

PROCUREMENT POLICY FOR FEDERAL GRANTS

I. Introduction

This Procurement Policy for Federal Grants applies to all expenditures of monies received through federal grants, whether those monies come directly from a Federal agency or through an intermediary, known as a “pass-through entity.” This Policy does not govern expenditure of funds received from other sources (e.g. research foundations, alumni donations, etc.). While the reference may be made from time to time simply to “procurement transactions,” this Policy applies only to such transactions funded with federal monies.

Federal law imposes particular requirements on the use of federal grants. This Procurement Policy is designed to ensure that Concordia University (“Concordia”) complies with those requirements. Individual federal grants may contain further requirements that are unique to those grants and in addition to the requirements of this Policy. It is therefore important for Principal Investigators to work closely with the Office of Research and Sponsored Programs (ORSP) to ensure compliance with the requirements of each grant.

Failure to comply with federal requirements can result in a variety of adverse consequences, ranging from denial of reimbursement to debarment of Concordia from all federal funding, including federal student aid. In certain circumstances, criminal charges may also be brought. Therefore federal requirements must be scrupulously observed. Violation of this policy may result in disciplinary action, including termination of employment.

This policy is consistent with 2CFR200 Final Guidelines issued by the Federal Office of Management and Budget on December 26, 2013 and effective as of December 26, 2014.

II.

contract or transaction using federal grant funds. This prohibition includes parent (and/or adopted) and siblings, as such close relationships could give rise to a conflict of interest. In addition, contractors or consultants who draft bid specifications or proposals on Concordia’s behalf are thereby disqualified from bidding on those opportunities. Violation of this policy by contractors or consultants are not automatically disqualified from other opportunities. The University will take steps to ensure that their work for the University does not give them unfair advantage over other competitors.

Concordia personnel may not accept kickbacks, “rebates,” gratuities or other “kickbacks or appreciation” from vendors. Rebates and discounts to Concordia are permitted.

x Comport with all applicable law;

- x Provide a direct benefit to Concordia;
- x Result from an arm-length negotiation, which is fully documented in file; and,
- x Are consistent with vendor's standard pricing or discounting policies.

Vendors or suppliers who offer inappropriate benefits or rewards to individual Concordia employees shall immediately be reported to the Office of Research and Sponsored Programs.

Noncompliance with these requirements may result in disciplinary action, including termination of employment.

B. Schools and Departments Concordia

The various schools and departments of Concordia may not bid on contracts offered by other schools or departments if such bidding would create an actual or apparent conflict of interest, create an appearance of favoritism or interfere with free and open competition with bidders from outside the University.

C. Suppliers or Bidders

To avoid conflict or the appearance of conflict, contractors or consultants who prepare specifications, statements of work or other material portions of requests for proposal shall be excluded from bidding on the underlying work. As with natural persons, parent, subsidiary and affiliated companies must also be excluded.

Concordia will not accept bids based upon anti-competitive pricing or practices.

D. Reports

Suspected or observed violations of this Policy shall be reported to the Office Research and Sponsored Programs. Concordia strictly prohibits retaliation of any type or nature against anyone for making such reports in good faith. Immediately report any observed or suspected retaliation to the Office of Research and Sponsored Programs and to Human Resources.

III. Procurement Processes

Federal regulations place great emphasis on securing the best value for each federal dollar and on promoting free and open competition. Consequently, all purchases using federal funds require a cost/price analysis and documentation showing that more than one vendor was considered. The detail of the analysis and documentation required increases with the amount spent. See Section III. H, below, for Purchasing Guidelines.

B. Allowable Costs

“Allowable” costs must:

- x Be necessary and reasonable for the performance of the Federal award and be allocable to that award.
 - o Duplicative or unnecessary purchases are not “allowable” and are not eligible for reimbursement from Federal grant monies.

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V. General Requirements

The following requirements are applicable to all procurement transactions, regardless of size.

Procurement transactions shall be conducted in a lawful and ethical manner.

Unnecessary/duplicative purchases are not permitted (and are not reimbursable expenses).

Principal Investigators are responsible to ensure contractor performance in accordance with their contracts or purchase orders.

Whenever possible:

- x Consider leasing versus purchasing;
- x Enter into agreements to share common goods or services with other educational institutions, non-profit organizations or governmental entities;
- x Use Federal excess or surplus property in lieu of purchases;
- x Consider breaking purchases into smaller consignments or consolidating purchases if doing so will produce lower pricing or greater value.

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business enterprises, and labor surplus area firms are used when possible. Affirmative steps include, at minimum:

- x Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- x Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- x Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- x Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- x Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce and
- x Requiring the prime contractor, if subcontracts are to be let, to observe the foregoing requirements.

Concordia University is a private Christian institution and reserves the right to select with whom it transacts business to the extent permissible by law in order to maintain and in accordance with its mission.

Records of all procurement transactions, and all relevant supporting documents, shall be available upon request to the federal granting agency or the pass-through agency responsible for the funds provided to Concordia.

VI. Mandatory Contract Provisions.

Each grant may require that contracts funded by that grant contain certain provisions that apply only to that grant. To ensure compliance, Concordia uses contract forms provided by the Federal Demonstration Partnership for all subawards and contracts. No other contracts

The Davis-Bacon Act applies to construction contracts in excess of \$2,000. It requires contractors to pay laborers and mechanics wages not less than the “prevailing” wage, as determined by the Secretary of Labor.

- x Each bid solicitation published by Concordia must contain the current prevailing wage determination.
- x Any award of the contract must be conditioned on contractor's acceptance of that wage determination.
- x Suspected or reported violations of the Davis-Bacon Act shall be immediately reported to the Federal awarding agency.

C. Copeland “Anti-Kickback” Act

The Copeland “Anti-Kickback” Act also applies to construction contracts in excess of \$2,000. It prohibits “kickbacks” in construction contracts funded with Federal monies.

- x Contractors and subcontractors (sometimes referred to as “subrecipients”) shall be prohibited from providing kickbacks to any contractor or subcontractor.

The following apply to indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable: the proposal, plan, or other computation is required to be submitted to the Federal government (or to the pass

- x Complete or partial suspension of the Federal grant.
- x Suspension or debarment of Concordia from participation in Federally funded programs.
- x Withholding of further Federal funding.
- x Suit to recover funds paid for non-compliant activities or a Suit