



BRIGHAM YOUNG UNIVERSITY UNIFORM GUIDANCE COMPLIANT PROCUREMENT PROCESS (FOR PURCHASES USING FEDERAL SPONSORED FUNDS)

Purchases using **federal sponsored funds** must be made in accordance with *The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) ([2 C.F.R. pt. 200](#)). While the following procedures highlight important requirements of Uniform Guidance, they are not all-inclusive. BYU expects all employees who make purchases using federal sponsored funds to be familiar with and follow the procurement requirements outlined in [2 C.F.R. §§ 200.318-.326](#).

The Uniform Guidance requires federal sponsored programs to review transactions meeting certain criteria to determine if they are allowable and allocable. The purpose of these federal guidelines is to verify that all expenses charged to a research project have a “direct benefit” and should be charged as “direct costs” to the project. The federal sponsored program must also maintain records sufficient to detail the history of procurement. These records will 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.

Federal sponsored programs must award subcontracts or sub-awards only to responsible entities possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Programs must also verify that subcontractors or sub-awardees are not debarred or suspended, as well as maintain oversight to ensure that subcontractors or sub-awardees perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

When purchasing with federal sponsored funds, the university must avoid the acquisition of unnecessary or duplicative items. Consideration should be given to the use of federal excess or university surplus in lieu of purchasing new equipment whenever such use is feasible and reduces project costs.

University faculty and staff should also take all necessary steps to include small, minority- and women-owned businesses whenever possible, including placing small, minority- and women-owned businesses on solicitation lists and ensuring that they are solicited whenever they may be a potential source for filling a need that the university makes public.

Procurement transactions using federal sponsored funds must be conducted in a manner providing full and open competition to ensure objective supplier performance and eliminate unfair competitive advantage. Suppliers that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. In addition, the university should not

- place unreasonable requirements on firms in order for them to qualify to do business,
- require unnecessary experience and excessive bonding,
- implement noncompetitive pricing practices between firms or between affiliated companies,
- enter into noncompetitive contracts with consultants that are on retainer contracts,
- have unmanaged organizational conflicts of interest,
- specify only a “brand name” product instead of allowing “an equal” product to be offered and describe the performance or other relevant requirements of the procurement,
- take any arbitrary actions in the procurement process.



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Conflict of Interest

Uniform Guidance specifically requires that no university employee 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, 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. In addition, university faculty and staff should avoid making purchases that could create an organizational conflict of interest with university-affiliated entities to avoid the appearance that the university is unable to be impartial in conducting a procurement action involving the related organization. See also BYU's [Conflict of Interest and Conflict of Time Commitment Policy](#) and [Financial Conflict of Interest in Sponsored Research Policy](#).

Methods of Procurement

Uniform Guidance also prescribes the methods by which purchases can be made using federal sponsored funds. Please refer to the [Summary of Purchasing Procedures for Purchases Using Federal Funds](#) for specific requirements.