



## Office of Grants & Sponsored Research Purchasing Procedures and Guidelines

Updated July 2023

### PURPOSE/INTRODUCTION

For purchases using external grant funds, there are often unique requirements provided by the funding agency in addition to those established by the Rollins College Finance Department/Purchasing Policies and Procedures (<https://www.rollins.edu/finance/policies/index.html>). For non-federal funders, these requirements can be found within the agreement between Rollins and the grantor.

For federal funding agencies, these requirements are found within the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award” ([2 CFR 200](#)), which also is known as the Uniform Guidance or UG. The procurement specific sections are [§200.317-27](#). If requirements differ between Rollins Purchasing Policies and Procedures and federal regulations or non-federal sponsor terms, the more restrictive requirements will apply.

### CHARGING EXPENSES TO FEDERAL GRANTS

While general institutional policy may allow reimbursement for certain expenses, Uniform Guidance prohibits Rollins from charging federally funded grants or requesting federal reimbursement for certain items referred to as unallowable costs. Please see list below for general unallowable cost items to keep in mind. For questions on allowable costs to federal grants, contact the Director of Grants & Sponsored Research\* or Senior Accountant.\*\*

#### **The Four Guiding Cost Principles**

Use these four criteria to determine whether costs can be charged to a grant (or other sponsored agreement). Costs must be:

- ✓ **Reasonable** – a) necessary to perform the project and b) the nature of the goods or services acquired and the amount involved reflect the action that a prudent person would have taken
- ✓ **Allocable** – incurred solely to advance the work funded by the grant (or allocable to more than one grant or college activity in proportions that can be approximated using “reasonable” methods)
- ✓ **Consistent** – the cost must be treated in the same manner (i.e., as either a direct or indirect cost) when used in like circumstances
- ✓ **Allowable** – must not be designated as “unallowable” under federal cost principles (2 CFR 200), must adhere to agency-specific policies and award-specific terms and conditions

**ALLOWABILITY OF SELECTED EXPENSES**

<b>Alcoholic Beverages</b>	<b>Unallowable.</b> All alcoholic beverages are unallowable.
<b>Entertainment Expenses</b>	<b>Usually unallowable.</b> Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the Federal awarding agency.
<b>General Office Supplies</b>	<b>Usually unallowable.</b> Unless the expense can be allocated to a specific grant and is justified as being a direct cost of the project (and not routine college support), it is unallowable. In general, items purchased to support the multiple/departmental activities of project personnel should not be directly charged to a federal grant. However, materials and supplies (including computing devices) used for the performance of a specific Federal award are allowable.
<b>Clerical/ Administrative Salaries</b>	<b>Allowable,</b> but must be explicitly budgeted for and justified in the proposal. Administrative or clerical services must be integral to the project or activity.
<b>Foreign Travel</b>	<b>Usually allowable,</b> but must be specified in award budget. If foreign travel was not included in the original budget, prior approval is required. Also, see information below regarding requirement to use U.S. carriers (refer to Fly America Act).
<b>Attendance at Meetings and Conferences (includes meals, transportation, lodging)</b>	<b>Allowable,</b> but attendance at meetings or conferences must be necessary to accomplish proposal objectives or disseminate research results. Reimbursement for meeting expenses follows the same policies as reimbursement with college funds for similar purposes. Note that <b><u>grant funds can't be used to pay for alcohol.</u></b>
<b>Meetings held at Rollins (including food and beverages)</b>	<b>Usually unallowable:</b> Food and beverages for general group meetings, even if you are disseminating technical information, are generally unallowable unless the expense is included in the grant budget as part of activities that are consistent with the purpose of the grant (i.e., training or workshop grants). <b>Allowable:</b> In some circumstances grant funds may be used to cover the expenses for an outside expert who comes to Rollins to learn or advise about the research or project. If this expense is included in the awarded budget, it's generally allowable. If not included in the awarded budget, contact the Director of Grants and Sponsored Research* to request prior approval for the expense.
<b>Memberships and Subscriptions</b>	<b>Usually allowable.</b> Memberships and subscriptions to business, technical, and professional organizations are allowable. Memberships to civic or community organization are allowable with prior approval by the Federal awarding agency. However, memberships to any country club, social or dining club or organization, or organizations whose primary purpose is lobbying are unallowable.

## GENERAL PROCUREMENT RULES & RATIONALE

- ✓ **Always comply with Rollins College's general [purchasing policies](#) and [payment procedures](#).**
- ✓ **Be sure to charge the correct grant Fund number for allowable purchases.**
- ✓ **All quotes and documentation related to the selection of vendors/contractors must be maintained by the PI/PD or PI/PD's department and available for audit.**
- ✓ **Purchases under \$10,000** do not require competitive quotes, but the PI/PD must consider the price for the item or service to be reasonable, based on research, experience, purchase history, or other information, and must keep documentation of this on file.
- ✓ The purchase of most supplies and services **under \$1,000** can be done with a P-card.
- ✓ **All purchases of \$10,000-\$249,999** typically require a purchase requisition and documented quotes from two or more vendors by the requesting department or by the Purchasing Department, which are required to be kept on file, along with the rationale for contractor selection or rejection.
- ✓ **Purchases of \$250,000 or more** typically require bids through a public solicitation.
- ✓ Consideration should be given to consolidating or breaking out procurements to obtain more economical purchase. PI/PDs are encouraged to work with Purchasing to check approved vendor pool sites to ensure lowest cost.
- ✓ PI/PDs on federal grants must take affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. The following searchable sites can be used to ensure this, and documentation must be kept on file:
  - <https://ocfl.diversitycompliance.com/?TN=ocfl>. Go to "Search Vendor Directory."
  - <https://cityoforlando.mwdbe.com/>. Go to "Search Certified Directory."
  - <https://vendor.myfloridamarketplace.com/search/vendor>
- ✓ PI/PDs on federal grants must, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States.
- ✓ PI/PDs on federal grants may refer to Appendix 1 for detailed Procurement Standards under the Federal Uniform Guidance (2 CFR 200.317 – 200.327, as of April 13, 2022) for further guidance.

## SELECT ITEMS OF COST

### Travel

- All travel costs must follow institutional policies and procedures set forth here: <http://www.rollins.edu/finance/payments/travel-entertainment.html>.
- Costs may be charged on an actual cost basis, on a per diem basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip.
- In order to be allowable, participation of the individual traveling must be deemed necessary to the Federal award, and the costs must be reasonable and consistent with our institutional travel policy. Reason for travel must be provided in Chrome River notes when requesting reimbursement. Names of all travelers must be provided.
- When booking airfare, unless medically necessary (must be documented), only the basic, least expensive, unrestricted accommodations class (i.e., coach) is allowable.
- **For federal grants, use of U.S. air carriers is required. All air travel (including international travel) must comply with the Fly America Act:** <https://www.gsa.gov/policy-regulations/policy/travel-management-policy/fly-america-act>.

## Equipment

- Items that cost more than \$5,000 and have a useful life of more than one year are considered equipment.
- Equipment must be included in the awarded/approved budget. Prior approval is required for requests to purchase equipment not budgeted or to use equipment funds for other purposes.
- Documented quotes from two or more vendors by the requesting department or by the Purchasing Department are required for purchases between \$10,000 and \$249,999 (unless a lower amount has been set by the funding agency). Additional quotes and/or solicitations or bids are typically required for purchases over \$250,000.
- Provide notes and keep all documentation related to choice of vendor.
- Principal Investigators/Project Directors must work with the Purchasing Department for all equipment purchases.
- On federal grants, during the time that equipment is used on the project or program for which it was acquired, Rollins must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally-funded programs or projects is also permissible. User fees should be considered if appropriate.
- On federal grants, the PD/PI must work with our Purchasing and Facilities Departments to ensure the following property management requirements are met:
  - Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the Federal Award Identification Number), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
  - A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
  - A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
  - Adequate maintenance procedures must be developed to keep the property in good condition.
  - If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.
  - When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program, Rollins must request disposition instructions from the Federal awarding agency.
- Note the federal [prohibition on certain telecommunications and video surveillance services or equipment](#) purchased with federal grant funds. Check with our IT department first and crosscheck all vendors at <https://smartpay.gsa.gov/ndaa-section-889> before making charges for any telecommunications purchases.

## Professional Services

- The hiring of an independent contractor or consultant (individual, company, or other entity) to perform work on the project requires a written contract/professional service agreement.

- Rollins awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Rollins College gives consideration to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Suspension and debarment checks must be completed and included in the official grant files for all independent contractors or consultants hired to perform work on a federal grant project.
- Contracts and professional service agreements under \$3,000 may be signed by the department head, while those over \$3,000 must be signed by the Rollins VP of Finance.
- All contracts or professional service agreements on federal grants must be reviewed by the Office of Grants & Sponsored Research prior to execution to ensure compliance with federal grant regulations and inclusion of required clauses.
- PI/PDs are responsible for ensuring contractor performance in accordance with the terms, conditions, and specifications of their contracts or purchase orders. PI/PDs should report any issues to the Purchasing Department to determine if additional oversight is necessary.

### **CONFLICTS OF INTEREST**

It is the PI/PD's responsibility to ensure that the College does not knowingly enter into contracts that present conflicts of interest. Such a conflict of interest would arise when the employee, officer, or agent, 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 indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. If a conflict of interest arises, the PI must disclose the conflict promptly to the Director of Grants and Sponsored Research. Principal Investigators and Project Directors should refer to the College's Financial Conflict of Interest policy governing sponsored projects and grant awards here: <https://www.rollins.edu/grants-sponsored-research/policies-procedures/index.html> as well as the College's general Conflict of Interest policy here: <https://www.rollins.edu/human-resources/resources/policies.html>.

### **BUDGET CHANGES REQUIRING AGENCY APPROVAL**

Most budget changes can be made without prior approval from the funding agency, but PIs should consult with the Director of Grants and Sponsored Research first since some changes cannot be made until sponsor has granted prior approval. The types of transactions that require prior approval vary depending on the agency and the type of agreement. Generally, prior approval or notification will be required for the following:

- Change in the scope or objectives of the project
- Reduction of time/effort devoted to the project by the PI
- Transfer of funds budgeted for "participant costs" to other budget categories
- International travel not approved in the original budget
- Subawarding, transferring, or contracting out any part of the project that was not included in the original budget
- Extension of the duration of the project
- Purchase of an item of equipment that was not approved in the original budget

**Appendix 1:**  
**Compliance with Procurement Standards under the Federal Uniform Grant Guidance**

(2 CFR 200.317 – 200.327, as of April 13, 2022)

**I. Conflicts of Interest Policy Regarding Procurement Actions**

- A. **Written Standards.** Rollins College maintains written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. 2 CFR 200.318(c)(1).
- B. **Personal Conflicts of Interest.** The standards of conduct regarding personal conflicts of interest provide that no employee, officer, or agent of Rollins College may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, 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 indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. 2 CFR 200.318(c)(1).
- C. **Organizational Conflicts of Interest.** The written standards of conduct also cover organizational conflicts of interest regarding Rollins College and any affiliates or subsidiaries (if any). Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, Rollins College is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. 2 CFR 200.318(c)(2).

**II. Restriction on Gratuities from Contractors or Subcontractors**

- A. The standards of conduct regarding personal conflicts of interest provide that the officers, employees, and agents of Rollins College may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, Rollins College may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of Rollins College. 2 CFR 200.318(c)(1).

**III. General Procurement Procedures**

- A. **Written Procedures.** Rollins College will have and use documented procurement procedures, consistent with applicable laws and conforming to procurement standards set forth in the Uniform Guidance (2 CFR 200.17-.27). 2 CFR 200.318(a).
- B. **Avoiding Duplication.** Rollins College's procedures seek to avoid acquisition of unnecessary or duplicative items. Rollins College gives consideration to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. 2 CFR 200.318(d).
- C. **Contractor Responsibility.** Rollins College awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Rollins College gives consideration to such matters as

contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. 2 CFR 200.318(h); *see also* 2 CFR § 200.214 (suspension and debarment).

- D. **Procurement Records.** Rollins College maintains records sufficient to detail the history of procurement. These records include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. 2 CFR 200.318(i).
- E. **Restriction on Time & Materials Contracting.** Rollins College may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to Rollins College is the sum of:
  - 1. The actual cost of materials; and
  - 2. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

In the event Rollins College awards a time and materials contract, such contract must set a ceiling price that the contractor exceeds at its own risk. Further, Rollins College will assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls. 2 CFR 200.318(j).

#### IV. Competition Requirements

- A. Rollins College conducts all procurement transactions of property or services in a manner providing full and open competition consistent with the standards of this section. 2 CFR 200.319(a).
- B. **Conflict-Free Specifications.** In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. 2 CFR 200.319(b).
- C. **Avoiding Unduly Restrictive Requirements.** Unless reasonably necessary to fulfill Rollins College's requirements, Rollins College shall consider avoiding situations considered to be restrictive of competition, including but are not limited to:
  - 1. Placing unreasonable requirements on firms in order for them to qualify to do business;
  - 2. Requiring unnecessary experience and excessive bonding;
  - 3. Noncompetitive pricing practices between firms or between affiliated companies;
  - 4. Noncompetitive contracts to consultants that are on retainer contracts;
  - 5. Organizational conflicts of interest;
  - 6. Specifying only a "brand name" product instead of allowing "an equal" product to be

offered and describing the performance or other relevant requirements of the procurement; and

7. Any arbitrary action in the procurement process. 2 CFR 200.319(b).

D. **Avoiding Local Preferences.** Rollins College will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. 2 CFR 200.319(c).

E. **Standards for Drafting Technical Requirements, Specifications, and Requirements.** Rollins College maintains written procedures for procurement transactions that ensure that all solicitations:

1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.
2. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated.
3. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. 2 CFR 200.319(d).

F. **Maintaining Currency of Prequalified Lists.** Rollins College ensures that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, Rollins College does not preclude potential bidders from qualifying during the solicitation period. 2 CFR 200.319(e).

## V. Procurement Methods (2 CFR 200.320)

Rollins College will use one of the following methods of procurement:

A. **Procurement by Micro-Purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the Micro-Purchase Threshold. To the extent practicable, Rollins College will distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if Rollins College considers the price to be reasonable, based on research, experience, purchase history or other information and



documents its files accordingly. 2 CFR 300.320(a)(1).

**1. Micro-Purchase Threshold.** The Micro-Purchase Threshold for purchases under Federal awards and subawards shall be the micro-purchase threshold established in the Federal Acquisition Regulations (FAR) at 48 CFR 2.101. The current micro-purchase threshold at FAR 2.101 is \$10,000. 2 CFR 300.320(a)(1).

**2. Authority to Establish a Higher Micro-Purchase Threshold on an Annual Basis.** On an annual basis, Rollins has discretion to establish a micro-purchase threshold higher than the threshold identified in FAR 2.101 up to \$50,000. To establish a higher micro-purchase threshold up to \$50,000, Rollins must issue a self-certification including a justification, clear identification of the threshold, and supporting documentation of any of the following:

- a) A qualification as a low-risk auditee, in accordance with the criteria in 2 CFR 200.520 for the most recent audit;
- b) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or
- c) For public institutions, a higher threshold consistent with State law. 2 CFR 300.320(a)(1).

**B. Procurement by Small Purchase Procedures.** Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. The SAT for the Orange County Subaward is \$250,000.00. (Art. 7.) If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

**C. Procurement Above the SAT by Sealed Bids.** Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (1) of this section apply.

1. In order for sealed bidding to be feasible, the following conditions should be present:

- a. A complete, adequate, and realistic specification or purchase description is available;
- b. Two or more responsible bidders are willing and able to compete effectively for the business; and
- c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

2. If sealed bids are used, the following requirements apply:

- a. Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local,

and tribal governments, the invitation for bids must be publicly advertised;

- b. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- c. All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- d. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- e. Any or all bids may be rejected if there is a sound documented reason. 2 CFR 200.320(b)(1).

**D. Procurement Above the SAT by Competitive Proposals.** The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
2. Proposals must be solicited from an adequate number of qualified sources;
3. Rollins College will have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
5. Rollins College may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort. 200 CFR 200.320(b)(2).

**E. 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:

1. The item is available only from a single source;

2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from Rollins College; or
4. After solicitation of a number of sources, competition is determined inadequate. 2 CFR 200.320(c).

**VI. Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms. 2 CFR 200.321**

- A. Rollins College will take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- B. Affirmative steps must include:
  1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
  3. 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;
  4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
  5. 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
  6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

**VII. Domestic preferences for procurements. 2 CFR 200.322**

- A. As appropriate and to the extent consistent with law, Rollins College should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.
- B. “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

- C. “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

**VIII. Cost and Price Analysis. 2 CFR 200.324**

- A. **Required for Procurements Above the Simplified Acquisition Threshold.** Rollins College will perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications.
- B. **Independent Estimates.** The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, Rollins College will make independent estimates before receiving bids or proposals.
- C. **Negotiation of Profit.** Rollins College will 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. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor’s investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- D. **Cost Principles.** Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for Rollins College under 2 CFR 200 Subpart E—Cost Principles.
- E. **Prohibition of Cost Plus Percentage of Cost Contracts.** The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

**IX. Contract and Subcontract Provisions. 2 CFR 200.327.**

- A. Rollins College’s contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

**X. Bonding Requirements for Construction or Facility Improvement Contracts or Subcontracts. 2 CFR 200.326.**

- A. For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of Rollins College provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:
- B. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within

the time specified.

- C. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- D. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

**XI. Review of Procurements by Federal Awarding Agency or Pass-Through Entity 2 CFR 200.325**

- A. Rollins College will make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if Rollins College desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
- B. Rollins College will make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
  - 1. Rollins College’s procurement procedures or operation fails to comply with the procurement standards in this part;
  - 2. The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
  - 3. The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a “brand name” product;
  - 4. The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
  - 5. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- C. Rollins College is exempt from the pre-procurement review in paragraph B of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.
  - 1. Rollins College may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur

where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;

2. Rollins College may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from Rollins College that it is complying with these standards. Rollins College will cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

## **XII. Contract Performance**

- A. Rollins College will maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. 2 CFR 200.318(b).
- B. Rollins College will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. Rollins College will refer violations of law to the local, state, or Federal authority having proper jurisdiction. 2 CFR 200.318(k).