Purchasing & Travel on Sponsored Research

Certificate Program – Class 10
Wednesday, April 6, 2016

Managing Travel

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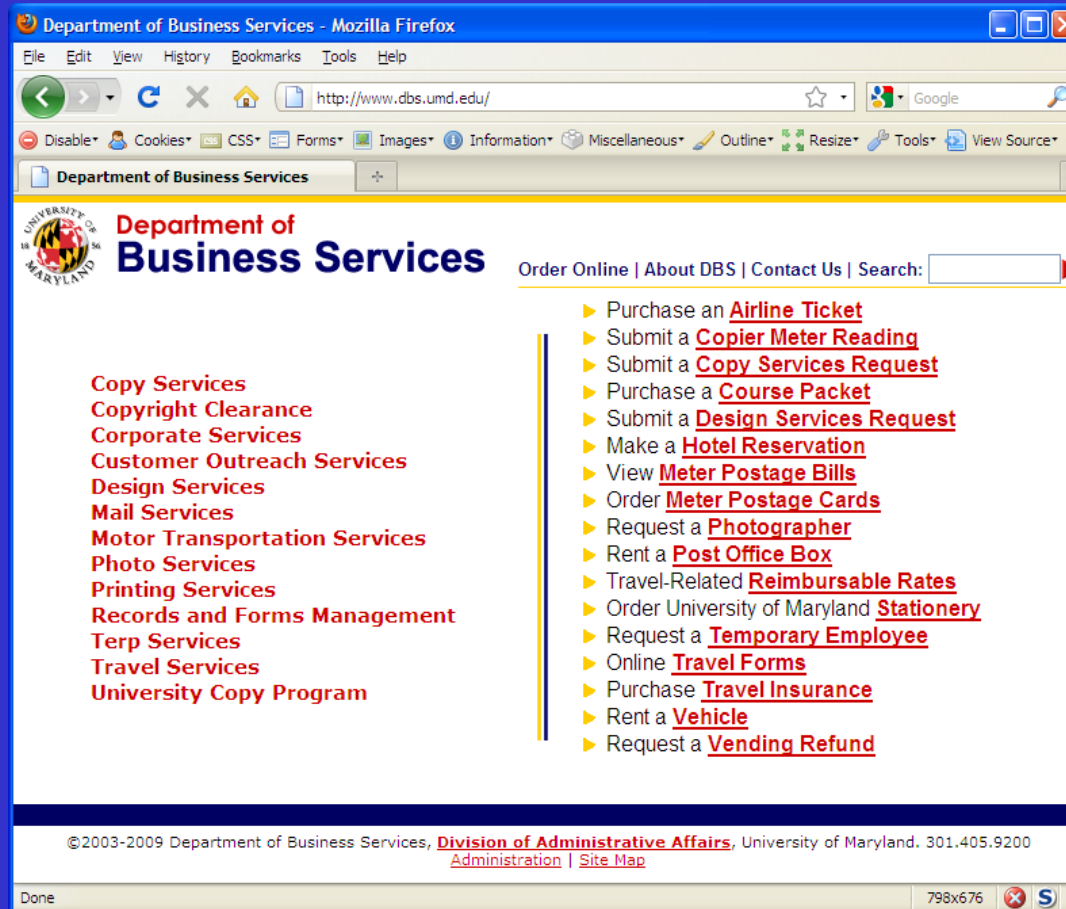cbaumann@mercury.umd.edu

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Department of Business Services

What RULES apply to University Sponsored Travel?

- Federal Resources – Important Changes in Uniform Guidance for Federal Awards

  http://www.ora.umd.edu/resources/federal/uniformguidance/important-changes-in-the-ug

  - Section 200.474 Temporary Dependent Care
  - Section 200.463 Short-term Travel Visa Costs
  - Section 200.470 Value Added Tax (VAT)
  - Section 200.440 Cost increases for Fluctuations in Exchange Rates

What RULES apply to University Sponsored Travel?

- University Travel Policies & Procedures
  - Travel Pre-Approval
  - Itemized Receipts & documentation

- Requirements & Conditions in the Sponsored Agreement (Fly America Act)

- Export Compliance Office
  http://www.umresearch.umd.edu/Export/overview.html

- Records Retention

Travel Planning

- Pre-approval (TARs)

    -Prior to trip departure

- Travel and Hosting Contracts/Agreements

    -Procurement Delegated Authority

- University Contract Travel Agencies

- Payment by Travel Card

    -Itemized receipts, roster and reason

What other PRINCIPLES Apply?

- Reasonableness

- Judgment

- Documentation

What RESOURCES are Available?

- University Contract Travel Agencies
  - http://www.dbs.umd.edu/travel/policy/umtravel/trav_guide.php#UMD_Travel_Agencies

- Office of Research Administration

   Foreign Travel Approval Tools
  - http://www.ora.umd.edu/resources/foreign-travel

- University Travel Policies & Procedures
  - http://www.dbs.umd.edu/travel/policy/umtravel/trav_guide.php

Sponsored Visitor Travel

- Make sure sponsored visitors know the rules before travel takes place, including Travel pre-approval requirements

- Use University programs

- Beware of "deals"

- Ensure that passport, visa, and other required documentation are in accordance with the project needs
  http://globalmaryland.umd.edu/offices/international-students-scholar-services/visa-classifications

Discussion

You will be traveling to Beijing on sponsored funding to collaborate with colleagues on a Federally funded research project. You find a discounted flight over the weekend for $8,500 in First Class on Air China airlines departing from Dulles airport.

You return from your trip and provide your department with the airline and hotel confirmations that you printed from the online booking site.

There are several issues. What are they?

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Contact Information

- Travel Services
  - Telephone: 301.405.0607
  - Location: 2107 Patapsco Building (Bldg. 805)
  - www.dbs.umd.edu/travel

PROCUREMENT USING SPONSORED PROJECT FUNDS

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What will be covered

- Introduction

- Procurement Business Process Overview

- Ethics

- Delegated Procurement

- Non-Delegated Procurement

- Specific Requirements for Spending Grant and Contract Funds

How to find Procurement Information

- Procurement and Strategic Sourcing
  Home Page: www.purchase.umd.edu

- Kuali Financial System (KFS):
  https://kualifinancial.umd.edu/KFS/

- ProWEB Financial System (legacy data from FRS):
  www.ares.umd.edu/pro/home.html

Procurement Policies & Procedures

- UMD Procurement Policies and Procedures

- USM Procurement Policies and Procedures

- Online on the following website:

http://www.purchase.umd.edu

Procurement Business Process Overview

- 6 Step Guide to Making University Purchases

- Business Process Flowcharts

Priority of Procurement Sources

For every purchase the following are evaluated, these are listed in descending order of precedence:

- UMD In-house Services

- Share Equipment or Buy Used

- State Preference Providers:
    - MCE, BISM, and Maryland Works

- Vendor Contracts (Campus Wide)

- Small & Minority Vendors

Borrow or Buy Used Equipment

- "Screening" Requirement, University related policy VIII – 1.20(A).III.A. available at: http://www.president.umd.edu/policies/

- Can you Borrow / Share Equipment?

- Can You Buy Used /Surplus Equipment?
    - UM Terrapin Trader
    - State of MD (www.govdeals.com/mdgs)
    - Federal Surplus (http://www.gsa.gov/portal/content/104591)
    - Vendor may have used or demonstration models available

Procurement Policies Apply Regardless of Funding Source

- University Procurement Policies **DO** Apply to Grants and Contracts

- Delegated Purchasing Policy **DOES** Apply to Grants and Contracts

Code of Ethics

UMD Procurement follows the State of Maryland Public Ethics Law

- Give Vendors Equal Consideration
- Do Not Auction Prices
- Do Not Accept Gifts or Gratuities such as;
  - Tickets to sporting or entertainment events, golf outings, expensive after hours dinners, gift cards, etc.

Conflict of Interest (COI)

- Avoid <u>Appearance</u> of Conflict of Interest

- Do not place orders with relatives or firms with whom you have ownership, employment or a relationship

- More information:

    - http://www.purchase.umd.edu/code_of_ethics.html

Delegated Procurement is procurement authority delegated to campus departments,
for more information see our website at:
http://www.purchase.umd.edu/,
click on the link for

Delegated Procurement Processes

- Up to $5,000-Non Competitive
  - Purchasing Card (Primary Tool)
  - Automatic Purchase Order (APO)
  - Can be Competitive

- Higher Dollar Limits
  - Campus Wide Vendor Contracts
  - Terrapin Trader Surplus Property

Department of Procurement and Strategic Sourcing

- Has responsibility for obligating funds for procurements and signing contracts
  - Signature authority for all third party contracts related policy VIII – 3.10(B), IV. Restrictions, A.1. is available at: http://www.president.umd.edu/policies/

- Responsibilities include
  - Seeking Maximum Practical Competition
  - Making Formal Determinations
  - Issuing Purchase Orders & Contracts
  - Establishing Campus Wide Vendor Contracts

Competition is Preferred

- To the maximum extent practical

- Developer of the specifications is excluded from bidding (Article 15-508)

- Award to most advantageous and responsible offer based on price, quality, and other factors written in the solicitation

Purchases under $100,000.00

Competitive Process requires:

- Request For Quotations (RFQ)
    - Less formal than IFB or RFP
- Lead time 10 business days
- Must be issued by Procurement!
    - Especially with Federal funds
        - Required federal flowdowns and documentation of efforts to solicit federal small businesses.

Purchases over $100,000.00

At $100,000.00 or more purchases require a more formal Procurement Process:

- Request For Proposals (RFP)
- Invitation For Bids (IFB)
- Sole Source

Lead time at least two to three months

- Common Pitfalls
- Milestone Plan will be created for each

RFP & IFB

Sole Source

- Compatibility / Only one source exists <u>in the world</u>

- Named specifically in the Technical Proposal for a Grant or Contract

- Testing or Trial Use- must justify uniqueness

- The person requesting the purchase (end user) completes and signs Sole Source Justification Form – available at http://www.purchase.umd.edu/, click on the link for "Forms"

- Sole Source Determination signed by Vice President of Administration & Finance, & USM VCAF notified (if it exceeds $100,000.00)

What is NOT justification for a Sole Source?

- A company offers a great price or deal, much better than its competitor.

- A company is known for providing the "best" product.

- I really like this company.

- The company was recommended and no other companies were looked at.

- A contract with the company already exists.

- There are resellers for the needed item.

Contract Administration

- Typically the responsibility of the department utilizing the contract

- Evaluate and <u>document</u> performance, both good and bad

  – Failure to document issues with performance may result in difficulties justifying not using the same vendor in the future

- Disputes

  – What happens when you can't resolve an issue?

Spending Grant and Contract Funds
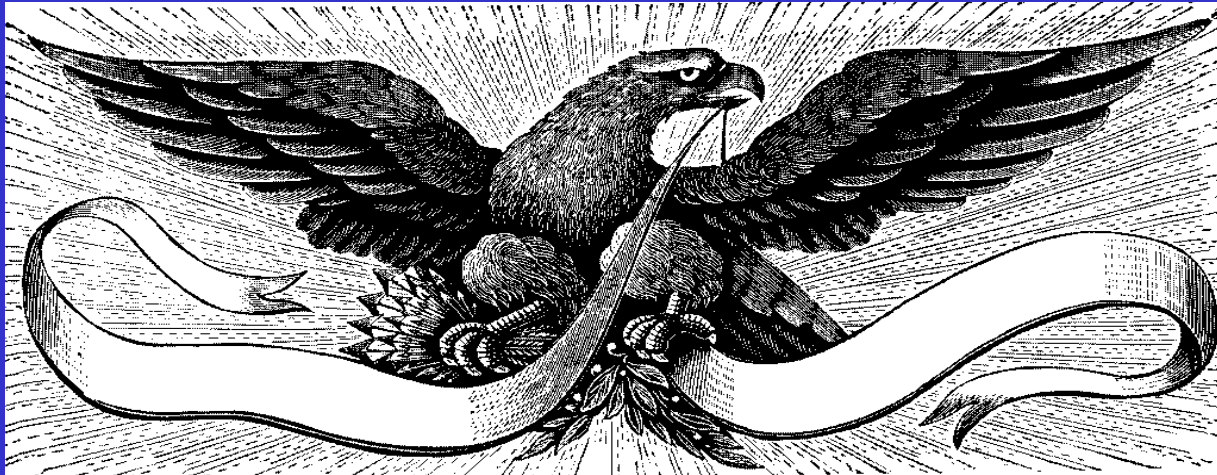
UMD Procurement Policies and Procedures have been approved by the Federal Government

Where to find information related to spending Grant and Contract Funds

- Related information available on Procurement's website:
  - http://www.purchase.umd.edu/sponsored_funds_guidelines.html

- Uniform Guidance changes pending:
  - Small Procurement dollar threshold may be reduced to $3,000.00 for Federal funds.
  - The University of Maryland College Park will continue to follow the procurement requirement of OMB Circular A-110 and will utilize the grace period allowed in the Uniform Guidance. The procurement standards in the Uniform Guidance become effective at the University on July 1, 2017.
  - http://www.ora.umd.edu/resources/federal/uniform-guidance/open-issues

What rules apply when spending sponsored funds?

- Applicable Flow Down Clauses

  - Uniform Guidance for Grants

  - FAR for Contracts

- UMD's Procurement Policies

- Directives in the Contract or Grant

- Additional Terms and Conditions required by the Contract or Grant

Subcontracting Plans

- Required for Federal Contracts >$700,000

- UMD Master Subcontracting Plan

- Exhibit I negotiated for your contract

  - Specific goals for large & small businesses

  - Subgoals for the different types of small

- Guidance and form on Procurement's website

Which Firms are Small, Women-Owned, Etc?

- SBA Dynamic Small Business Search
  - http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm
  - Identify a specific firm
  - List small firms for a specific NAICS code

- www.sba.gov/hubzone
  - Identify by County

These and other resources are all available on the Procurement website

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FEDERAL SMALL BUSINESS SELF-CERTIFICATION FORM

- This form is required from all vendors when spending contract funds.

- Cannot count expenditures against a contract as small on the federal reports without this form.

- Copies of the form are submitted with the reports to the federal government.

- Send copies of completed forms to Jeff Turner in Procurement

Reporting Small Business Spending

- Individual Subcontracting Report

    (SF 294) each contract >$700,000

- Summary Subcontracting Report

    (SF 295) all contracts from each sponsor

Reports generated twice a year by Procurement with assistance from ORA and Comptroller, filed on ww.eSRS.gov

Questions?

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