When to Stop, When to Go: Purchasing and Making Effective Decisions

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When to Stop, When to Go

Session Objectives

1. Make informed purchasing decisions based on sponsor’s intended use of the funding and ensuring those purchases adhere to the Uniform Guidance.

2. Identifying your role in ensuring grant expenditures are allowable, allocable, and appropriate, while managing your relationship with the PI to achieve grant objectives.
One on One Meetings
So why have a meeting?

1. Brainstorming and Information
2. Decision Making
3. Feedback and Discussion
4. Personal Relationships
Positive Outcomes

1. Brainstorming and Information
   - For their research
   - Available trainings
   - Updated policies
Positive Outcomes

2. Decision Making

• Forecasting pitfalls
• Staying on track
  - Deliverables
  - Payroll
3. Feedback and Discussion

- Working styles
- Values
- Improved performance
Positive Outcomes

4. Personal Relationships
   - Communication
   - Trust
   - Encouragement
   - Forgiveness
   - Future projects
Expenditures and Encumbrances must be

Allowable

Allocable

Reasonable
Could a hot air balloon ride be deemed allowable?
Procurement Standards
• **Procurement Standards (§§ 200.317 - 200.326)**

  - § 200.317 Procurements by states.
  - § 200.318 General procurement standards.
  - § 200.319 Competition.
  - § 200.320 Methods of procurement to be followed.
  - § 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.
  - § 200.323 Contract cost and price.
  - § 200.324 Federal awarding agency or pass-through entity review.
  - § 200.325 Bonding requirements.
General Procurement Standards

- Document procurement procedures
- Maintain oversight of terms, conditions, and specifications
- Establish written standards for conflicts of interest
- Cost efficiency approach
Institutional Procurement Procedures

**Procurement Quick Reference Guide**

- **Under $10,000**: SunRISE or Purchase Order
- **$10,000 to $49,999**: SunRISE or Purchase Order
- **$50,000 to $99,999**: SunRISE or Purchase Order
- **More than $100,000**: SunRISE or Purchase Order

**Procurement System**

- **1 Quote** + **Small business** or **Existing contract**
- **3 Quotes** + **Small business** or **Existing contract**
- **RFP** or **Existing contract**
Institutional Procurement Procedures

ASU Procurement quick reference guide

a. Purchases under $10,000 without a PCard:
   - When a vendor does not accept PCards or the department does not have a PCard, use a requisition.

b. Small business:
   - A business with less than 100 full-time employees or less than $4 million in revenue in the most recent fiscal year.

c. Existing contracts:
   - ASU may be able to use existing contracts from any ASU department, other public institutions, and some purchasing consortiums.

d. Request For Proposal:
   - An RFP is the most-used type of formal solicitation. Contact Procurement for information on how to complete an RFP and other options for formal solicitation.
   - Exceptions may be granted when a formal solicitation is not practical. In these cases, a Sole Source or Bid Waiver can be evaluated, but these must be worked through Procurement.

Things to remember

- Contact Procurement for assistance if you are working on a complex purchase, including purchases with a contract or a Formal Solicitation.
- ASU designates the ability to sign contracts to certain officers. Find the Signature Authority Delegation list at ogc.asu.edu/contracts/contracts-authority.
- Dollar thresholds are based on a single procurement or overall contract spend. Details may vary, please contact Procurement with specific questions.

If you have a unique situation not covered in this quick reference guide, contact Procurement for assistance at 480-965-2160 and email Purch-q@asu.edu.
Unit Procurement Procedures

PURCHASE/REIMBURSEMENT REQUEST FORM

Payment to Supplier or Order request:
Payee/Supplier Name: ____________________________

ASU Employee/Student Reimbursements:
Employee/Student Name: ____________________________ Employee/Student ASU ID#: ____________________________

Funding (Account Name):
Additional Account Info (Optional):

Total Amount: ____________________________

BUSINESS/PUBLIC PURPOSE (BE SPECIFIC): For examples, visit https://www.asu.edu/aad/manuals/fin/fin119.html

Type of Request (Please select one)
- Reimburse attached non-food Receipt(s)
- Order attached items (please provide web address for specific items)
- Pay attached Membership, Conference Registration, Etc.
- Pay attached Invoice
- Direct Billed (Print U, Staples, etc.)
- Other (Brief description of request)

* FOR FOOD PURCHASES- A Business Meals Form is used in place of this Reimbursement/Purchase Request Form and can be found at http://www.asu.edu/fs/forms/business-meals-form.pdf.
* All technology purchases (Software & Hardware) must be submitted through a support ticket at https://asu.service-now.com/sp?id=sc_home
Unit Procurement Procedures

FOR REIMBURSEMENTS/PCARD PURCHASES:
- All original itemized receipts must be attached to this form. Use an additional sheet of 8.5 x 11” paper if necessary for small receipts.
- Please use tape, no staples. Do not tape over business name/dollar amounts as the tape fades printing.
- For reimbursements, if name is not typed on the receipt by the vendor: (1) copy of credit card statement with name and requested charges or (2) copy of credit card with all but the last 4 digits and name blacked out.
- For reimbursements, receipts greater than 60 days will be processed as a taxable reimbursement via payroll per FIN 420-01.
- Reimbursements over $1,000 require additional approvals by the Dean or Director and the Provost office per FIN 420-01.

FOR PURCHASE ORDERS/INVOICE PAYMENTS:
- Please attach a copy of the invoice or order form to this form.
- If you have received an email request with ordering information, please forward the email to the business office with form.

FOR BUSINESS OFFICE ONLY  FY 2020

Account Signer | Name: | CC/PG/GR/GF: |
--- | --- | --- |
Account Signer | Signature: | P-Card # (last 4 digits): |
Maintaining Oversight

General Information -- All information is required

Service Provider’s Name:
Service Provider's Social Security Number:
Service Provider’s Mailing Address:
Location where services will be provided:
Specific services to be provided (attach additional information if needed):

Start Date: __________ End Date: __________ Total Fee: __________

How fee is determined:
Fixed ☐ Milestone Based ☐ Hourly(rate) ☐ Other (describe) ☐

Certification of Service Provider:

I certify that all the information provided in this document is correct.

Signature of Individual Performing Services
Conflict of Interest

3. Agreement of Non-Participation by ASU Employee:

I understand that I must not participate in any ASU decision relating to this substantial interest and that “not participate” means that I must have no involvement in the decision making process and that I must not communicate with anyone about the decision. Further, I understand and acknowledge that agreements between ASU and the business entity identified above are subject to audit by ASU or the State of Arizona pursuant to A.R.S. § 35-214.

SIGNATURE OF EMPLOYEE: ________________________________

DATE: ______________

REVIEWED BY DEAN OR DIRECTOR OF THE COLLEGE OR DEPARTMENT:

Signature: ________________________________

Print Name: ________________________________

Title: ________________________________

Date: ______________

Office of General Counsel
Fulton Center - 300 E. University Drive
Mail: PO Box 877405, Tempe, AZ 85287-7405
Campus Mail Code: 7405

Phone: 480.965.4550
Fax: 480.965.0984
Web: www.asu.edu/counsel
Form Revised: December 2010

https://ogc.asu.edu/sites/default/files/disclosure_0.pdf
Cost Efficiency

Prime Numbers
2 3 5 7 11 13

“And those ship free, right?”
Methods of Procurement

1) Procurement by micro-purchases
2) Procurement by small purchases procedures
3) Procurement by sealed bids
4) Procurement by competitive proposals
5) Procurement by noncompetitive proposals
Methods of Procurement

Micro-Purchase

Micro-purchasing is the purchase of supplies or services where the combined dollar amount up to $10,000.
Methods of Procurement

**Micro-Purchase**

<table>
<thead>
<tr>
<th>Requisition</th>
<th>Requisition Type</th>
<th>Document Date</th>
<th>Total Amount</th>
<th>Currency</th>
<th>Suppliers</th>
<th>Purchase Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>REQ-20-00014485</td>
<td>1.Goods and Services</td>
<td>08/28/2019</td>
<td>5,276.09</td>
<td>USD</td>
<td>Amazon Capital Services Inc</td>
<td>PO-20-00025401</td>
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<tr>
<td>REQ-20-00014138</td>
<td>1.Goods and Services</td>
<td>08/27/2019</td>
<td>4,891.86</td>
<td>USD</td>
<td>TECHNOLOGY PROVIDERS INC</td>
<td>PO-20-00024495</td>
</tr>
<tr>
<td>REQ-20-00014116</td>
<td>1.Goods and Services</td>
<td>08/27/2019</td>
<td>628.53</td>
<td>USD</td>
<td>TECHNOLOGY PROVIDERS INC</td>
<td>PO-20-00024813</td>
</tr>
<tr>
<td>REQ-20-00013364</td>
<td>1.Goods and Services</td>
<td>08/23/2019</td>
<td>1,134.13</td>
<td>USD</td>
<td>Dell Marketing LP</td>
<td>PO-20-00023256</td>
</tr>
<tr>
<td>REQ-20-00013307</td>
<td>1.Goods and Services</td>
<td>08/23/2019</td>
<td>2,080.43</td>
<td>USD</td>
<td>B&amp;H Foto &amp; Electronics Corp</td>
<td>PO-20-00023153</td>
</tr>
</tbody>
</table>
Methods of Procurement

Small Purchases

Small purchases require price or rate quotations from an adequate number of qualified providers. This is to guarantee comparable pricing for purchases between $10,000 and $250,000.
# Methods of Procurement

## Small Purchases

<table>
<thead>
<tr>
<th>Requisition</th>
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<th>Currency</th>
<th>Suppliers</th>
<th>Purchase Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>REQ-20-00001564</td>
<td>1. Goods and Services</td>
<td>07/09/2019</td>
<td>26,712.00</td>
<td>USD</td>
<td>Unicon Inc</td>
<td>PO-20-00013728</td>
</tr>
<tr>
<td>REQ-20-00001573</td>
<td>1. Goods and Services</td>
<td>07/09/2019</td>
<td>27,588.00</td>
<td>USD</td>
<td>Unicon Inc</td>
<td>PO-20-00013733</td>
</tr>
<tr>
<td>REQ-20-00001241</td>
<td>1. Goods and Services</td>
<td>07/08/2019</td>
<td>100,000.00</td>
<td>USD</td>
<td>THE LAVIDGE COMPANY</td>
<td>PO-20-00007175</td>
</tr>
<tr>
<td>REQ-20-00001245</td>
<td>1. Goods and Services</td>
<td>07/08/2019</td>
<td>140,000.00</td>
<td>USD</td>
<td>Eagle Creek Software Svcs Inc</td>
<td>PO-20-00014222</td>
</tr>
</tbody>
</table>
Methods of Procurement
Sealed Bids > $250,001

Sealed bids (formal advertising) are publicly requested and a firm fixed price contract (lump sum or unit price) is awarded to the lowest bidder conforming with terms and conditions of project.

Greater than $250,001
Price Driven
Methods of Procurement

Competitive Proposals

Competitive proposal requests must be broadcasted with more than one source submitting an offer.

A fixed price or cost-reimbursement contract will be awarded to the most suitable bid for the project.

Greater than $250,001
Project Driven
Methods of Procurement

Competitive Proposals

“Hmm... Lemme check that purchase order again.”
Methods of Procurement
Noncompetitive Proposals

Noncompetitive proposals are considered when there is only one source available for the required purchase.

Noncompetitive proposals should be avoided except when no reasonable alternative sources exist.
Methods of Procurement
Noncompetitive Proposals

REASON FOR SOLE SOURCE / WHY IS THIS SUPPLIER THE ONLY SOURCE? (can also be attached as a memo)

( ) Item must match existing equipment, which is: ____________________________

( ) Item is a repair part for existing equipment, which is: _____________________

( ) Item is to be attached to existing item, which is: __________________________

( ) No other manufacturer of this type of product exists; (supporting documentation to be provided).

( ) Other manufacturers of this type of product do not meet our minimum requirements/technical characteristics.

Manufacturer's Name: __________________________
Reason: __________________________________________

Manufacturer's Name: __________________________
Reason: __________________________________________

( ) Other: _________________________________________

METHOD USED TO DETERMINE THAT ONLY ONE SOURCE EXISTS

Describe the method used to determine there is no other supplier that will meet the need, and provide evidence

__________________________________________________________

__________________________________________________________

__________________________________________________________

__________________________________________________________
## Case Study

<table>
<thead>
<tr>
<th><strong>Background</strong></th>
<th><strong>Possible Fraud Indicators</strong></th>
<th><strong>Scheme Identified</strong></th>
<th><strong>Result</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>An individual was assigned to purchase equipment using a Federal award.</td>
<td>Circumvention of the established procurement process; vendor complaints.</td>
<td>Individual stole over $100,000 by directing contracts to bogus companies that he had established.</td>
<td>240-month prison sentence</td>
</tr>
</tbody>
</table>
Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
States must follow the same policies and procedures it uses for procurements from its non-Federal funds.
Property Standards
• **Property Standards (§§ 200.310 - 200.316)**
  - § 200.310 Insurance coverage.
  - § 200.311 Real property.
  - § 200.312 Federally-owned and exempt property.
  - § 200.313 Equipment.
  - § 200.314 Supplies.
  - § 200.315 Intangible property.
  - § 200.316 Property trust relationship.
Equipment

- Title
- Use
- Managing Requirements
- Disposition
Purchase of equipment using Federal funding becomes the responsibility of the institution, unless otherwise stated in the notice of award.
Equipment

Use

Equipment must be used in the award for which it was purchased as long as needed, whether or not the project or program continues to be supported by the Federal award.

Ex: Computers
The non-Federal entity must have prior equipment approval from the Federal awarding agency before purchasing.
Equipment

Use

Make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired.

Ex: Dual teaching grants
Equipment

Managing Requirements

Property records
- description of property, serial number or identification number

Physical inventory
- at least once every two years

Control system
- safeguards to prevent loss, damage, or theft of the property

Adequate maintenance
Equipment

Disposition

Required when equipment purchased under a Federal award is no longer needed for the original award, or other activities supported by a Federal awarding agency.
Disposition

- Over $5,000 FMV
  - Retained or sold:
    - If retained – current market value owed to agency
    - If sold – proceeds from sale to agency
    - selling/handling expenses equal to –
    - $500 or ten percent, whichever is less
  - Does not apply if disposition instructions are not received within 120 days

- Under $5,000 FMV
  - No further obligation to Federal agency