



UCSB Contracts & Grants STAR Program

Class #6: Federal Purchasing, 2024

STAR Course Logistics

- STAR Certificate consists of 11 courses.
- To obtain a certificate, you must complete all 11 courses within two (2) years.
- For any STAR Program questions: contact Betsy Lazarine and/or Clarissa Cabrera at training@research.ucsb.edu
- Reminder to complete the STAR Evaluation, sent to registered participants via e-mail used in UCLC.

STAR – Class #6

Why am I here?



STAR – Class #6

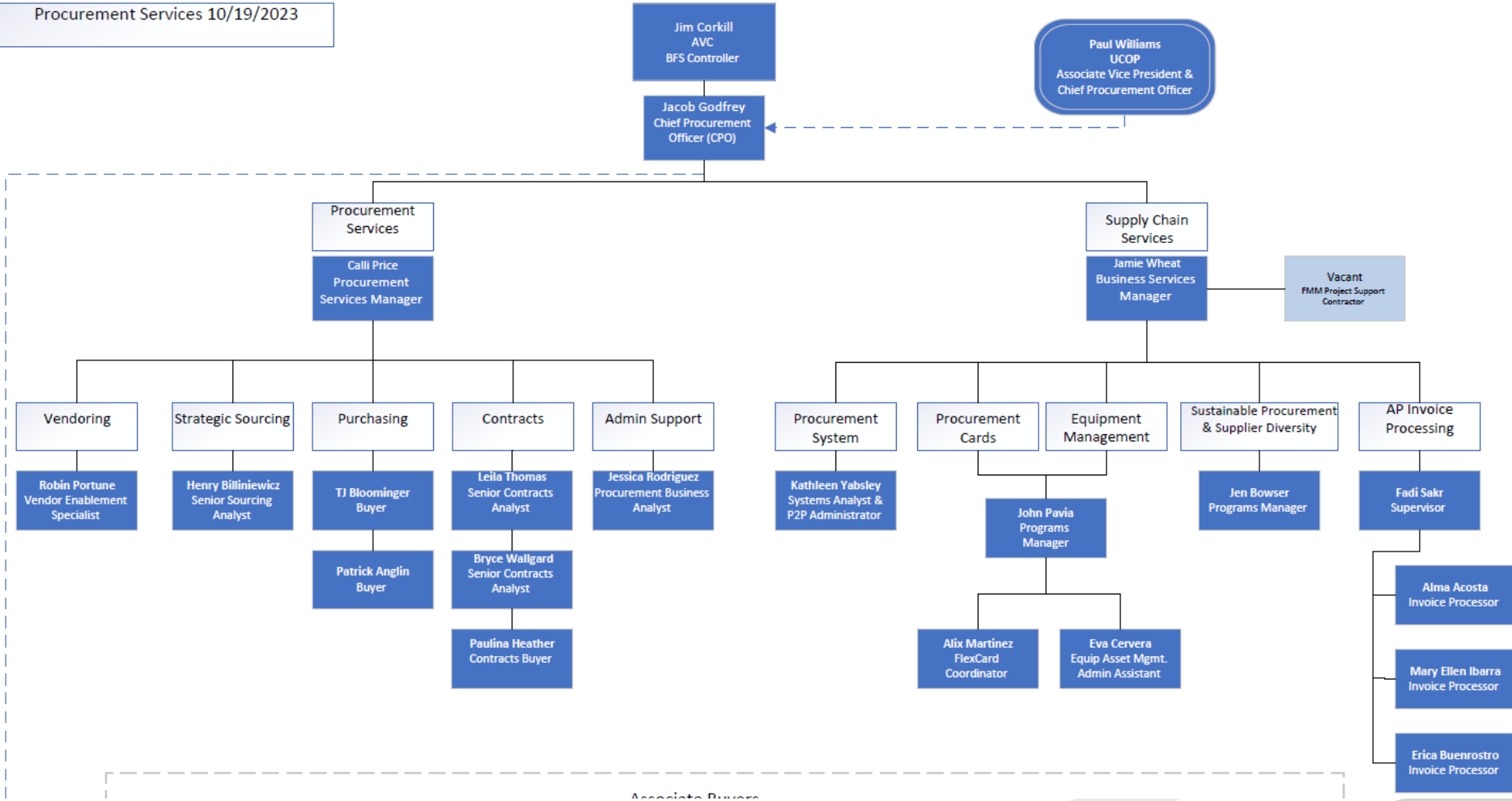
Pre-Award:

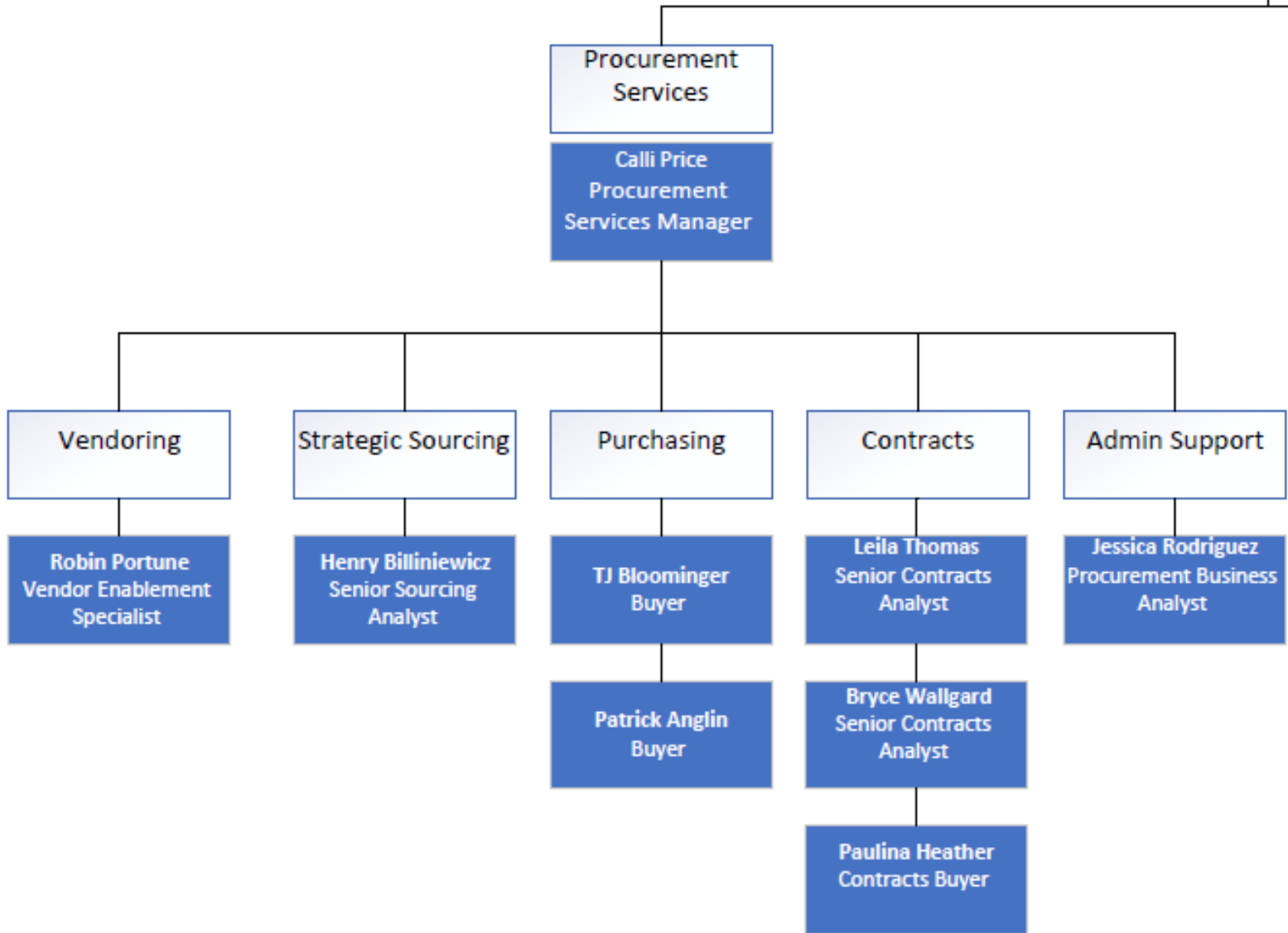
- Small Business Subcontracting Plan (*Federal Contracts over \$750k only*)
- Service or Subaward determination

Post-Award:

- Purchase orders for commercial goods/services
- Contracts for commercial goods/services

Procurement Services 10/19/2023





Procurement does **NOT** cover:

- Research/Subawards
- Real Estate
- Construction/Facilities Management
- Gift processing

- Travel & Entertainment/Form 5 advice
- Reimbursements
- Honoraria
- Relocations (personnel moving)

Agenda

■ Pre-Award

- Small Business Subcontracting
- Services vs. Subawards

■ Post-Award

- Purchases – PO's and Contracts
- Funding: Award Types
- Form A walkthrough
- Price Reasonableness workshop
- Sole Sources
- Delegation + Signatures



**Pre-Award:
Small Business Subcontracting Plan**

Federal Contract proposals

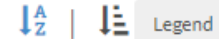
- **When your proposal budget exceeds \$750k...**
 - **a Small Business Subcontracting plan is required.**

Federal Contract proposals

Request a Plan in Procurement's ServiceNow Catalog:

General Procurement

Get help with questions on bids, the small business program, sustainable procurement or training opportunities.



Bid Request

Use this form for help with Bids.

[View Details](#)

Procurement Help - Other

Use this form only for help not otherwise categorized.

[View Details](#)

Small Business First Policy

Use this form to request assistance or training on the UC Small Business First Policy

[View Details](#)

Small Business Sub-Contracting

Use this form to request a small business sub-contracting plan.

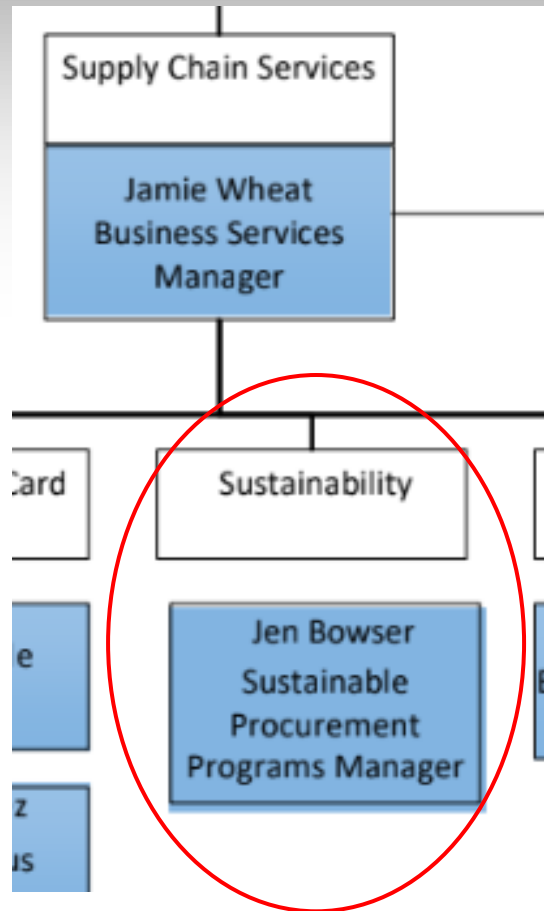
[View Details](#)

Sustainable Purchasing

Use this form to request assistance or training on sustainable purchasing.

[View Details](#)

Small Business Subcontracting



Pre-Award: Services vs. Subaward

Services (Vendor) vs. Research (Subaward)

If dept./PI determines a budget line service
is **NOT** a subaward:

Please send the **SOW** to contracts@bfs.ucsb.edu
at the time of (or before) Proposal submission
over to SPO



Services (Vendor) vs. Research (Subaward)

This helps to ensure you will NOT experience a delay when submitting a service request in Gateway

Services (Vendor) vs. Research (Subaward)

Subrecipient vs. Contractor Determination Sheet & Subaward Determination Tip Sheet

www.bfs.ucsb.edu/procurement/forms

www.research.ucsb.edu/spo/subawards

Post-Award: Purchasing Goods and Services

Federal Funds

When the OR/Sponsored Projects receives a Federal Award, Extramural Funds assigns a Fund number to the Account String.

In general, the federal fund blocks are:

21000-24999: Grants

25000-28999: Contracts

57xxx-59xxx - Flow-Down Grants and Contracts



Federal Funds

Those awards are governed by:

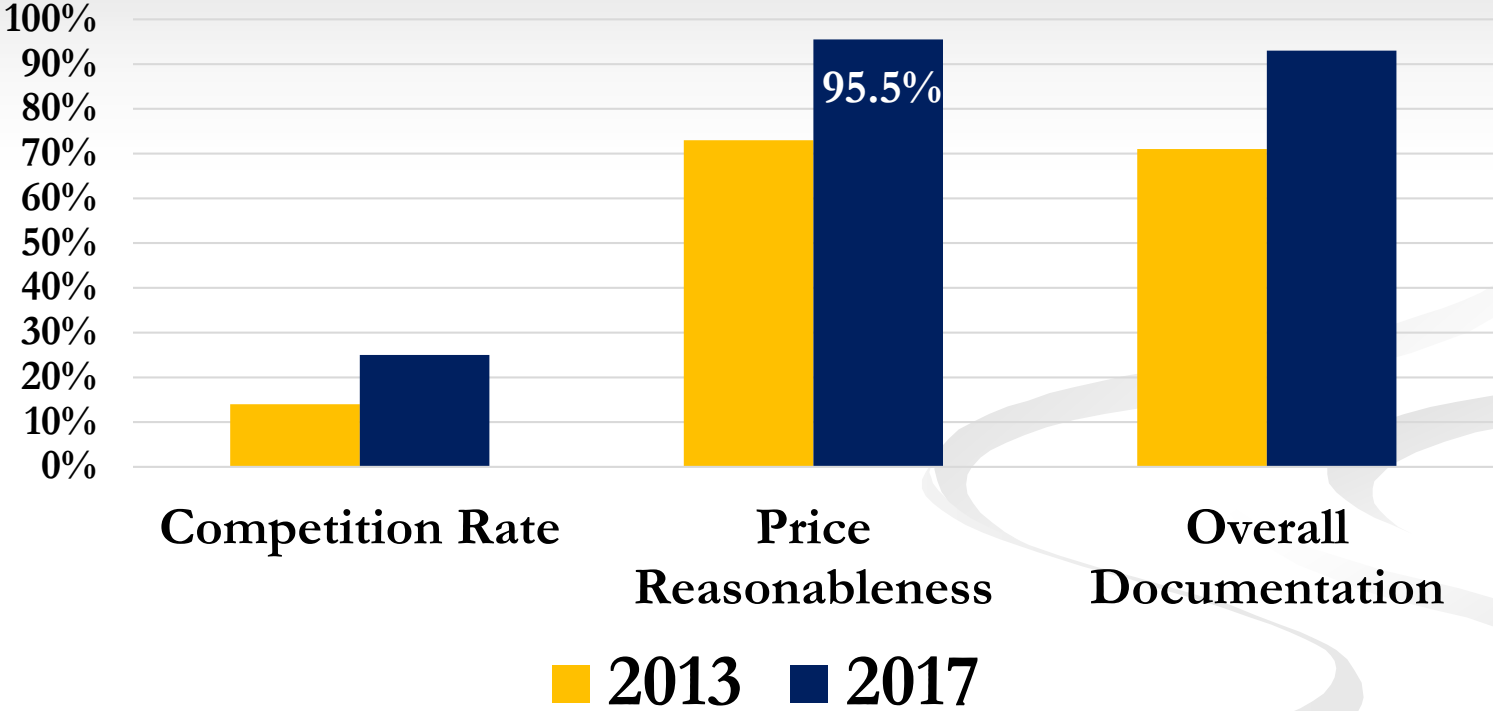
Contracts: Federal Acquisition Regulations (FAR)

Grants + Cooperative Agreements: Office of Management and Budget (“Uniform Guidance”)

FAR vs. UG

Federal Acquisition Regulations (FAR) - Contracts -	Office of Management & Budget (“Uniform Guidance”) - Grants and Coop Agmts -
Foundation of federal purchasing policy	Clearer requirements, using FAR as base
Prefers use of Small Businesses	Allows small businesses as a source selection
Set of specific references to FAR, DFARS, and NFS need to be added to orders	Set of specific provisions in the Uniform Guidance need to be added to orders
Debarment required at \$30k	Debarment required at all levels
FFATA reporting at \$30k	No FFATA
Contract awards exceeding \$700k require a Small Business Subcontracting Plan	No Subcontracting plan requirements
Does not allow “No Competition” as a sole source option;	

ONR Audit Results



General Procurement Standards

We **must maintain documentation** to record the history of the procurement, including: *rationale for method of procurement, contract selection type, contractor selection/rejection, and basis for contract price.*

General Procurement Standards

How do we do that??

1. **Departments:**
 - a) **Collect quotes from multiple vendors**
 - b) **Fill out Form A**

2. **Procurement:**
 - a) **Fill out and attach a Federal Funds Checklist and Form D**
 - b) **Ensure the supplier is not currently suspended or debarred**

Federal Funding

Thresholds:

Federal:

- \$10,000 (microcap) for Contracts
- \$50,000 (microcap) for Grants + Coop Agmts.
- \$250,000 (small purchase/formal competition)



BUT...

- California State: \$100,000 (formal competition)
- *"When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds."*

Uniform Guidance

§200.320 –
Methods of
Procurement
to be
Followed –
“The Claw”



Filling Out Form A By Section

UCSB Form A

UC PROCUREMENT SERVICES
SOURCE SELECTION & PRICE REASONABLENESS JUSTIFICATION FORM
For Federally-funded purchases ≥\$10,000 and non-Federally-funded purchases ≥\$100,000

UNIVERSITY OF CALIFORNIA

This document must be completed by the requesting Department for all federally funded purchases ≥\$10,000 (including tax and shipping) & non-federally funded purchases ≥\$100,000 (excluding tax, but including shipping), to substantiate the appropriateness of source selection and price reasonableness. Locations are strongly encouraged to seek competition even in cases where goods and/or services are exempt from the requirement to competitively bid.

Requisition #: _____ Dollar Amount: _____
Desired Supplier: _____ Campus Department: _____

I. **SOURCE SELECTION (REQUIRED):** Check the applicable box from one of the funding sections below. For mixed funding, check Federal side only.

Federal Funds:	Non-Federal Funds:
<input type="checkbox"/> New or Existing Formal Competitive Bid# _____	<input type="checkbox"/> New or Existing Formal Competitive Bid# _____
<input type="checkbox"/> Informal Quotes < \$100k (Complete II, VII & VIII)	<input type="checkbox"/> Certified Small Business (Only <\$250k; Complete III, VII & VIII)
<input type="checkbox"/> Sole Source (Complete III, IV, VII & VIII)	<input type="checkbox"/> Sole Source (Complete III, IV, VII & VIII)
<input type="checkbox"/> Certified Small Business (Only <\$250k; Complete III, VII & VIII)	<input type="checkbox"/> Professional/Personal Services (Complete III, V, VII & VIII)
	<input type="checkbox"/> Unusual & Compelling Urgency (Complete VI, VII & VIII)

II. **INFORMAL QUOTES:** (Complete only if **Federal Funds: Informal Quotes** is checked in Section I. **Not for over \$100k.**) Please use price or rate quotations from a total of 3 qualified sources. This section is required by 2 CFR § 200.320(b).

NOTE: If you are selecting the lowest-priced supplier, complete Sections VII & VIII. If selecting a supplier *other than the lowest-priced* supplier, write your justification in the text box below*, then complete Sections VII & VIII.

Please obtain a total of 3 informal, competitive quotes. Attach copies of the quotes, and complete the following:

Supplier A: _____ Price: _____
Supplier B: _____ Price: _____
Supplier C: _____ Price: _____

*If selecting **other** than the lowest-priced supplier, write your justification here:

III. **PRICE REASONABLENESS:** (Complete only if **Sole Source, Small Business, Professional/Personal Services** is checked in Section I.) This section is required by the CA Public Contract Code 10508 and FAR provision Subpart 15.4.

1) **How did you determine this is a fair and reasonable price?** Base price reasonableness on comparable/similar quotes, or compare the price to historical prices paid for the same or similar items. For the **Small Business** option, provide a narrative of the price comparison, and attach copies of price quotes from two or more certified small businesses.

2) (Complete only for **Federal grant and cooperative agreement orders** ≥ \$250,000 for which there is **no price competition**.) Per 2 CFR § 200.323 – requires Supplier profit to be discussed with Supplier and documented. This can be accomplished by using the ‘Supplier Profit & Cost Analysis’ form (located on the **UCOP federal funds website**), or by attaching copies of email communication with Suppliers. Check box if attached.

3) (Complete only for sole-sourced **Federal non-commercial contract orders** ≥ \$750,000.) FAR subsection 15.403-4 requires Suppliers to submit certified cost or pricing data. Check box if the ‘UC Certificate of Current Cost or Pricing Data’ form (located on the **UCOP federal funds website**) is attached.

Form A: Header

This document must be completed by the requesting Department for federally funded contract purchases \geq \$10,000 (including tax and shipping), federally funded grant/cooperative agreement purchases \geq \$50,000 (including tax and shipping), and non-federally funded purchases \geq \$100,000 (excluding tax, but including shipping). Locations are strongly encouraged to seek competition even in cases where goods and/or services are exempt from the requirement to competitively bid.

Requisition #: Dollar Amount:
Desired Supplier: Campus Department:

Have your PI/Researcher/End User fill this out!

Form A: Source Selection

I. **SOURCE SELECTION (REQUIRED):** Check the applicable box from one of the funding sections below. For mixed funding where the federal portion exceeds the above thresholds, check Federal side only.

Federal Funds:

- New or Existing Formal Competitive Bid/Contract# _____
- Competitive Proposals of < \$100K (Complete II, VII, VIII)
- Sole Source (Complete III, IV, VII, VIII)
- Certified Small Business (Only <\$100K; Complete III, VII, VIII)

Non-Federal Funds:

- New or Existing Formal Competitive Bid/Contract# _____
- Certified Small Business or DVBE (Only <\$250k; Complete III, VII, VIII)
- Sole Source (Complete III - VIII)
- Professional/Personal Services (Complete III, V, VII, VIII)
- Unusual & Compelling Urgency (Complete VI, VII, VIII)

The laws and regulations governing non-federal and federal are different!

Form A: Source Selection

Federal Funds:

- New or Existing Formal Competitive Bid/Contract#
- Competitive Proposals of < \$100K (Complete II, VII, VIII)
- Sole Source (Complete III, IV, VII, VIII)
- Certified Small Business (Only <\$100K; Complete III, VII, VIII)

- these are pre-existing, competitively bid agreements
 - examples from UCOP: Dell, Fisher Scientific, Marriott, Airgas
 - examples from UCSB: any bid conducted by Procurement for your department
- If you check this box, and fill in the Bid #, move on to Section VII

NOTE: UCOP Price Schedule agreements (price list agreement only, not competitively bid) can be used for Price Reasonableness, but **not as a Source Selection option.**

Form A: Source Selection

Federal Funds:

- New or Existing Formal Competitive Bid/Contract#
- Competitive Proposals of < \$100K (Complete II, VII, VIII)
- Sole Source (Complete III, IV, VII, VIII)
- Certified Small Business (Only <\$100K; Complete III, VII, VIII)

- ✓ Allowable under \$100k
- ✓ Your department collects quotes
- ✓ Backup quotes/email/price list must accompany the order as an attachment



Form A: Source Selection

Federal Funds:

- New or Existing Formal Competitive Bid/Contract# _____
- Competitive Proposals of < \$100K (Complete II, VII, VIII)
- Sole Source (Complete III, IV, VII, VIII)
- Certified Small Business (Only <\$100K; Complete III, VII, VIII)

- ✓ Using the Sole Source option must meet one of the criteria on Page 2:

Federal Funds

- One-of-a-kind
- Emergency
- Awarding Agency Approval
- No Competition (Grant and Cooperative Agreement Funds Only)

Form A: Source Selection

Federal Funds:

- New or Existing Formal Competitive Bid/Contract#
- Competitive Proposals of < \$100K (Complete II, VII, VIII)
- Sole Source (Complete III, IV, VII, VIII)
- Certified Small Business (Only <\$100K; Complete III, VII, VIII)

- ✓ Can be used if the supplier is certified in Sam.gov or UC's Supplier IO
- ✓ FAR (contracts) allows this under Subparts 13 and 19.5
 - ✓ We must utilize small businesses where applicable
 - ✓ OMB (grants) has agreed to use FAR allowance for UCSB
- ✓ Price Reasonableness is required

Form A: Competitive Proposals

II. COMPETITIVE PROPOSALS: (Complete only if Federal Funds: Competitive Proposals is checked in Section I) Please use price or rate quotations from three (3) qualified sources (including your selected supplier). This section is required by 2 CFR § 200.320(a)(2)(i).

NOTE: If you are selecting the lowest-priced supplier, skip Sections III-VI. If selecting a supplier *other than the lowest-priced supplier*, write your justification in the text box below*.

Please obtain a **total of 3** informal, competitive quotes. Attach copies of quotes, and complete the following:

Supplier A:	<input type="text"/>	Price:	<input type="text"/>
Supplier B:	<input type="text"/>	Price:	<input type="text"/>
Supplier C:	<input type="text"/>	Price:	<input type="text"/>

*If selecting other than the lowest-priced supplier, write your justification here:

- ✓ Allowable under \$100k
- ✓ Your department collects quotes, and fills out Sections III and VII
- ✓ Backup quotes/email/price list must accompany the order as an attachment

Form A: Price Reasonableness

III. PRICE REASONABLENESS: (Complete only if Sole Source, Small Business/DVBE, Professional/Personal Services is checked in Section I.) This section is required by the CA Public Contract Code 10508 and FAR provision Subpart 15.4.

- 1) How did you determine this is a fair and reasonable price? Base price reasonableness on comparable/similar quotes or compare the price to historical prices paid for the same or similar items. *For the Small Business option, provide a brief narrative of the price comparison, and attach a copy of the comparison quote from another certified small business/DVBE.*

- 2) (Complete only for Federal grant and cooperative agreement orders \geq \$250,000) Section III.1) above must be filled out, regardless of how the purchase was sourced (CFR §200.324(a)), and profit negotiation must be included in your narrative if such purchase has no price competition (CFR § 200.324(b)).
- 3) (Complete only for sole-sourced Federal non-commercial contract orders \geq \$750,000.) FAR subsection 15.403-4 requires Suppliers to submit certified cost or pricing data. Check box if the 'UC Certified Cost or Pricing Data for Federal Contract Purchases' form (located on UCOP website) is attached.

Required per **government**; ensuring that the price we pay under a federal award is fair and reasonable.

Form A: Price Reasonableness

Source Selection	Price Reasonableness Required?
New or Existing Formal Bid/Contract	No
Competitive Proposals	No
Sole Source	Yes, with strong narrative
Certified Small Business	Yes, by using another certified small business quote.

Form A: Price Reasonableness

Acceptable substantiation for Price Reasonableness, in order of preference:

1. Price competition - comparison of quotes
2. UCOP, State, or GSA contract pricing, or comparison with prices under these existing contracts
3. Prior price history, or comparison with current or recent prices for the same or similar item(s). Reasonable inflation/market changes are allowable.
4. Market Research, and/or catalog or established price list (sales to the general public)

Form A: Price Reasonableness

- Whatever justification is used, we **MUST** be able to **prove the statement with backup.**

*“Just make sure you can back up what they write with listings, price histories, or other data. **Back up is the key.** An auditor should not have to question anything. The buy should be able to stand alone. Usually just one item cannot do it alone.”*



Price Reasonableness Workshop

Workshop: Price Reasonableness

- To our knowledge, there are no other suppliers capable of providing rare earth metals at this purity, which is necessary for our experiments. For this reason, comparison with other suppliers is not possible. Further, I have significant experience with rare earth metals and find this price reasonable.

Workshop: Price Reasonableness



- ~~■ To our knowledge, there are no other suppliers capable of providing rare earth metals at this purity, which is necessary for our experiments. For this reason, comparison with other suppliers is not possible. Further, I have significant experience with rare earth metals and find this price reasonable. The raritarium we're purchasing on this order is \$54.99 per metric ton. While this is the only provider of raritarium, we can demonstrate price reasonableness in the attached previous purchase orders from this vendor in 2014 and 2015, where the price was \$52.50 and \$53.05 per metric ton, respectively.~~

Sole Sourcing



Form A: Sole Sourcing

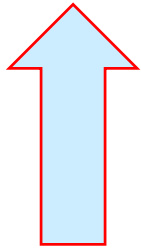
IV. SOLE SOURCE (Complete only if Sole Source is checked in Section I): Check the applicable box from one of the funding sections below. For mixed funding where the federal portion exceeds the above thresholds, check Federal side only.

Federal Funds

- One-of-a-kind
- Emergency
- Awarding Agency Approval
- No Competition (Grant and Cooperative Agreement Funds Only)

Non-Federal Funds

- One-of-a-kind/Unique
- Match existing - list UC PO#



These are the only allowable sole source justifications
per the FAR and Uniform Guidance

Form A: Sole Sourcing

Federal Funds

One of a kind

Emergency

Awarding Agency Approval

No Competition (Grant Funds Only)

- Necessity of **propriety item** which must be **compatible with existing equipment or systems** and which is available only from the original manufacturer.
- Necessity of possessing **specific features essential** for the completion of the task or project at hand, and which are available from **only one source in the world**.
- Change of brands or manufacturers would **compromise the continuity** and integrity of the project.

Form A: Sole Sourcing

Federal Funds

- One of a kind
- Emergency
- Awarding Agency Approval
- No Competition (Grant Funds Only)

- Not to be used in lieu of time management
- Not purchasing now would result in bodily harm
- National emergency
- Achieve industrial mobilization

Form A: Sole Sourcing

Federal Funds

- One of a kind
- Emergency
- Awarding Agency Approval
- No Competition (Grant Funds Only)

- Specific email approval from your awarding agency officer authorizing “noncompetitive proposals” – **NOT** a sole source
- Avoids the competitive bid and sole source requirements
- A line item on the budget/proposal naming this equipment or vendor does **NOT** constitute automatic Awarding Agency Approval.

Awarding Agency Approval: Email Template

Dear xxx,

Per the terms of the Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200 (most commonly referred to as Uniform Guidance), the Awarding Agency can authorize noncompetitive proposals as outlined in 200.320 (f)(3).

UCSB, as the Awardee, wishes to source directly with the vendor _____, for the equipment _____. This vendor and the specific equipment was identified in our Proposal as necessary because the other vendors could not provide the following specs: _____. UCSB is requesting your approval to purchase directly with this vendor without going out into the open market via formal, competitive bid. Going out for formal, competitive bid at this point would not identify a different vendor, and, it would reduce our performance time to complete the research.

Here is the exact language in the Uniform Guidance I am referring to:

PART 200-UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

§200.320 Methods of procurement to be followed.

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity

Please respond with your answer as to whether or not you can approve this request.

Thank you,

Form A: Sole Sourcing

Federal Funds	Non-Federal Funds
<input type="checkbox"/> One-of-a-kind	<input type="checkbox"/> One-of-a-kind
<input type="checkbox"/> Emergency	<input type="checkbox"/> Match e
<input type="checkbox"/> Awarding Agency Approval	
<input type="checkbox"/> No Competition (Grant and Cooperative Agreement Funds Only)	

- Per Uniform Guidance (**Grants + Coop Agmts only**):
“(4) After solicitation of a number of sources, competition is determined inadequate.”
- You must prove via email or written communication other vendors had been contacted, and declined to participate/provide pricing, and attach to requisition

Form A: Sole Sourcing

Detail the unique circumstances and/or specifications that make this the only supplier capable of meeting your requirement and why other suppliers were not selected (i.e. specifications that didn't meet performance requirements) and include documentation.

NOTE: Pre-work with the selected supplier to customize the equipment, thereby excluding competition, is not an allowable justification. Price and brand names are not allowable justifications. For Federal funds only, geographical preferences are not an allowable justification.

- ✓ Be VERY specific
- ✓ There is no such thing as “too much information”,
...but there certainly is too little.

Form A: Sole Sourcing

Not-allowable:

- Departmental **preference** for a specific supplier
- **Budgetary** considerations or constraints
- Historical **precedence or a claim** of best price. (Only current competitive bidding in the open market substantiates best possible pricing.)
- **Pre-work** with the selected supplier to customize the equipment, thereby excluding competition.
- **Geographical** preferences



Form A:

SECTIONS V & VI

(Prof Svs & Unusual Urgency)

- Not applicable to federal funds

Form A: Conflict of Interest

VII. CONFLICT OF INTEREST STATEMENT (REQUIRED): To the best of my knowledge, no UC employee or near relative of a UC employee is the supplier or holds more than a 10% ownership or controlling interest in the supplier OR the UC employee is exempt because he/she has teaching or research responsibilities and the goods or service is not commercial. I am the individual who has gathered and provided this detailed information and any further questions regarding these details can be directed to my attention.

I certify that this purchase will not present a conflict of interest as defined by university policy and that I have received no income, gifts or gratuities from or have an investment in this supplier. Agree

If you do not agree with the above statement, please provide an explanation:

§200.318 General procurement standards.

- We must monitor the **actions** of its employees who select vendors
- We must disclose any financial or **other interest** when selecting vendors
- We cannot ask for or accept **gratuities, favors**, or anything of monetary value from vendors

Form A: Representation

VIII. REPRESENTATION (REQUIRED): By signing below, I hereby certify the foregoing is true and correct to the best of my knowledge.

Dept. Responsible Party Signature: _____

Date: _____

Dept. Responsible Party Name: _____

Email / Phone: _____

- This is a certification
- End user/Researcher/MSO should sign

Form A: best practices

Best Practices

- Utilize Informal quotes (obtaining multiple quotes) wherever possible;
 - competition should be sought with all federal orders
 - this will **speed up the process of your order.**
- If at all possible, use a UCOP Agreement Primary or Co-Primary (not Price Schedule) supplier;
 - This will also **speed up your order**
 - This is encouraged by the Funding Agency.

Best Practices

- If using a Sole Source, be sure to **answer the question completely**.
 - We are looking for specific features or parameters to explain why this is the only vendor that can provide the purchase.
 - Remember more information is better, the more scientific specifications added, the faster the review will go.

Delegation + Signatures

Delegation:

Who Can Sign/Approve a Contract or Quote/Proposal?

- A contract signed by anyone without delegation of authority is void, but the signatory might also be **personally liable for the contract obligations.**

Contracts include: hotel room blocks, catering, facility rentals, etc.

Delegation:

If vendor asks for a signature:

- Our Purchase Order is a contract:
 - A vendor's quote is an offer
 - Our purchase order is an acceptance
 - Together, these create a Contract

- If your vendor is asking for a signature, please ask them to accept a Purchase Order instead. **It will be faster!**

**Our website has helpful
information, FAQ's, and policies**

bfs.ucsb.edu/procurement/buying-goods-and-services/federal-funds

contracts@bfs.ucsb.edu



THANK YOU

