August 31, 2018

TO: Texas A&M AgriLife Unit Heads & Business Administrators


Beginning September 1, 2018, the Agencies will implement new purchasing policies and procedures to comply with the Procurement sections (2 CFR 200.318-326) of the Office of Management and Budget’s “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards” (Uniform Guidance). Changes to requirements made in Uniform Guidance focus on increased competition and transparency in the purchasing process. Additionally, AgriLife must continue to conform to applicable Texas laws, Texas A&M University System Procurement (http://policies.tamus.edu/25-07-03.pdf) and Contracts Policies (http://policies.tamus.edu/25-07.pdf), and AgriLife purchasing regulations. If funding is mixed, then the more stringent procurement laws prevail.

All employees who procure goods and services directly or indirectly utilizing federal funds should be aware of the changes and new requirements as outlined below. See attachment for greater details related to unit guidelines.

1. **Micro-Purchase- (delegated)** Procurements $10,000 or less. Competitive quotations are not required if the prices are reasonable. Encouraged use of disadvantaged businesses.
   
   *Contact the Purchasing Dept. for alterations and renovations or construction > $2000.*

2. **Small Purchases** - For procurements >$10,000 up to $250,000, and if more than one supplier exists, two or more quotes/bids must be obtained for the required documentation of basis of contractor selection and determination of the reasonableness of cost.

3. **Simplified Acquisition Threshold** - For procurements > $250,000, and if more than one potential supplier exists, Procurement must advertise either formal competitive requests for sealed bids or formal requests for competitive proposals to multiple sources.

4. **Avoid requesting the acquisition of unnecessary or duplicative items** - Principle Investigators (PIs) should review federal excess and surplus property inventory before issuing a request to purchase equipment or property. Searches can be performed on the following website: http://www.tfc.state.tx.us/divisions/supportserv/prog/fedsurplus/index.html

5. **Conflict of Interest:** No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a federal award if he or she has an apparent conflict of interest. Such a conflict of interest would arise when the employee, officer or agency, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties listed herein, or other has a financial or other interest in or a tangible personal benefit from firm considered for a contract. Report potential conflict of interest to AgriLife Risk and Compliance. risk-compliance@ag.tamu.edu

6. **Sole Source Procurements** - >$10,000 The Agency must obtain prior written approval from the sponsor, complete the sole source form, and attach to AggieBuy requisition. It may be used only when one or more of the following applies: item is available only from a single source; public exigency or emergency exists (as defined by FAR Subpart 6.302-2); sponsor expressly authorizes sole source(s) in response to written request; or when it is determined that competition is inadequate after solicitation from multiple sources. PIs must contact SRS project administration when they have determined that they will be requesting a sole source procurement by the sole source method, so the project administrator can obtain the sponsor’s written approval of sole.
source. For these procurements, PIs must complete and submit a sole source justification form and attach the sponsor’s written approval for the sole source to be attached in AggieBuy. It is important to note that continuity of research will no longer be adequate justification for sole source. [https://agrilifeas.tamu.edu/forms/purchasing/]

7. **Contracting with Small and Minority Businesses, Women’s Business Enterprises and Labor Surplus Area Firms** – Uniform Guidance requires us to take “affirmative steps” to use small businesses (and socioeconomic subsets of small businesses) whenever possible. The following websites may be utilized to locate disadvantaged businesses. HUBs may be used, but not exclusively as this would impose geographic restrictions.
   - [http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm](http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm)
   - [https://www.sba.gov/tools/local-assistance/districtoffices](https://www.sba.gov/tools/local-assistance/districtoffices)
   - [https://mycpa.cpa.state.tx.us/tpasscmblsearch/tpasscmblsearch.do](https://mycpa.cpa.state.tx.us/tpasscmblsearch/tpasscmblsearch.do)

8. **Procurement of Recovered Materials** – The Agencies and its contractors must comply with Section 6002 of the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act. PIs should search for and request procurement of items that contain the highest percentage of recovered materials practical, consistent with maintaining satisfactory levels of competition, when the purchase price exceeds $10,000 or the value of the quantity procured by the project in the preceding fiscal year exceeded $10,000. In AggieBuy, green or recycled products are flagged.

- **Green**
  - Green Purchasing is also known as “environmentally preferred purchasing (EPP), green procurement, affirmative procurement, eco-procurement, and environmentally responsible purchasing,” particularly within the U.S. Federal government agencies.

- **Recycled**
  - Recyclable products are environmentally friendly since they can be recycled through established recycling programs or they have been manufactured from recycled products or they can be used in ‘green chemistry’ programs

The Faculty and Agencies automatically agree to comply with these federal terms when submitting a proposal to and accepting an award from the federal government. Note that specific award may have additional contractual terms, such as buy American, that may impact the purchasing process as well.

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