

**ARKANSAS CHILDREN'S HOSPITAL RESEARCH INSTITUTE
LITTLE ROCK, ARKANSAS**

SUBJECT: Procurement Procedures for Federal Grants	DATE: 04/24/09	PAGE 1 of 2
	APPLICATION:	ACHRI
	DISTRIBUTION:	Interdepartmental Policy and Procedure
RECOMMENDED: Leslie Montgomery	APPROVED BY:	<i>(Signature)</i>
	SUPERSEDES:	12/31/08

PURPOSE

The purpose of this policy is to establish guidelines for the procurement of any goods or services (supplies, equipment, real property, other expendable property and other services) under sponsored research awards in accordance with the federal regulations stated in the Office of Management and Budget (OMB) Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profits Organizations". These guidelines are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal statutes and executive orders.

SCOPE

This policy applies to all Principal Investigators and their designees that purchase goods or services using sponsored research project funds.

DEFINITIONS

The following definitions apply:

Designees – ACH/UAMS employees whom the Principal Investigator has authorized to order goods or services using sponsored research project funds. **POLICY**
Principal Investigators and all researchers shall avoid purchasing unnecessary items or services. As federal cost principles require that items purchased under a federal grant be both necessary and reasonable in order to be allowable, any unnecessary items or services purchased shall be an unallowable expense of the sponsored research project. Upon request, the Principal Investigator must be able to document the necessity of the item or service for performance of the research.

Where appropriate, an analysis is to be made between leasing the item in question and purchasing it. The most economical and practical procurement of the item shall be sought.

For items or services that must be put out for bid, the solicitations for the goods or services sought must provide all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
5. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
6. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

The NIH Grants Policy Statement (Part II: Terms and Conditions of NIH Grant Awards) states that accelerated or delayed expenditures are audit concerns as it may indicate there is a deficiency in the grantee's financial management system or internal controls. Accelerated or delayed expenditures may also result in a grantee's inability to complete the approved project within the approved budget and period of performance.

ACHRI recognizes there may be a valid reason to acquire equipment and supplies toward the end of the project period. To anticipate and address future audit concerns, ACHRI will request the additional justification for the following:

1. **Equipment** - Written justification (e-mail or statement in the comment box of the eRequest will suffice) from the Principal Investigator for equipment purchases made in the final **180 days** of the project period. The justification is to include the reason for the purchase toward the close of the project period. This is in addition to the justification that is requested for all equipment purchases which includes an explanation as to why the equipment is necessary for the project and an assurance that the equipment is not used for multiple purposes.
2. **Supplies** – Written justification (e-mail or statement in the comment box of the eRequest system) from the Principal Investigator or designee for the purchase of supplies made in the final **60 days** of the project period.