New federal guidelines were implemented effective July 1, 2018 that impact procurement of goods and services. The regulations known as Uniform Guidance, are issued by the U.S. Office of Management and Budget (OMB) and there were a number of reforms and changes for institutions that receive federal grant funding.

The primary impact affected is the due diligence required for purchases in excess of the $75K and especially for Sole Source purchases, which will require a more compliant and sourcing process.

A sole source purchase means that only one supplier (source), to the best of the requester's knowledge and belief, based upon thorough research, (i.e. conducting a market survey), is capable of delivering the required product or service. Similar types of goods and services may exist, but only one supplier, for reasons of expertise, and/or standardization, quality, compatibility with existing equipment, specifications, or availability, is the only source that is acceptable to meet a specific need.

Uniform Guidance Section 200.320 permits four (4) exceptions which are allowable for Sole Source procurement, but note that a Sponsored Research Exemption (SRE) is not one of the recognized exceptions when using federal funds:

* Available only from a single source (must be thoroughly researched/documented)
* The Federal awarding entity or pass-through entity expressly authorizes non-competitive proposals
* Public exigency or emergency for the requirement will permit a delay resulting from competitive solicitation
* After a formal competitive solicitation, contacting a number of sources, competition is deemed inadequate

In addition, under Uniform Guidance, there are other requirements which must be included in any Sole Source purchase, which Procurement Services can work with you on:

* PI or Researcher must make independent cost estimate(s) before receiving bids or proposals.
* Procurement must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed.
* Under the new UG Procurement Standards, any sole source purchase over $75,000 must be accompanied by a cost analysis that includes all costs that lead to the quoted price. As this cost analysis would need to include line items for overhead and profit, it is highly unlikely that a supplier would provide this information. However, if you are able to acquire this, include it with the Sole Source Justification. The Procurement Category Manager will need to conduct a cost analysis of the “reasonableness of each cost element.”
* Equipment must be made available for use on other projects, provided use will not interfere with the work on the projects for which it was originally acquired.
* Supplies must be retained for use on other activities or you must sell them, but must, in either case, compensate the Federal Government for its share if supplies are not used.
* Must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.
* Must take all necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.
* Must maintain records sufficient to detail the history of the procurement.

Since exempting as a sole source, requires stringent detailed documentation, please contact Procurement Services so that we can help you through this process and ensure the requirements of Uniform Guidance are met.

For more information, go to: <https://procurement.fsu.edu/how/buy/buying-exemptions#SS>