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Does your organization have plans for construction this summer?

HIGHER EDUCATION, NOT-FOR-PROFIT
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Higher education institutions and not-for-profit organizations now need to consider the Uniform Guidance procurement requirements for fiscal year beginning July 1, 2018 when entering into construction contracts that have an element of federal funding.

We have been tracking the key challenges faced by the Office of Management and Budget (OMB)'s release of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, referred to as "Uniform Guidance," since it became effective in December 2014. After a three-year deferral period, the time is finally here for non-Federal entities with a June 30 year-end for fiscal year July 1, 2018 through June 30, 2019 to comply.

All non-federal entities should update and enhance their written policies, if you have not already done so, in order to comply with the modified procurement requirements. Policies should address the various types of procurement methods concerning tiers, depending on the amount and awarding requirements. The types of procurement methods vary from micro purchases of \$3,000 or less, small purchases of \$150,000 or less to sealed bids greater than \$150,000.

For non-federal entities entering into construction contracts, the small purchases and sealed bids will be most applicable procurement methods used. When making small purchases ranging from \$3,000 to \$150,000, quotes must be obtained from an adequate number of qualified sources. OMB Guidance states that "during the sealed bid process, public solicitation and a firm fixed price contract is awarded to the responsible bidder whose bid, confirming with all the material terms and conditions of the invitation for bids, is the lowest in price." According to the procurement sections of the Uniform Guidance, located at 2 CFR 200.320, "the preferred method of procuring construction is the sealed bid method." During the bidding process, non-federal entities should consider a complete and adequate specification of the services requested, ensure two or more bidders are willing to complete for the business, and the selection of the successful bidder can be made principally based on price. Before contracting with the successful bidder, also remember to check that the Company is not on the suspended or debarred vendor lists. Solicitation is normally based on competitive proposals through a request for proposal process or noncompetitive negotiations from a single source when the services are unique.

With many of the non-federal entities electing the defer implementation of the Uniform Guidance requirements over the past handful of years, make sure your procurements policies and contracts are updated this summer to ensure that you comply and do not run into issues with purchasing.

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