracts, including small purchases, awarded by CIW and their contractors shall contain the procurement provisions of Appendix A to Circular A-110, as applicable

Each Department is responsible for ensuring that all appropriate Department personnel (including, but not limited to, Business Managers, individuals responsible for purchasing functions) are familiar with the contract provisions outlined in OMB Circular A-110, Appendix A.

Any promotional items (gifts at Christmas time, "free" items sent with purchased parts) will be distributed equitably throughout different areas of the Department which can use

these items.

## **VIII. Purchase Order Procedures**

### **NAV**

Effective January 1, 2010, all departments must use either the purchase order or procurement subsystems within NAV.

#### **Written Orders**

A written purchase order must be sent to the supplier for the following:

1. High dollar orders
2. Blanket orders
3. Attachments are required (i.e., drawings)
4. Complex description of the job.
5. Special requirements noted on PO
6. Unique shipping requirements
7. When suppliers require a written PO.

An acknowledgment of the PO is not required but if one is sent it should be reviewed by the buyer for accuracy and filed with the PO.

#### **E- Mail Orders**

E- Mail purchase orders are placed without benefit of discussion with supplier. Once order is entered Buyer will make note of any order number which may be used for tracking. Notes should be made on any information to allow proper expediting. If confirmation number is sent a note of it should be placed in the PO note section.

#### **Verbal Orders**

Verbal purchase orders may be placed when appropriate. Buyer will obtain the following information:

1. Verify company name and address
2. Obtain name and extension of person taking order
3. Note any confirmation number give by supplier.
4. Estimated cost of freight
5. Delivery date
6. Do they require written PO.

#### **Procedures for Blanket Purchase Orders (BPO's)**

BPO's are used for the purchase of similar items regularly obtained form one vendor. Pricing and terms of purchase for the described items are established for the period of one

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fiscal year.

The purchase requisition is the only time that approvals are necessary for a release against the BPO until it reaches the maximum dollar limit. At this point a change order will require approval to increase the dollar limit.

A copy of the blanket purchase order is generally sent to the vendor and includes:

1. Period of Performance, (fiscal year, 7-1-\*\* to 6-30-\*\*).
2. A list of persons authorized to make releases against the order. Include at least two people.
3. Any special accounting information, such as invoice approval or account numbers to be assigned at time of release.

### **BPO's with Releases**

When suppliers are accepting an order over the phone from a requestor, that requestor must make a release against the BPO and give a hard copy of that release to accounting. The vendor must include the release number and the PO number on the invoice.

The following are examples of BPO's with releases:

1. Machine Shop: Small perishable tools and repetitive plating or services.
2. Travel: Cost of airline tickets obtained from a travel agent.

## **IX. Miscellaneous Items**

### **Taxes**

The payment of taxes for goods and services received is determined by state and local laws. The Business Office is responsible for assuring that appropriate payments are made. The Business Office may inform certain Department employees of certain procedures to follow in this area.

### **Vendor Numbers**

All vendors will have a vendor number issued by accounting and input into Fundware and any available procurement system.

### **Files**

The Business Office will maintain the following files:

- Certificate of Insurance
- Debarred Vendor
- Shipment of materials to and from LCO
- Export licensing of materials

**Attachment**  
**Debarred Vendor Certificate**

Certification Regarding  
Debarment, Suspension, and Other Responsibility Matters  
Primary Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 34 CFR Part 85, Section 85.510, Participant's responsibilities.

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or Local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or Local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

(3) If circumstances change following the date of certification below, the vendor agrees to inform the Carnegie Institution immediately.

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Organization Name

Name and Title of Authorized Representative

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Signature

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Date

**A-110 Procurement Considerations  
For Items in Excess of the Small Purchase Threshold (\$25,000)**

1. Are any departmental standards, separate from or in addition to institutionwide standards applicable to all departments, covering award or contract administration, set forth in writing?  
 Yes; you are ready to move ahead with federal procurement activities.  
 No; Your department is not prepared to move forward with federal procurements. Your activities with federal funds may generate A-133 findings.
2. Are there real or apparent conflicts of interest among vendors, employees or family members with financial or other interests at stake in the choice of a subcontractor?  
 Yes; The employee or vendor may not be used on the subcontract.  
 No; The work may move forward.
3. Are there sanctions in place for failing to isolate and mitigate conflict of interest situations?  
 Yes; Move forward.  
 No; Stop. Sanctions must be in place to prevent conflict of interest situations.
4. Review the procurement mechanism you have established - does it encourage open and free competition to the greatest extent practical?
  - a. Are there organizational conflicts of interest or noncompetitive practices among contractors that limit competition?
  - b. Are contractors who draft specifications permitted to bid on a project?
5. In reviewing any potential beneficiary of federal procurement activity, all the following components must be present in the written procurement policies of the recipient:
  - a. All recipients shall have written procurement procedures.
  - b. No unnecessary purchases should be made
  - c. Lease/purchase analysis shall be made in appropriate situations to determine the most practical and economical alternative for the fed gov.
  - d. Clear description of technical requirements
  - e. All factors to be used in evaluating bids
  - f. Range of acceptable characteristics or minimum acceptable standards
  - g. Specific features of "brand name" descriptions must be included
  - h. Metric system and conservation of natural resources
6. Have you taken steps to utilize small business and minority firms to fullest extent possible?
  - a. Have you facilitated participation in bidding by small and minority firms?
  - b. Do you target large firms which will subcontract with small and minority firms?
  - c. Have you considered working with consortiums of small/minority owned firms?
  - d. Have you utilized the services of government agencies that specialize in assisting small/minority owned firms?
7. Is the type of procuring instrument appropriate for the circumstances?  
 No "cost plus percentage of cost" or "percentage of construction cost" is permitted.
8. Is the contractor a responsible party, based on your review of the contractor's integrity, past performance, and financial and technical resources?
9. Has the vendor provided Debarment and Suspension Certification?
10. Has a COST or PRICE ANALYSIS been made and documented for the procurement files?
  - a. Some form of price analysis must be conducted for every procurement action.
    - i. comparison of price quotes submitted
    - ii. review of market prices with discounts

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iii. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

11. Do your records for a purchase in excess of the small purchase threshold (\$25,000) contain the following minimum documentation?

  
  

- a. written justification for contractor selection
- b. written justification for lack of competition when competitive bids are not obtained
- c. written justification for the award price or cost.

**A-110 Procurement Considerations (continued)**

12. Do you have a system for contract administration in place to ensure contractor conformance w/the terms, conditions & specifications of the contract, and to ensure adequate and timely follow up of all purchases?

  

- a. Do you follow the performance of a contractor and evaluate whether the contractor has met the terms and conditions of the contract?
- b. In the case of formal subcontract agreements with other organizations (expenses are charged to account 6235), much of this is administered at P Street by Jeff Lightfield.

13. Within the legally sound and complete subcontract document that you have created for a recipient, have you included the additional provisions that the Federal Government wishes to see?

  

- a. Contracts in excess of the small purchase threshold will provide for contractual, administrative or legal remedies in instances where the contractor violates the contract terms.
- b. Contracts in excess of the small purchase threshold will provide for termination by the recipient (manner of termination and basis of settlement) and provide for termination of the agreement in case of circumstances beyond the contractor's control.
- c. Does the contract involve construction or facility improvements; will the amount under contract exceed \$100,000?

  

- No; Recipient follows its own requirements for bid guarantees, performance and payment bonds.
- Yes; The govt agency still accepts the standards of the recipient, but at a minimum they will have to include:

  
  
  

- a. A bid guarantee from each bidder equal to 5% of the bid price (this is a guarantee from the bidder that he will execute the contractual documents in a reasonable amount of time if he wins the bid).
- b. Performance bond for 100% of contract price.
- c. Payment bond for 100% of contract price (assures payment of all people supplying labor and material for execution of the contract).
- d. All bonds shall be obtained from companies holding certificates pursuant to 31 CFR part 223 "Surety Companies Doing Business with the United States".

14. Remember to include in all negotiated contracts of \$25,000 or more, language that permits Carnegie, the Federal awarding agency, the Comptroller General of the US, or any of their duly authorized representatives, to have access to any books, documents, papers or records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

15. All contracts, including small purchases, awarded by recipients and their contractors shall contain the procurement provisions of Appendix A , OMB Circular A-110, as applicable.

  
  
  
  

- a. Equal Employment Opportunity
- b. Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c)
- c. Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7)
- d. Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)
- e. Rights to Inventions Made Under a Contract or Agreement

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- f. Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended
- g. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)
- h. Debarment and Suspension (E.O.s 12549 and 12689)