

**FLORIDA A&M UNIVERSITY BOARD OF TRUSTEES**



**NOTICE OF PROPOSED NEW REGULATION**

**DATE:** July 24, 2008

**REGULATION CHAPTER NO.:** Chapter 6

**REGULATION CHAPTER TITLE:** Purchasing Program

**REGULATION TITLE AND NUMBER:** **Sponsored Research Exemptions (6.007)**

**SUMMARY OF REGULATION:** This regulation is amended change the competitive solicitation threshold from \$50,000 to \$75,000 in accordance with the Board of Governors Regulation 18.001.

**AUTHORITY FOR REGULATION:** Article IX, Florida Constitution; Board of Governors Regulation Development Procedure dated July 21, 2005, Board of Governors Resolution Adopted January 7, 2003; Board of Governor's Regulation Chapter 18.

**UNIVERSITY OFFICIAL INITIATING THIS REGULATION:** Ms. Teresa Hardee, Vice President for Administration and Financial Service.

**PROCEDURE FOR COMMENTS:** Written comments concerning this proposed regulation shall be submitted within 14 days of the date of this notice to the person identified below. The comments must specifically identify the regulation you are commenting on.

**THE PERSON TO BE CONTACTED REGARDING THE PROPOSED REGULATION IS:** Jacquelynne Maxey, Interim Purchasing Director, 208 Foote-Hilyer Administration Center, Tallahassee, Florida 32307-3100, (850)599-3203 (phone), (850) 561-2160 (fax), jacquelynne.maxey@famuedu.

**FULL TEXT OF THE PROPOSED REGULATION:** The full text of this amended regulation follows:

## Regulations of Florida A&M University



### **6.007 Sponsored Research Exemptions.**

(2) Exemption Criteria: Exemptions may be granted for transactions that exceed the University's competitive solicitation threshold of ~~\$50,000~~ \$75,000 when the conditions as noted exist.

(a) Competitive Bidding:

1. The request to be exempted from the competitive bidding requirements must demonstrate that the exemption is “necessary for the efficient or expeditious prosecution of a research project.” This may be shown by any one of the following conditions: where a certain vendor is specified in a prime contract or grant award; a certain vendor is approved in writing by the prime contractor or granting agency in accordance with the provisions of the prime contract or grant award; the purchase of specific goods or services from a certain vendor is demonstrated to be more efficient or expeditious based on compatibility, availability, or the current capabilities of the Principal Investigator and staff; the purchase of specific goods or services from a certain vendor is demonstrated to be necessary to meet the time requirements of the prime contract or grant award; the purchase of specific goods or services from a certain vendor is demonstrated to be mandated by scientific or technical requirements; the purchase of specific goods or services from a certain vendor is demonstrated to be at a cost below industry norms, or other conditions which are demonstrated to meet the statutory requirements necessary for expeditious prosecution of a research project.

(b) 1. The Principal Investigator will initiate the request for an exemption by submitting the request to the Division of Sponsored Research, allowing at least three days for adequate review as well as: a detailed justification for the request; a quotation showing the vendor's price; a statement and/or evidence, that some

form of price comparison or determination of price reasonableness has been performed.

2. The request shall be accompanied by the general requisition and by any additional essential documentation.

(c) Advance Payments and Documentation. The request for an advance payment, must meet the following conditions:

1. Advance Payments: The request for an advance payment must be necessary to: fund extensive start-up costs; realize discounts or cost savings; or create adequate cash flow in order to provide required goods or services.

2. The Principal Investigator must be responsible for determining that all goods/services, for which an advance payment has been made, are satisfactorily received.

3. Documentation: To insure the availability of adequate records for the review of fiscal records, subcontractors' invoices shall contain a level of detail that is, at a minimum, commensurate with the level of detail and reporting required of the University by the Prime Contract or grant award.

(d) When an exemption under Section (2)(c), is authorized, the contract will contain the following provision: "The Contractor agrees to return to the University any over payments due to unearned funds or funds disallowed pursuant to the terms of this Contract or by the prime agency that were disbursed to the Contractor by the University. Such funds shall be considered University funds and shall be refunded to the University within 45 days following the time the overpayment and/or disallowance is discovered unless otherwise authorized by the University in writing. The Contractor's failure to return such funds within 45 days shall subject Contractor to a separate interest penalty, for late payment, as set forth in Section 55.03, F.S. as well as any applicable fees, costs including attorneys' fees and costs associated with any collection action to recover such funds. In addition, the Contractor agrees to exclude from its expenditure reports and any other claims for reimbursement any amounts disallowed by the prime agency and/or the University in accordance with the terms of this Contract."

(e) Miscellaneous Exemptions: Other exemptions provided for in Section 1004.22, F.S. may also be authorized if it can be demonstrated that they are necessary for the efficient or expeditious prosecution of a project. Exemptions may include:

1. Travel: A subcontractor may be reimbursed for travel expenses of non-State of Florida personnel performing travel under a sponsored research subcontract in accordance with the provisions of the applicable prime contract or grant and the travel allowances normally provided by the subcontractor. The exemption will accompany the Travel authorization Request (TAR) to the University Travel Office. In addition, documentation on the travel allowance provided by the subcontractor must also accompany the TAR.

2. Confidentiality: Where the conditions of Section 1004.22 (2), F.S., are met, some information may be protected from disclosure as a public record pursuant to Chapter 119, F.S., if the research activity necessitates an exemption from public scrutiny.

(3) Certification by Vice President for Sponsored Research: To execute an exemption, the Division of Sponsored Research shall deliver to the University President a notarized Sponsored Research Exemption form signed by the Vice President for Sponsored Research. The certification shall contain the following: requisition number, name of grant, grant number and other information as appropriate; description of item(s) requested; and statement of the purpose of the purchase.

(a) Distribution: The distribution of the certification shall be as follows:

1. The original certification will be sent to the University President;
2. A copy of the Sponsored Research Exemption Certification memorandum provided to the President, the general requisition and a copy of the other documentation listed above will be sent to Purchasing.
3. The general requisition and a copy of the other documentation listed above will be sent to Purchasing. The Director of Purchasing will be consulted, as necessary in the issuance of an exemption. However, prior consent to a Sponsored Research Exemption by the Director of Purchasing is not required. Upon reviewing the documentation provided with the exemption, any information that Purchasing has that would impact the use of a sponsored research exemption, should be transmitted to the Division of Sponsored Research prior to issuance of the purchase order. Purchasing will be responsible for compliance with all other State of Florida and University regulations. Any purchase order issued under a

sponsored research exemption will contain a statement indicating that a sponsored research exemption was given.

4. Purchasing will forward a copy of the certification, along with a copy of the contract and/or purchase order to the University Controller's Office. The University Controller's Office will forward a copy of these documents to the State comptroller as an attachment to the vendor for the payment of the first invoice.

(4) Other requirements:

(a) A sponsored research exemption may only be used when the purchase of goods or services is fully funded from sponsored research funds. Payments made for purchases or other actions under a sponsored research exemption may not be reimbursed subsequently from other University funds.

(b) A copy of the Sponsored Research Exemption Certification and any supporting documentation will be maintained in and obtained from the Office of Sponsored Research.

Specific Authority Board of Governors Regulation Development Procedure Dated July 21, 2005. Law Implemented Article IX, Florida Constitution, Board of Governors Resolution Adopted January 7, 2003, Florida Statutes History-Amended -08.