

AURA PROCUREMENT GUIDELINES MANUAL

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II. AURA PROCURMENT GUIDELINES MANUAL

A. POLICY STATEMENT

AURA's policy shall be to follow policies and procedures for the procurement of goods and services as required by the applicable Code of Federal Regulations (CFR), Federal Acquisition Regulations (FAR), the Uniform Commercial Code (UCC), and other federal agency terms and conditions including, but not limited to, the NSF Grant Conditions (GC-1), NSF Cooperative Agreement Financial & Administrative Terms and Conditions (CA-FATCs) and other applicable cooperative agreement requirements, NASA Federal Acquisition Regulations (NFARS), applicable foreign law when necessary due to project location, and standard acceptable business practices in the issuance of purchase orders sub-awards and contracts. The purpose of these procurement procedures is to promote the goals of the AURA Centers by: (1) maximizing value received in procurements; (2) ensuring compliance with government conditions; and (3) promoting efficiency in procurements by standardizing processes as much as practicable.

Accordingly, the following policies and procedures set forth in the AURA Procurement Guidelines Manual (APGM) are designed to adapt those other policies, procedures, and regulations to the basic requirements of the AURA business environment. Hence, the APGM sets forth **minimal guidelines** for all AURA Center procurement personnel in their purchase of supplies and materials. Individual AURA Centers may vary their procedures accordingly to meet the additional terms and conditions of individual federal agency contracts' and agreements' purchasing requirements as long as their actions (1) are more restrictive than those stated in this policy, (2) can be justified and documented, and (3) are not in violation of applicable federal regulations or acceptable business practices. It is AURA's intent to work towards standardization of AURA Center policies and procedures wherever possible including documentation and system software. AURA Centers are encouraged to review their procurement systems, keeping standardization in the forefront.

B. GENERAL REQUIREMENTS

Each AURA Center will be required to post their procurement manual with procedures electronically on their websites. These should be easily accessible by all staff.

AURA Center policies and procedures should be reviewed and updated, at a minimum, annually or when:

- applicable federal regulations change, are amended to the contract or agreement, and/or are incorporated by reference;
- as procedures internally change due to systematic changes or improvements or to accommodate additional federal regulations or program requirements;
- after agency review or approvals, for example, NSF Business Services Reviews; and
- in response to any AURA-wide policy changes.

C. PROCUREMENT STANDARDS

The standards contained in this section do not relieve AURA Centers or the individual buyers of their contractual responsibilities arising under the existing AURA Agreements or any

individual Contract, Grant, Memorandums of Understanding/Agreements or Corporate Bylaws. AURA is the responsible authority, without recourse to the federal agency, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of the current AURA Contracts and Agreements. This includes disputes, claims, and protests of award, source evaluation, or other matters of a contractual nature. Matters concerning violation of statute are to be referred to such federal, state, or local authorities that may have proper jurisdiction with notification to AURA thereof.

Codes of Conduct: No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest exists or would be created. Employees should avoid any conduct, action or circumstance, such as acceptance of a gratuity (a payment or gift to obtain favorable treatment or influence the award of a purchase), kickback (a payment or gift to acknowledge receipt of an order), family and personal relationships, culturally recognized relationships, (for example, compadres, hanai, significant others, domestic partners) outside business or financial interest, etc., that might conflict with the proper performance of their duties. Employees should not solicit or accept, directly or indirectly, any favor, entertainment, loan, or anything of monetary value from anyone who is seeking to maintain or obtain business from AURA. At all times, employees shall conduct themselves in a manner that maintains and reflects the highest level of trust and confidence in the integrity of AURA. ([Refer to specific AURA policies Insert link to procurement integrity and conflict of interest.](#))

Individuals acting on behalf of AURA for the purposes of procuring supplies and materials in support of the existing Cooperative Agreements, and Grants and/or Contracts will declare to their Center designated official whenever they are offered a gratuity from an officer, employee, or agent of a vendor with whom AURA does business. Employees of AURA determined to have accepted gifts and/or gratuities will be subject to disciplinary action ranging from a formal warning to termination of employment. [AURA Policies and Procedures Section B - Personnel Policies and Procedures, XXVI. GRATUITIES](#)

Competition: In accordance with provisions in 2 CFR Part 215.43 (OMB A110 - Uniform Administrative requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations, and other applicable federal regulations as referenced in individual contracts or cooperative agreements, all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. AURA procurement staff shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade.

Center procedures should ensure objective contractor performance and eliminate unfair competitive advantage; contractors that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is most responsive to the solicitation and is most advantageous to the recipient, price, quality, and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in AURA's interest to do so.

1. Compliance with 2 CFR Part 230: OMB A122 - Cost Principles for Non-Profit Organizations. All AURA Centers will comply with 2 CFR Part 230 "Cost Principles for Non-

Profit Organizations.” This regulation restricts what types of items AURA is allowed to purchase. All procurements using federal funds must comply with the allowable cost principles contained in 2 CFR Part 230.

2. Compliance with debarment and suspension requirements. No contracts, sub-awards or purchase orders shall be placed with vendors listed on the US Federal Government Excluded Parties List System (EPLS) found at www.epls.gov. Procurement staff shall verify and document that a vendor is not found on the EPLS website before placing any purchase order or contract with that vendor.

3. Procurement Policies and Procedures: The AURA Procurement Guidelines Manual provides the minimum guidelines for AURA Centers. As required by 2 CFR 215.44, all AURA centers must have written procurement procedures that include the following

- a. Buyers and end users shall avoid purchasing unnecessary or redundant items.
- b. When appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most cost-effective and practical procurement for the Federal Government.
- c. Solicitations for goods and services provide for all of the following:
 - i. 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 that unduly restrict competition.
 - ii. Requirements that the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
 - iii. 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.
 - iv. The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitation.
 - v. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
 - vi. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
- d. Whenever possible, positive efforts shall be made by buyers and contract administrators to utilize small businesses, minority-owned firms, and women’s business enterprises. Recipients of federal awards shall take all of the following steps to further this goal.
 - i. Ensure that small businesses, minority-owned firms, and women’s business enterprises are used to the fullest extent practicable.
 - ii. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women’s business enterprises.
 - iii. Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women’s business enterprises.
 - iv. Encourage contracting with consortiums of small businesses, minority-owned

firms, and women's business enterprises when a contract is too large for one of these firms to handle individually.

v. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority- owned firms, and women's business enterprises.

e. The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the buyer or contracts administrator in accordance with each AURA practice, but shall be appropriate for any particular procurement and for promoting the best interest of AURA and be in accordance with specific funding agency regulations. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

f. Contracts shall be made only with responsible contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, and financial and technical resources or accessibility to other necessary resources.

g. Each AURA Center will establish a procedure for making available to the federal awarding agency pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when requested.

II. DEFINITIONS OF TERMS USED IN PROCUREMENT POLICIES

A. PURPOSE

The purpose of this section is to define words and terms commonly used in the AURA Procurement Policies.

B. DEFINITIONS

The following words and terms are used in the following procurement policies and procedures as defined below.

Acceptance – The acknowledgment by AURA that the goods ordered have been inspected and conform to the specifications, quantity, and quality as contracted for.

Administrative Contracting Officer (ACO) – Refers to the funding agency contracting officer who is authorized to perform post-award administration of prime contracts and or awards.

Agreement – (See Contract and/or Sub-Award.)

An equitable adjustment – A negotiated, bilateral settlement between buyer and seller resulting from a contract/subcontract change. It may be an upward or downward change in price and/or a delivery schedule revision, and may affect other provisions of the procurement or agreement.

ATST – Advanced Technology Solar Telescope. The Advanced Technology Solar Telescope (ATST) represents a [collaboration of 22 institutions](#), reflecting a broad segment of the solar physics community for the purpose of building the next-generation ground-based solar telescope.

AURA – Association of Universities for Research in Astronomy, Inc. It is an Arizona non-profit corporation funded by the NSF through long-term Cooperative Agreements and by NASA through a prime contract. The terms “Association of Universities for Research in Astronomy” and “AURA” are used interchangeably when referenced as the prime contractor or awardees.

AURA-O – AURA Observatory. AURA-O is a legal entity and the primary representative in Chile for AURA and all units operating or wishing to operate on its property. The “units” include National Optical Astronomy Observatory (Cerro Tololo Inter-American Observatory), Gemini South, Southern Astrophysical Research (SOAR) Telescope, and such other observatory operations functioning under the auspices of AURA in Chile. The AURA Observatories are located about 50 miles west of La Serena, Chile, which is about 300 miles north of Santiago, the capitol of Chile.

Awardee – A party receiving a contract or cooperative agreement directly from the federal funding agency.

Best value – As used herein, refers to the criteria used in selecting a source via a structured means of evaluating the technical excellence of a supplier's proposal against its proposed price. The best value supplier is the one offering the best combination of technical excellence and price. (See also: Formal source selection.)

Buyer – Includes the terms “Buyer,” “subcontract administrator or officer,” “contracts administrator or officer,” sub-award administrator, or any other AURA authorized procurement official as used herein are inter-changeable. Also includes any AURA

personnel authorized for purchasing and committing services on behalf of AURA-O in Chile.

Change order – A unilateral written notification by the Buyer directing the seller to make a change within the scope of the contract/subcontract in accordance with the “changes” clause of the procurement agreement without the seller’s prior consent. It is used interchangeably with “amendment” in the case of sub-awards.

Competitive procurement – A method of acquisition wherein, upon receipt and evaluation of proposals, the buyer may enter into discussions/negotiations with suppliers that are within the cost and technical competitive range, and may consider supplier proposed alternates and exceptions to the solicitation. Award is made to the offeror whose price and other pertinent evaluation criteria factors are considered most advantageous to AURA and the government.

Competitive range – The competitive range of supplier negotiated-type proposals includes all proposals within the technical and cost range standards set by the buyer. All proposals having a reasonable chance for contract award are considered to be within the competitive range.

Contract – A binding legal agreement between parties obligating the one (typically the “seller”) to furnish certain supplies or services and the other (typically, the “buyer”) to compensate the seller for the supplies or services with some form of consideration, (typically money). The term, “contract,” is used interchangeably with “sub-award,” “agreement,” “memorandum of understanding and/or agreement,” and “purchase order.” Each is a term used to differentiate a purchase-order-format type document and a complex purchase in a subcontract/sub-award-format type document. These also include awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders and subcontracts under which the order becomes effective by written acceptance or performance; and bilateral contract modifications. (See also: Sub-award, Purchase Order.)

Contracting – Means purchasing, renting, leasing, or otherwise obtaining supplies or services in exchange for consideration from the seller. Contracting includes the description of supplies and services required, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration. In the AURA NSF-funded Centers, it includes sub-grants or sub-awarding under cooperative agreements.

Contracting officer – Means a person within the federal government, AURA or an AURA Center having the authority to enter into, administer, and/or terminate contracts or cooperative agreements and make related determinations and findings with respect to the prime contract or cooperative agreement. The term also includes certain authorized representatives of the contracting officer acting within the limits of their authority as delegated by the Contracting Officer.

Contractual Authority – The authority granted to an AURA employee to commit AURA into contractual agreements up to the amount indicated on a valid, signed requisition. Contractual authority is different from signature authority.

CTIO – Cerro Tololo Inter-American Observatory (AKA -NOAO South); CTIO is located about 50 miles west of La Serena, Chile, which is about 300 miles north of Santiago, the capitol of Chile.

Definitizing – To make [definite](#).

E-Jackets – Electronic file format of items that normally would be kept in a paper file.

FAR – Federal Acquisition Regulation.

Formal Source Selection – Formal source selection is a more structured, formal method of source selection than best value, though both use the same process to determine the vendor selection. (See also: Best value.)

Gemini – [Gemini Observatory](#). The Gemini Observatory is an international partnership to operate twin 8.1-meter telescopes, one on Hawaii's Mauna Kea and the other on Chile's Cerro Pachón. The partners include the United States, United Kingdom, Canada, Chile, Australia, Brazil, and Argentina. AURA manages Gemini under the auspices of the International Gemini Board with the [US National Science Foundation](#) as its executive agency.

GONG – Global Oscillation Network Group. A project under control of NSO that analyzes the vibrations on the sun.

Invoice – A document that is sent to the buyer (typically, AURA) by a seller (typically a vendor sub awardee or contractor) seeking payment for goods or services ordered.

KPNO – Kitt Peak National Observatory. KPNO is located 50 miles west of Tucson. AURA runs Kitt Peak through NOAO for the US government. (See also: NOAO.)

LSST – Large Synoptic Survey Telescope.

Memorandum of understanding and/or agreement – (See Contract.)

NASA – National Aeronautics and Space Administration

Negotiated procurement – (See Competitive procurement.)

NOAO – [National Optical Astronomy Observatory](#). NOAO operates telescopes for nighttime astronomy. These telescopes, located on Kitt Peak in Arizona and Cerro Tololo in Chile (NOAO South), are used by approximately one thousand professional astronomers and students each year. In addition, NOAO provides support for the involvement of the US astronomical community in the Gemini Observatory. AURA operates NOAO for the [National Science Foundation](#) under a Cooperative Agreement.

NOAO South – (See NOAO.)

NSF – National Science Foundation. The NSF is a US government agency that contracts with AURA to operate several national observatories for the US government.

NSO – [National Solar Observatory](#). A division of AURA, Inc. The mission of the National Solar Observatory is to advance our understanding of the Sun in its astrophysical context as a star, as the driver of conditions in interplanetary space, in its influence on the terrestrial atmosphere, and in its role in long-term climate change. NSO provides observing facilities for use by the nation's solar and solar-terrestrial physics community. NSO conducts research at Sacramento Peak in New Mexico and at Kitt Peak in Arizona. Its current major initiatives include an Advanced Technology Solar Telescope (ATST), the Global Oscillation Network (GONG), the Synoptic Optical Long-Term Investigations of the Sun (SOLIS), the Precision Solar Photometric Telescopes Program, and development in adaptive optics technology. AURA operates NSO for the [National Science Foundation](#) under a Cooperative Agreement.

Offer – A response to a solicitation that, if accepted, would bind the offeror to perform the work described in resultant contract. Responses to sealed bidding are offers that are often referred to as "bids" or "sealed bids;" responses to a request for proposals (RFP, negotiated-type procurements) are offers often referred to as "proposals;" responses to

a request for quotations (RFQ) are not offers and are generally called “quotes.”

Offeror – (See Seller.)

Prime contractor – A party receiving a contract or cooperative agreement directly from the funding party or funding agency.

Procurement – the activities involved with or the actual purchase, subcontract, lease, rent, or otherwise acquire supplies or services, and actions associated therewith.

Procurement Department – Refers to the department of the Buyer’s organization that performs the procurement function.

Purchase order – A document requesting the future delivery of supplies/services in accordance with specified terms and conditions of sale. It is considered an offer to buy rather than an acceptance of a supplier’s quotation. Items procured under “purchase orders” are normally used to obtain standard, off-the-shelf, repetitively manufactured supplies/services that may be identified by a brief product description and part number or catalog number. The prices for such items are often included in a catalog-published price list. (See also: Contract.)

Purchase Requisition – The document used to request the services of an AURA Procurement Department(s) to purchase specific supplies/services.

Reasonable Period of Time – A term used to indicate the period of time a party to a contract to perform a specific activity. For example: the time a buyer has to accept, reject, or revoke his/her acceptance of the item received. No specific time frame is indicated but the period depends on the specific circumstances and ability of the receiving organization to inspect the item.

Record – Any document, drawing, book, writing, log, data, etc., and supporting evidence recorded in a permanent form and intended to preserve knowledge of an action or an occurrence. It includes computer-stored or -generated information, microfilm, computer programs, tapes, disks, etc.

Requester – The individual initiating the Purchase Requisition and seeking the acquisition of specific materials, equipment, or services.

Requisition (REQ) – (See Purchase Requisition.)

Responsive – A term that is normally applied to sealed-bid type procurements that are in compliance with the solicitation requirements.

Sac Peak – The nickname of the Sacramento Peak Solar Observatory near Alamogordo, New Mexico.

Sealed bid type procurement – A method of acquisition wherein an award is made to the responsive, responsible supplier submitting the lowest evaluated price for supplies/services meeting the solicitation technical requirements.

Seller – Used interchangeably with subcontractor, sub-awardee, supplier, offeror, and vendor and means the party that is furnishing the supplies/services to AURA.

Signature Authority – The individual designated by the AURA policy as authorized to approve the use of funds from a specific account. The individual with the proper Signature Authority must approve each Purchase Requisition for the account listed on the Purchase Requisition.

Single Source – An acquisition where, after a search, only one supplier is determined to be reasonably available for the required product, service, or construction.

SOAR Telescope Project – Southern Observatory for Astrophysical Research (SOAR) project that will be a 4-meter-class telescope located on Cerro Pachón, near Cerro Tololo, in Chile.

Sole Source – A purchase of a commodity or a service that is noncompetitive in price, specifications, or use; or is “only source” and must be accompanied by a sole source justification.

Sole Source Justification – A document accompanying a Purchase Requisition that provides the justification(s) for procuring the items must be from the single vendor listed on the Purchase Requisition.

SOLIS – Synoptic Optical Long-term Investigations of the Sun. SOLIS is a project administered by the National Solar Observatories. The project will establish a solar facility at the Kitt Peak National Observatory.

Source selection – As used herein, this is the selection of an offeror, by competitive procedures, to perform the required work. The selection process is generally performed by one of the three following means: (1) low price, technically acceptable procedure; (2) best value procedure; or (3) formal (best value) source selection.

Source Selection Evaluation Team – A team comprised of managerial, procurement and/or technical staff to review and approve RFP packages and qualified sources to be solicited as well as to evaluate and recommend a sources for award.

Space Telescope Science Institute (STScI) – [STScI](#) carries out the scientific mission of the Hubble Space Telescope, the most powerful optical/ultraviolet observatory in space. From Baltimore, Maryland, STScI serves astronomers everywhere who observe the universe with Hubble. In addition, STScI is developing the Science and Operations Center for the [James Webb Space Telescope](#) (JWST). JWST will be Hubble's successor and is currently scheduled to launch in 2013. AURA manages STScI under contract with the [National Aeronautics and Space Administration \(NASA\)](#).

Sub-award – means an award of financial assistance in the form of money, or property in lieu of money, made under an award by a recipient to an eligible sub-recipient or by a sub-recipient to a lower tier sub-recipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement of goods and services nor does it include any form of assistance that is excluded from the definition of “award” in 2 CFR §215.2(e).

Sub-awardee – (See Sub-recipient)

Subcontract - A “subcontract” means a written contractual purchasing agreement entered into with a vendor for the procurement of goods or services wherein the supplies/services being purchased normally must be described rather than specified by a catalog or part number. Subcontracted items are often described by means of the statement of work (SOW), technical specifications, engineering drawings, test requirements, acceptance criteria, etc., drafted by the technical staff and included in the subcontract document.

Subcontractor – (See Seller.)

Sub-recipient - means the legal entity to which a sub-award is made and which is accountable to the recipient for the use of the funds provided. The term may include foreign or international organizations (such as agencies of the United Nations) at the discretion of the federal awarding agency.

Supplemental agreement or amendment – A contract/subcontract/sub-award

modification mutually agreed upon by buyer and seller.

Supplier – (See Seller.)

Terms – Indicates how long AURA has before it must pay the invoice for the ordered items. These also indicate any special discounts available to AURA for the early payment of the invoice.

Terms and Conditions – The conditions under which the contract is made between AURA and the vendor. These conditions are based on government regulations, the AURA-NSF Cooperative Agreement, and good business practices. Terms and conditions are detailed on either AURA Form T-1, AURA form T-2, or in the written purchase contract.

Vendor – (See Seller.)

WIYN Telescope – A telescope project on Kitt Peak that is a joint effort by the University of Wisconsin, Indiana University, Yale University, and NOAO.

C. APPLICABILITY

The definitions of words and terms described herein are applicable to procurements funded by the federal government as they apply to the AURA Procurement Policies and Procedures.

D. POLICY

The words and terms described above shall have their defined meanings in all policies herein and shall be used to the maximum extent practicable in all AURA documents related to federal procurements.

III. PROCUREMENT PERSONNEL AUTHORITY AND RESPONSIBILITIES

A. PURPOSE

To delineate the AURA Center Procurement personnel authority and responsibilities for AURA procurements.

B. GENERAL

It is the policy of AURA to comply with the procedures prescribed herein to the maximum practicable extent.

1. Apply sound business practices to ensure that all purchases are necessary and are made in the best interest of AURA and its customers.
2. Obtain a quality product and/or service for delivery at the time and place required.
3. Seek maximum value for all expenditures through competition among qualified suppliers to assure the advantages of a competitive marketplace.
4. Ensure full and open competition in accordance with existing laws and regulations and current requirements and funding agreements, including those applicable to small business concerns, minority business concerns, and labor surplus areas, when such action is feasible and economical.
5. Procure from responsible sources of supply.
6. Incorporate all applicable terms and conditions, flow-downs from the prime contract or cooperative agreement, into all subcontracts, sub-awards and purchase orders.

C. APPLICABILITY

This policy applies to all AURA procurement personnel acting within the bounds of their authority.

D. POLICY

It is the policy of AURA to comply with the procedures prescribed herein to the maximum extent. AURA recognizes that each AURA Center will adjust its procedures to meet additional terms and conditions provided by their respective cognizant funding agencies.

E. AURA CENTERS PROCUREMENT AUTHORITY AND RESPONSIBILITIES

1. AURA appointed buyers will exercise the authority and responsibilities of their position within their authorized commitment authority, including the following;
 - a. Buyers have the sole authority to make commitments to suppliers for goods or services. Any supplier who accepts an order from any other AURA personnel does so at its own risk. AURA personnel who make commitments to suppliers without appropriate authority will be held personally responsible for the commitment. The buyer by means of a valid purchase order or subcontract/sub-award will formalize all bona fide commitments.
 - b. The responsibility to question the originator in the event the buyer has information indicating that the quality or quantity requisitioned is not economical or is otherwise not in the

best interest of AURA and its customer.

c. The focal point for the exchange of contractual information is between AURA buyers, or as modified by written terms and conditions of the agreements. It is the buyer's responsibility to disseminate information applicable to the procurement to the appropriate AURA personnel.

d. Sole responsibility for the subcontract price, regardless of any cost/price analysis assistance provided by others. A buyer is responsible for negotiation of purchases and to ensure that an appropriate cost/price analysis is performed and documented.

e. Have an appropriate understanding of the specifications for the products to be purchased and/or obtain required technical assistance/knowledge of engineering drawings and technical specifications, to review designs, drawings, and specifications of subcontracted items.

f. Reviewing requisitions for the same or similar items for consolidation in order to achieve maximum economy.

g. Maintaining a complete historical documentation file on each purchase order and subcontract wherever possible. The file may contain the formal contractual documents, requests for information or approvals, reports, correspondence, etc., and include negotiations applicable to price, terms and conditions, delivery, etc.

h. "Definitizing" the unpriced orders and changes in a timely manner.

i. Verifying performance of services or receipt of supplies and auditing vendor costs and supporting data for conformance with the procurement prior to authorization of payment when applicable.

j. The buyer performs the role of the team leader at negotiation sessions affecting purchases.

k. With management concurrence, determining the subcontract type. Careful selection is necessary since the type of subcontract determines the total vendor compensation and the degree of administrative surveillance necessary.

l. Drafting the subcontract/sub-award and any amendments/modifications to the document in accordance with established procedures, and ensuring that it includes all of AURA's and the customer's requirements.

m. Obtaining necessary review and approval of purchasing documents by appropriate technical and support functions, and obtaining consent if required before transmittal to the vendor.

n. Ensuring that there is administration, monitoring, cost tracking, and progress of contractor efforts.

o. Expediting and following-up purchases that are delinquent.

2. Delegated Signature and Commitment Authority.

a. Individuals with the proper authority to authorize the funds from the account(s) to be charged must approve all requisitions. Such authority, however, is not an authorization to commit AURA to a contractual agreement with anyone. It is simply an approval to commit the funds within the AURA organization and to authorize Procurement to initiate a purchase.

b. It is AURA policy to delegate authority to legally commit or approve legally binding commitments of the Corporation and to delegate corporate expenditure authority. The commitment authorities and amounts authorized as detailed in the AURA Policies and Procedures Manual and as initially delegated to each AURA Center Director are listed below along with the amounts they may approve. (Please refer to AURA Policy, Section C-Financial

Policies and Procedures Part II.)

- i. Authority to commit or approve commitment of AURA for more than \$3,000,000 is retained by the AURA Board of Directors. If the request originates with an AURA Center the commitment request shall be renewed and approved by the Centers Management Council prior to submission to the Board of Directors. In special circumstances, and on a case-by-case basis, this authority may be delegated by the Board Chair to the AURA President.
- ii. The President, on behalf of the Corporation, is authorized to make commitments not in excess of \$3,000,000. At his/her discretion the President may require review and approval by the Center Management Council prior to final authorization. This authority may be delegated with such additional limitations, as the President may desire.
- iii. Each Center Director is authorized, on behalf of their respective Center, to make commitments, other than staff appointments not in excess of \$1,000,000 within approved Program Plan limitations and within contractual authority. The Center Directors are authorized to delegate this authority within their respective Centers with such additional limitations, as the Director may desire.
- iv. Any Subcontract or Purchase Order requiring Funding Agency written approval or consent and which is in an amount of \$1,000,000 or less shall be sent directly to the Funding Agency by the Center. After agency approval, the Center Director or designee may sign for AURA, in accordance with the procedure above. Any Subcontracts or Purchase Orders for goods or services in excess of \$1,000,000 shall be sent to the Corporate Office for approval. The Corporate Office will then forward such request on to the Funding Agency for its action. The AURA Corporate Office may delegate to the Center authority for submission to the funding agency directly; and, submission to the funding agency directly.
- v. Commitment authority for extensions are governed by the same policy and procedure as indicated above. The President or designee shall approve amendments or modifications resulting in commitments in excess of \$1,000,000 in the aggregate.
- c. The AURA buyers and other designated, authorized AURA Center personnel shall not award purchase orders or subcontracts in any way to obligate AURA in an amount that exceeds their specifically delegated contractual commitment authority.
- d. Each Center shall delegate signature and/or contractual commitment authority in accordance with their Center's policies and procedures. Approved policies for each Center can be found at:

IV. GENERAL PROVISIONS FOR PURCHASE REQUISITIONS

A. PURPOSE

The purpose of this section is to provide written minimum standards and guidance to AURA Centers for instituting the procurement processes.

B. GENERAL

A fully approved Purchase Requisition (PR) is the official document that authorizes the Procurement Department to enter into a purchase agreement with suppliers. An approved PR is also required to initiate a change to an existing purchase agreement.

1. Purchase requisitions should be used whenever possible unless exempted by a specific AURA Center policy.
2. All PRs must include a budget limitation.
3. All PRs must be reviewed and approved by the applicable management approval authorities as designated by each Center policy.
4. Prior to initiating a PR, the originator shall screen in-house stock for availability wherever possible to avoid unnecessary purchases.
5. Each AURA Center will have procedures that provide for screening and approvals and thresholds for screening as required by their specific funding agency regulations.
6. PRs that specify a sole source or single source must include a signed/dated sole/single source justification. (Refer to AURA Source Selection Policies and Procedures, Section VI.8.)
7. PRs must include a clear and concise description of the supplies/services requested in addition to applicable part numbers, and date required.
8. Whenever possible, the Procurement Department is to be advised in advance of future requirements in order to have sufficient lead-time to obtain adequate price competition and ensure timely delivery of supplies/services.

C. APPLICABILITY

The following AURA policies and procedures set forth are intended as **minimal guidelines** for all AURA Center procurement personnel in their purchase of supplies and materials.

D. PURCHASE REQUISITION AND ORDER PROCEDURES

Each AURA Center will establish written purchase requisition and purchase order procedures to accommodate the Center purchasing system. AURA encourages the use of electronic submission and use of "e-jackets" for storage of information.

1. The originator of the PR is responsible for following each AURA Center procedure for completion of a requisition. Furthermore they are responsible for:
 - a. Timely preparation of the PR that shall include, at a minimum, the following:
 - i. A clear description or Statement of Work (SOW) for each item or service being requisitioned, including design or performance specifications, applicable military

specifications, drawings, part or model numbers, and brand names where applicable.

ii. A description of any applicable contractor/customer inspections, test requirements, and acceptance criteria.

iii. The date originator initiates the request, the required delivery date, estimated price, quantity requirements, sequential order of item number if applicable, unit price, and account number and/or contract/grant number.

iv. Suggested suppliers or sole source/single source preference. If a sole source or single source is specified, provide adequate signed, written justification (signed and dated), for it. (Refer to AURA Source Selection Policies and Procedures, Section V.H.)

v. The "Deliver TO" name, address, and phone number.

vi. The AURA Center specific account code or Object Budget System (OBS) or Work Breakdown Structure (WBS), and the accounting/suffix code number as applicable.

vii. The required AURA Center management approvals—obtained prior to transmittal of the PR to purchasing.

viii. Any other data necessary to assist the Procurement Department in placing the order and any applicable supplementary information or instructions such as:

- (1) technical evaluation criteria for bidders' proposals,
- (2) vendor reporting requirements,
- (3) a list of government/contractor-furnished materials, and
- (4) reviews, approvals, and inspections applicable to the vendor's work backup pricing or documentation

b. Checking in-house stock for possible surplus material.

c. Allocating appropriate lead-time for procurement by determining requirements in advance insofar as possible.

d. Scheduling deliveries so that the Procurement Department can obtain needed supplies/services in the most efficient, competitive, and economical manner possible.

e. Promptly transmitting the PR to the Procurement Department once the PR has been completed and necessary approvals obtained if not automated.

f. Initiating PR's for changes required to a purchase order if procurement system requires.

g. The Procurement Supervisor or other AURA Center designee will:

i. Review the PR prior to acceptance for the minimum required information.

ii. In accordance with each AURA Center policy, review and release to a designated buyer.

2. The buyer will be responsible to:

a. Review the PR for understanding and completeness and return it for clarification, correction, or additional information if the requirements are considered to be unnecessary, unreasonable, or not cost effective.

b. Assure that the originator, prior to placing the commitment, has obtained all required management approvals.

c. Assure that prior Contracting Officer consent is received prior to order placement (where required by applicable funding agency).

d. Assist the proposal team in selecting prospective sources and requesting cost and

technical data.

e. Seek the lowest-cost suppliers that can make delivery at the time and in the quantities and quality desired (via competitive bidding where possible in accordance with AURA policies).

f. Obtain Procurement Supervisor, or other Center-designated personnel, approval if any vendor-proposed changes to the purchase order deviate significantly from the standard purchase order terms and conditions.

g. Consolidate PR's for the same or similar supplies/services to obtain maximum-quantity discounts.

h. Ensure that the purchase requisitions and attachments are stored in a reliable recordkeeping system.

i. Follow the applicable checklist from each AURA Center for each PR.

j. Purchases on behalf of inter-Center agreements or partner organizations: Purchase of materials on behalf of partner or sister organizations (SOAR, WIYN, LSST, GEMINI, etc.) may occur as per a business services agreement between the parties. These purchases will be made under the terms, conditions, and flow-through clauses found in respective AURA Center policy and procedures manuals and in accordance with the funding agency's contract or cooperative agreement. If any tenant, partner, or sister organization requires or wishes to have special terms and conditions or flow-through clauses from their specific contractual obligations become a part of the individual order, they are to inform the procurement department at the time the request/requisition is submitted.

V. BLANKET PURCHASE ORDERS

A. POLICY

Blanket Purchase Order is a commitment by AURA to a vendor purchase goods or services over a specific period of time. The acceptance of such an order by the vendor is a commitment on his part to perform such services in a specific manner and at specific prices.

B. GENERAL

AURA Centers are authorized to use blanket purchase orders.

Blanket Purchase Orders can be issued whenever:

1. Purchases of the goods and services indicated on the order may occur several times during the coming year.
2. Purchases occur only once each year but are purchased every year. Items such as prepaid maintenance agreements, use permits, software licenses, etc. fall into this category.
3. Subscriptions for periodic publications that are out of the ordinary and which the requester may want to be reminded to repurchase at a specific date in the future.
4. Purchases for services that may or may not be required but that, when required, are required on very short notice and for which the issuance of a requisition and ultimate Purchase Order may be too time consuming.
5. Purchases of office supplies.
6. Purchase of inexpensive items need for work to be performed over a few consecutive days.
7. Any purchase for which the Buyer feels that the requester may want to be advised that the good or service needs to be repurchased again at a specific date in the future.

C. PROCEDURES FOR PROCESSING BLANKET PURCHASE ORDERS

AURA Centers that use Blanket Purchase Orders will develop policies and procedures that at a minimum provide for the following:

1. All Blanket Purchase Orders should identify themselves as a "Blanket Purchase Order."
2. Each Blanket Purchase Order will be initiated by a properly approved requisition. The signature authority for such requisition is determined by the total value of the requisition, not the cost of periodic payments.
3. All NSF-AURA contractual commitments concerning foreign purchases, advance notifications, and approval are applicable to Blanket Purchase Orders.
4. Blanket Purchase Orders must always have a beginning and ending date and should not be extended for more than one year.
5. Blanket Purchase Orders should always include applicable AURA Terms and Conditions. However, in certain cases the vendors will issue special terms and conditions that they feel

are more appropriate to the order and that must be signed by AURA before the Blanket Order will take effect. In those cases, the Subcontract/Sub-Awards Administrator should review the vendor terms and conditions prior to award.

6. Blanket Purchase Orders should always have a specific dollar amount against which usage can be judged and policies to monitor purchases so as not to exceed award amount. Dollar amounts indicated are for budgetary purposes only and are not a guaranteed amount of usage.

7. When possible, and when pricing schedules are appropriate, such pricing schedules should be attached to the Blanket Purchase Order.

8. Each Blanket Purchase order must include a list of on-procurement staff authorized to place orders.

D. APPLICABILITY

This Blanket Purchase Order policy and procedure applies to all AURA Centers procurement.

VI. SOURCE SELECTION POLICIES AND PROCEDURES

A. PURPOSE

The purpose of this section is to provide written minimum standards and guidance to AURA Centers for the source selection process to assure that due consideration is given to essential factors applicable to the selection of the successful offeror.

B. GENERAL

In accordance with provisions and other applicable federal regulations as referenced in individual contracts or cooperative agreements, all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

1. The criteria to be considered in evaluating supplier proposals should be tailored to each specific acquisition and include only those factors that have a significant impact on the source selection decision. The buyer shall determine the applicable evaluation factors and the relative importance of each. However, in every source selection, price and quality shall always be included. Quality is evaluated in terms of supplier technical and management capability, personnel performance qualifications, past performance on similar work, and delivery compliance.
2. While the lowest price or lowest cost is often the deciding factor in source selection, there is no requirement that this must always be done. In certain critical, complex, highly technical, or high-dollar-value procurements, the buyer may select the source that offers the "best value" in terms of technical performance, service, support, delivery, reliability, past performance, etc.
3. When considered relevant, the solicitation should state the evaluation criteria that will be used in making the source selection decision and their relative importance. If numerical scoring of proposals is to be used, this need not be disclosed in the solicitation, and numerical scores shall not be given to any offeror.
4. If required in the funding agreement and to the greatest extent possible, it is AURA's intent to comply with **The Buy American Act** (BAA - [41 U.S.C. § 10a-10d](#) and applied when and where applicable). Each AURA Center should develop policies and procedures for approvals for procurement for foreign source selection and agency approval.
5. During the competitive bidding process or the source selection procedures, the buyer or other AURA personnel shall **not** participate in or contribute to:
 - a. technical leveling (helping an offeror bring its proposal up to the level of other proposals);
 - b. technical transfusion (disclosing technical information that results in improvement of a competing proposal);
 - c. auction techniques, such as advising an offeror a price it must meet to remain competitive;
 - d. discussing or advising an offeror of its price standing relative to other vendor's, however, it is permissible to inform an offeror that its price is considered to be too high or unrealistically low; or
 - e. discussing or furnishing any information about other vendors' prices.

If a source selection team is involved in the source selection decision process, their inputs shall be used, as applicable, in determining the selected vendor.

C. APPLICABILITY

Evaluation of pertinent source selection criteria is applicable to negotiated procurements and subcontracts/sub-awards that meet minimum solicitation requirements. It does not apply to sealed-bid type procurements

D. POLICY FOR SOURCE SELECTION

AURA's policy shall be to promote free and open competition to the maximum extent practicable to obtain supplies and services from the source whose offer is the most advantageous to the federal government, considering the administrative cost of the purchase. The AURA Small Purchase Threshold is \$5,000.00. All purchases above the AURA Small Purchase Threshold require some form of documented competition. AURA Centers may set a lower threshold for required competition.

AURA Procurement Departments shall be more specific in the requirements for solicitation of quotations above the Small Purchase Threshold. However, as each purchase is different and the specifications and underlying need for each purchase varies, the individual buyer shall take all factors concerning the purchase into account before determining the number and type of bid solicitations he/she requests.

1. The following factors should be considered in the source selection process, as applicable to the procurement:

- a. Compiling the Source List
- b. Competition
- c. Determining a Vendor's Capability
- d. Solicitation Conferences
- e. Price Analysis/Cost Analysis
- f. Role of Technical Staff in Source Selection
- g. Sole-Source, Single-Source Purchasing and Second Source Development
- h. Price/Quality Philosophy for Selecting Vendors
- i. Government Policies and Subcontract Clauses Affecting the Source Selection
- j. Formal Source Selection
- k. Determining a Vendor's Quality and Performance History

2. Compiling the Source List

a. Once a decision has been made to buy an item, the buyer must compile a list of competent, qualified suppliers to compete for the work. Sources that are available to help the buyer compile the list include vendor history records and sources specified on the Purchase Request.

b. If applicable, the buyer should investigate the market in order to obtain new, improved sources of supply for competitive as well as noncompetitive procurements.

3. Obtaining Competition_

a. Adequate price competition is the best method of assuring reasonable prices for supplies and services. In developing the source list, the buyer should include a minimum of three sources whenever possible. The use of "trade names" should be kept to a minimum to increase competition. There is no optimum number of competitive sources for a particular procurement. This is a matter to be decided by the buyer on the basis of the particular purchase they are making. As a general rule, however, as the dollar amount of the procurement increases, the number of sources solicited should also increase.

b. Quotations should be solicited from qualified suppliers only and supplier solicitations should be rotated so that there will be no pattern of continuous bidding from the same companies. If one company is permitted to revise its quotation, all sources on the bidders list shall be given an opportunity to rebid.

4. Determining a Vendor's Capability

a. The award of a contract/award to a supplier based on lowest price alone can be false economy if there is subsequent default, late deliveries, or unsatisfactory performance. While price is a very important consideration, there is no requirement to make an award to the supplier submitting the lowest responsive offer (except for sealed-bid procurements). A prospective subcontractor must demonstrate that it is responsible and qualified.

b. For formal source selection procurements, to be determined responsible, a prospective subcontractor/sub-awardee must:

- i. have adequate financial resources to perform the contract, or the ability to obtain necessary financial resources;
- ii. have the ability to comply with the required delivery schedule;
- iii. have a satisfactory performance record;
- iv. have a satisfactory record of integrity and business ethics;
- v. have the necessary organization, experience, accounting, operational, and technical skills;
- vi. have the necessary production equipment and facilities;
- vii. be otherwise qualified and eligible to receive an award under applicable laws and regulations.

c. An award shall not be made unless the buyer makes an affirmative determination of contractor/vendor responsibility during formal source selection procurements. The buyer should review the following sources of information to support determinations of responsibility or non-responsibility:

- i. Excluded Parties List System (<https://www.epls.gov/>), which provides lists of organizations and contractors that are debarred, suspended, proposed for debarment, and ineligible for a federal procurement, award, or sub-award. This list should be reviewed prior to award.
- ii. Records, history, and vendor rating data from prior awards to the subcontractor.
- iii. Data supplied by the prospective subcontractor/sub-awardee, including proposal information, questionnaire replies, financial data, information on production equipment, and personnel information.
- iv. Other sources of information, such as publications, suppliers, and customers of the prospective subcontractor, financial data (Dun & Bradstreet), and business and trade association reports.

d. The names of suppliers determined to be non-responsible shall be treated as

confidential information.

5. Solicitation Conferences

a. Pre-solicitation Notices and Conferences

i. Pre-solicitation notices and conferences may be used as preliminary steps in complex, negotiated acquisitions to:

- (1) develop or identify interested sources,
- (2) request preliminary information based on a general description of the supplies or services involved,
- (3) explain complicated specifications/requirements to interested sources, and

ii. When pre-solicitation notices are used, the buyer will synopsise the notice and forward it to all potential sources.

iii. When a pre-solicitation conference is deemed necessary, the buyer will:

- (1) advise all suppliers that are invited to attend of the details of the pre-solicitation conference,
- (2) conduct the conference and arrange for technical and business administration personnel to attend, as necessary,
- (3) furnish copies of the solicitation to all suppliers attending the conference, and
- (4) follow the pre-solicitation conference and handle the request for proposals.

b. Pre-proposal Conferences

i. A pre-proposal conference may be held to brief prospective suppliers regarding any procurement after a solicitation has been issued, but before offers are submitted. Generally, such conferences are held for complex, negotiated procurements to clarify specifications and requirements. The buyer shall determine if a pre-proposal conference is necessary and, if so, shall make arrangements.

6. Cost/Price Analysis

Some form of price or cost analysis shall be performed in connection with every purchase. The form and degree of analysis, however, is dependent on the facts of the particular purchase. Cost analysis shall be performed in those situations where price analysis cannot be used to validate the fairness and reasonableness of the quoted price and where cost analysis is necessary in accordance with prime contract requirements.

7. Role of Technical Staff in Source Selection

a. The technical staff plays a major role in the source selection process, including:

- i. technical reviews and recommendations regarding vendor proposals;
- ii. assigned responsibilities as a member of the source selection team;
- iii. development of the technical specification and statement of work and the initiation of changes thereto, when necessary;
- iv. review of vendor's response to statement of work and specification;
- v. preparation of in-house cost estimates for supplies/services; and
- vi. review of complex subcontract packages prior to subcontract award to assure that all necessary technical data are included.

b. The technical staff's knowledge of an item to be purchased should be utilized. Procurement should keep the technical staff informed in those areas where it has special

knowledge, such as new materials/equipment and processes and the cost of alternate supplies. The technical staff, in turn, should keep procurement informed of new product developments, imminent changes, etc.

8. Sole-Source, Single-Source Purchasing, and Second Source Development

Source selection justification must be documented on purchases exceeding \$5,000.00 when the procurement is sole or single source. The buyer shall take steps to maximize competition wherever possible regardless of the number of sources identified on the Purchase Requisition.

Lack of advance planning is not acceptable as a reason for sole source justification.

The following are sample **Sole Source Justifications**:

- a. Only known source for acceptable supplies or services as determined by documented research
- b. No other type of supplies or services will suffice or are compatible with AURA needs.
- c. No other source can provide supplies or services within the requested time.
- d. Possesses unique prior experience, expertise, capabilities, professional stature, or key personnel.
- e. Sponsor of the original grant or contract requests a specific subcontractor as documented in writing.
- f. In the case of a follow-on contract for continued development or production.

9. Emergency Requisition Processing Procedures

From time to time, emergency situations arise and requisitions are submitted for items that are needed ASAP. In such cases, the normal bidding process may be too time-consuming to meet the requester's delivery requirements. Accordingly, those requisitions may be exempted from the normal bidding requirements detailed above.

Should such an emergency situation arise, the AURA Center Procurement Manager or designee may exclude the requisition from the above procedures. If exclusion is made, the buyer will prepare a written justification and have the requisition authorized by the Approving Procurement individual.

10. Government Policies and Subcontract Clauses Affecting Source Selection

While the primary goal in the procurement process is to obtain quality supplies/services at reasonable prices, the procurement process also serves as a means to achieve vendor compliance with certain federal socio-economic and contractual policies such as:

- a. Small business and small disadvantaged business utilization.
- b. Labor surplus area contracting.
- c. Contractor certification regarding debarment or suspension.
- d. Prohibition against gratuities, kickbacks, and contingent fee payments.

There are many other government-directed policies/regulations specified in the FAR, CFR, NSF GC-1, CA-FATC, etc affecting source selection, which are optional or mandatory flow-down clauses to vendors. AURA's policy shall be to adhere to all such federal policies/regulations, as applicable for individual procurements, and to flow down requisite provisions/clauses to vendors.

E. FORMAL SOURCE SELECTION PROCEDURES

1. The source selection process is considered “formal” when a specific source evaluation structure and plan detailing the source selection process are established to evaluate vendor proposals, select the source for subcontract/sub-award, and obtain upper-level management approval for the proposed source. This process is often used for very high-dollar-value, critical, or long-term-association procurements. The source selection evaluation team is normally used.
2. The source selection evaluation team acts in an advisory capacity. The team reviews and approves/rejects the RFP package and sources to be solicited, and evaluates vendors’ technical and business proposals and recommends a source for award.
3. Supporting documentation for the source selected for award must include the basis and reasons for the source selection decision. Following source approval, cost/price analysis, fact-finding, negotiations, and award are performed.
4. There will be instances when a specific procurement may be considered either a purchase order or subcontract/sub-award. Prior to implementing formal source selection procedures, the following should be considered:
 - a. Determine the complexity of the procurement.
 - b. Review the order as to whether it is for design, research, or development, excluding minor modifications to standard or proprietary products available for purchase.
 - c. Determine whether the item to be purchased is not a catalog, off-the-shelf, routinely manufactured item.
 - d. Determine whether the supplies/services being procured often require substantial administration, project management, liaison, tradeoff decisions, and monitoring of the vendor’s performance, progress, and expenditures.
5. In accordance with the afore-described source selection criteria, the buyer shall, as applicable, perform the following:
 - a. Review the requirements of the solicitation—technical, quality, delivery, cost, etc.—for clarity, consistency, and completeness.
 - b. Prepare a bidders list of competent, qualified suppliers.
 - c. Request proposals from the sources selected. The request for proposals shall include, as applicable, but not be limited to, the following:
 - i. transmittal (cover) letter,
 - ii. contractual terms and conditions,
 - iii. statement of work,
 - iv. technical specification,
 - v. test requirements/acceptance criteria,
 - vi. instructions for proposal preparation, and
 - vii. representations and certifications requirements.
6. Bidder’s Conference
 - a. If the proposed procurement is complex and requires greater engineering definition than given in the RFP documents, the Subcontract/Sub-Award Administrator may schedule a bidders conference. At the conference, the technical requirements may be discussed by the technical staff and attendees’ questions answered, insofar as possible, regarding any aspect of the RFP. Minutes of the conference will be prepared by the Subcontract/Sub-Award

Administrator and sent to all suppliers on the bidders list.

b. The bidders conference is generally attended by, but not limited to, the following:

- i. suppliers on the bidders list,
- ii. the Procurement Manager,
- iii. the Subcontract/Sub-Award Administrator, and
- iv. cognizant technical staff.

7. Upon receipt of bidders' proposals, Subcontract/Sub-Award Administrator may request technical evaluations from engineering, and assistance from other support functions, as necessary.

- a. Coordinate and assume responsibility for cost/price analysis.
- b. Analyze proposals received in accordance with applicable source selection criteria.
- c. Conduct discussions/negotiations with suppliers that are within an acceptable technical and price-competitive range.
- d. Following discussions/negotiations, request best and final offers from suppliers remaining within the competitive range.
- e. Upon receipt and evaluation of best and final offers, if requested, select the most advantageous source for award based on the applicable source selection criteria.
- f. Obtain necessary approvals prior to issuance of contract.
- g. Issue the contract to the selected source and document the procurement file regarding all actions leading to the award.

8. All correspondence to vendors will be forwarded through the Subcontract/Sub-Award Administrator. Similarly, all correspondence to AURA from vendors will be addressed to the Subcontract/Sub-Award Administrator. It is the responsibility of the Subcontract/Sub-Award Administrator to disseminate information applicable to the procurement to the appropriate personnel. All verbal communications with vendors will be handled by the Subcontract/Sub-Award Administrator or with his/her knowledge and consent.

9. Scoring System

- a. When vendors submit proposals in response to a solicitation, a method must be formulated to determine the source that best meets the government's/AURA's needs.
- b. A numerical system of scoring may be used. Proposals are reviewed against applicable evaluation criteria and the contractor's/sub-awardee's proposal is scored for degree of excellence in relation to the evaluation criteria.

10. Evaluation Factors

Evaluation factors should be given weights in the evaluation process so that the most important considerations get the most weight.

- a. The source selection evaluation factors should be tailored to each acquisition and include only those factors that will have a meaningful impact on the source selection decision.
- b. Evaluation criteria should be stated in the solicitation, and, if there is any difference in value of the various criteria, the solicitation should so indicate, usually by listing the criteria in descending order of precedence.
- c. Weighting of source selection criteria shall not be disclosed to contractors/sub-awardees.

11. Proposal Evaluation

- a. The number of evaluation factors should be kept to the minimum necessary to adequately evaluate vendor's proposals against the solicitation requirements. A large number of evaluation criteria make it difficult to distinguish relative merit between contractors/sub-awardees.
- b. The evaluation must analyze significant criteria rather than unimportant differences.
- c. Best value source selection within a formal source selection may be used. In such cases, the buyer may select the source whose proposal offers technical superiority in terms of performance and capabilities, though not necessarily the lowest cost.
- d. When used, point scores are only guides for decision-making. The determinative element is not the difference in score ratings, but the judgment of the buyer concerning the significance of the difference in score ratings. The buyer, on the basis of what the scoring difference really means in performance and capabilities of equipment/services and whether any premium cost justifies the superior performance/capabilities, must determine whether the difference in point scores is significant. This determination is made at the discretion of the buyer based on the facts and circumstances of the purchase.
- e. When scoring supplier proposals, a method of weeding out suppliers with unacceptable scores is desirable. By using this method the buyer may preclude the possibility of selecting a vendor whose equipment capabilities/performance is not superior- but because of a low proposed price may be the best value selection.

12. Negotiations

- a. Once a successful vendor is chosen then negotiations may commence for award.
- b. A draft of the proposed contract/agreement may be provided and discussed in the pre-negotiation session. The discussions will be conducted by the Subcontract/Sub-Award Administrator and may include personnel from the technical and program organization who are directly involved in the procurement. Assistance from other support functions will be requested as the need arises, and will be coordinated by the Subcontract/Sub-Award Administrator. During the pre-negotiation session, the subcontract procurement objectives will be discussed and established. The extent of each party's responsibilities and participation during actual negotiations with suppliers will also be reviewed.
- c. The Subcontract/Sub-Award Administrator will be the spokesperson (leader) at the negotiation sessions.
- d. Upon completion of negotiations, the Subcontract/Sub-Award Administrator will prepare either a draft/update of the subcontract/sub-award or a memorandum of the negotiations. If a memorandum is used, it will outline the objectives of the negotiation, the issues negotiated, the manner in which these issues were resolved, and an explanation of the rationale for any deviations from pre-negotiation objectives for cost, delivery, technical requirements, contractual provisions, etc. Both parties immediately following the negotiation shall sign these memoranda. In the case of emails, both parties will acknowledge the agreed process.
- e. In the event substantive subcontract/sub-award changes are necessary, the source selection evaluation team, if involved, may be required to reconvene to review and approve such changes. The Sub-Contract/Sub-Award Administrator should determine if such a meeting is necessary. He/she is responsible to ensure that the final subcontract agreement includes all of AURA's and the customer's requirements and for negotiating a fair and reasonable subcontract price.

13. Contract and Subcontract Terms and Conditions

The AURA Centers shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts/awards and other agreements where applicable. The following provisions shall also be applied to subcontracts/sub-awards.

a. Contracts/agreements in excess of the small purchase threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

b. All contracts/agreements in excess of the small purchase threshold shall contain suitable provisions for termination by AURA, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts/agreements shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

c. Except as otherwise required by statute, an award that requires the contracting (or subcontracting) for construction or facility improvements shall provide for the recipient to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract or subcontract exceeds \$100,000. For those contracts or subcontracts exceeding \$100,000, the Federal awarding agency may accept the bonding policy and requirements of the recipient, provided the Federal awarding agency has made a determination that the Federal Government's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows.

i. A bid guarantee from each bidder equivalent to five percent of the bid price should be obtained. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

ii. 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.

iii. 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 statute of all persons supplying labor and material in the execution of the work provided for in the contract.

iv. Where bonds are required in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 223, "Surety Companies Doing Business with the United States."

d. All negotiated contracts (except those for less than the small purchase threshold) awarded by recipients shall include a provision to the effect that the recipient, the Federal awarding agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

e. All contracts, including small purchases, awarded by recipients and their contractors shall contain the procurement provisions of Appendix A of OMB A 110 to this part, as applicable.

i. Equal Employment Opportunity —All contracts/agreements shall contain a

provision requiring compliance with E.O. 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR, 1964–1965 Comp., p. 339), as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

ii. Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c) —All contracts and subgrants in excess of \$2000 for construction or repair awarded by recipients and sub-recipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or sub-recipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the federal awarding agency.

iii. Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7) —When required by Federal program legislation, all construction contracts awarded by the recipients and sub-recipients of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the federal awarding agency.

iv. Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333) —Where applicable, all contracts awarded by recipients in excess of \$2000 for construction contracts and in excess of \$2500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333), as supplemented by Department of Labor regulations (29 CFR part 5). Under section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

v. Rights to Inventions Made Under a Contract or Agreement —Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

vi. Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act

(33 U.S.C. 1251 et seq.), as amended —Contracts and sub-grants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

vii. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) —Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

viii. Debarment and Suspension (E.O.s 12549 and 12689)—A contract award with an amount expected to equal or exceed \$25,000 and certain other contract awards (see 2 CFR 180.220) shall not be made to parties listed on the government-wide Excluded Parties List System, in accordance with the OMB guidelines at 2 CFR part 180 that implement E.O.s 12549 (3 CFR, 1986 Comp. p. 189) and 12689 (3 CFR, 1989 Comp. p. 235), “Debarment and Suspension.” The Excluded Parties List System contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than E.O. 12549.

14. Post Award Actions and Debriefs

- a. The buyer shall notify the vendors of their non-selection in writing as soon as reasonably possible after the selected vendor's contract is fully executed.
- b. A vendor not selected for an award under competitive bid procurement may be entitled to request a post award debrief.
- c. The buyer may, in the notification of non-selection, offer the vendor a debrief as to the reasons for their non-selection.
- d. Upon receipt of a debrief request, the buyer shall have thirty (30) days in which to conduct the debrief.
- e. The debrief may either be telephonic or at the buyer's facility.
- f. The debrief shall address the areas of the vendor's proposal that were key factors in their non-selection. During the debriefing, no comparison with the contents of any other proposal shall occur. The buyer shall prepare and conduct the debrief meeting. The buyer may request members of the AURA technical staff to attend to address specific technical issues.
- g. The debrief shall be immediately followed by the buyer issuing a confirmation in writing to the vendor confirming the debrief.

VII. DOCUMENTATION OF PROCUREMENT FILES/CHECKLISTS

A. PURPOSE

To assure that the buyer/subcontract administrator is complying with all laws, executive orders, and regulations applicable to federally funded contracts/awards, and to assure that there is adequate and complete documentation in the procurement file to provide a full and accurate history of the total procurement transaction.

B. GENERAL

1. Contracts/purchase orders involve a series of actions, investigations, and decisions leading to the award of an order and an accumulation of data regarding the actions taken. Adequate documentation is the best proof that required procurement functions have been performed. The file should state why a purchase was made from a particular supplier, and the file documentation must substantiate/justify the award to the selected vendor. Verbal assurances regarding performance of procurement actions are not acceptable as verification.
2. Adequate documentation of procurement functions is necessary for both commercial and government-funded purchases. However, purchases awarded to the low bidder on a competitive-price basis do not normally require the same degree of documentation as negotiated-noncompetitive procurements where technical considerations are the primary basis for award.
3. Checklists of procurement actions serve as a guide to the buyer of the documentation requirements.
4. The basis upon which the fairness and reasonableness of the price was determined must be documented on all purchase orders and contracts.

C. APPLICABILITY

This policy is applicable to all AURA procurements.

D. POLICY

The buyer shall document all procurements, to the extent necessary, in accordance with applicable AURA and government requirements. Each AURA Center will develop the appropriate documentation checklists. These can be electronic or built into purchasing software systems.

Approved checklists and procedures for each Center can be found at:

Center	Location
Gemini	
NOAO	
NOAO South	
NSO	
STScI	

VIII. CHANGE ORDERS/AMENDMENTS

A. PURPOSE

The purpose of this policy is to state the policy and procedures applicable to the processing of change orders for contracts or amendments in the case of sub-awards.

B. GENERAL

1. Subcontracts/Sub-Awards must contain a "Changes" clause that permits the buyer to make unilateral changes, in designated areas, within the general scope of the order. The changes are invoked by issuing written change orders/amendments to the vendor. The vendor must continue performance of the subcontract/sub-award as changed, except that in cost-reimbursement or incrementally-funded awards, the seller is not obligated to incur costs beyond the cost limits established in the procurement document.
2. The changes clause is unique to federal procurements. The clause is not normally used in commercial purchasing. However, under federally funded prime contracts/agreements, the prime contractor/awardee (or higher-tier subcontractor/sub-awardees) will generally flow down the changes clause to subcontractors/sub-awardees to protect the prime against refusal of a subcontractor/sub-awardee to comply with a change order/amendment issued by the government to the prime. When a change order/amendment is issued, the subcontractor/sub-awardee has the right to request and receive an equitable adjustment in price for the change to the work and/or a revised delivery schedule.
3. The subcontractor/sub-awardee must submit an estimate of any increase or decrease in cost, or no-cost change, within a specific number of days as stated in the change notice/amendment and in accordance with the "Changes" clause of the subcontract, usually within 30 days of receipt of the change order/amendment.
4. A change order/amendment directing changes that are outside the general scope of the subcontract (cardinal changes) can be legitimately claimed to be invalid by the vendor, who may decline to accept such a change order. Examples of such direction are changes in the nature of the order or major changes in design specifications. Such changes must originate with an RFP/RFQ and result in a subsequent bilateral amendment to the subcontract/sub-award.

C. APPLICABILITY

The "Changes" clause is applicable to all federally funded procurements regardless of dollar amount.

D. POLICY

1. The buyer will utilize change orders/amendments when necessary in accordance with the prime contract. Change orders are not to be used when a supplemental agreement/amendment can be negotiated in time to effect the required change.
2. The sub-contractor/sub-awardee must proceed with a change order/amendment when so directed by the buyer. However, the sub-contractor/sub-awardee shall advise the buyer, within the specified number of days after receiving a change order, an estimate of any increase, decrease, or no-cost change in price, and/or any estimated change in delivery

schedule.

3. Upon negotiation with the seller of an equitable adjustment, the buyer shall issue an amendment to the subcontract/sub-award superseding the change order.

E. PROCEDURE

1. The below procedure will be followed when implementing subcontract changes under the provisions of the prime contract "Changes" clause:

a. Prior to processing a change order, a Purchase Requisition (PR) shall be prepared and approved advising in detail the changes to be made. The PR shall specify revisions to all affected drawings, specifications, work statements, and other pertinent exhibits or attachments. In addition, an internal cost estimate shall be provided. A change order shall not be issued without prior AURA funding approval based on the best available cost estimate of the change.

b. The buyer will prepare a Subcontract/Sub-Award Change Notice clearly stating the changes specified on the PR.

c. The notice shall list both the changed deliverable items and the unchanged deliverable items using a "From" - "To" type format. The same sequence change number shall identify this document and the Subcontract/Sub-Award Change Notice.

d. The buyer shall follow-up/expedite the seller's compliance with the changes clause requirement to advise the buyer, in writing, of any impact on price and/or delivery within a specific number of days following seller's receipt of the Subcontract/Sub-Award Change Notice.

e. A technical evaluation and cost analysis shall be performed, as applicable, upon receipt of the seller's claim for price/delivery adjustment.

f. Negotiations will be conducted between the parties to resolve any differences and to insure an equitable subcontract adjustment. In the event a price increase results from a subcontract change order, and time does not permit negotiation of an equitable price adjustment, a not-to-exceed price shall be agreed upon and subsequently definitized in a timely manner.

g. Upon completion of negotiations, the buyer will issue a subcontract amendment superseding the Subcontract Change Notice and revising the price, delivery schedule, and other provisions of the subcontract as agreed upon by the parties. A subcontract amendment shall be issued even if the seller advises that the change order has no impact on the subcontract.

h. In some cases, a subcontract amendment may be negotiated with the seller without resorting to a change order. If written acceptance of all aspects of the change (including cost, schedule, provisions, etc.) has been received in advance by the buyer, then the change can be implemented directly by an amendment to the subcontract without processing a change notice.

9. Provide advance notification, or receive approval by, written justification to the agency Contracts/Grants Administrator, if required by the prime contract/award.

IX. SUBCONTRACT/SUB-AWARD ADMINISTRATION/MANAGEMENT

A. PURPOSE

1. This policy describes the methods and procedures that the Subcontract/Sub-Award Administrator will use to administer, manage, monitor, and control the procurement of major supplies/services from its subcontractors. These methods and procedures will ensure:
 - a. Subcontractor/Sub-Awardee compliance with the technical requirements of the subcontract.
 - b. The receipt of supplies/services of the quantity and quality required within the applicable delivery schedule.
 - c. Subcontractor/Sub-Awardee adherence to applicable AURA socio-economic and contractual terms and conditions as required by the respective funding agency.
2. The Subcontract/Sub-Award Administrator will be solely responsible for assuring that its subcontractors comply with all applicable requirements of the prime contract/award.

B. GENERAL

The subcontract/sub-award administrator is responsible for the selection, negotiation, award, administration, and management of subcontracts consistent with legal, technical, and contractual requirements of the prime contract/award. In addition, it is the subcontract/sub-award administrator's responsibility to monitor subcontractor/sub-awardee performance to ensure that the vendor will:

1. meet performance requirements,
2. deliver supplies/services on schedule,
3. adhere to the contractual and socioeconomic provisions of the subcontract/sub-award, and
4. stay within subcontract/sub-award costs (cost-reimbursement type subcontracts/sub-awards).

C. APPLICABILITY

This policy, in general, is applicable to all subcontracts/sub-awards.

D. POLICY

This policy shall be used to the maximum extent practicable for the type of procurements specified above.

E. PROCEDURE

1. Effective controls to monitor subcontractor progress will be established consistent with the vendor's contractual obligations.
2. For each major subcontract/sub-award, a technical representative will be appointed. The technical representative will review and monitor subcontractor technical performance and progress to ensure delivery of quality supplies/services on schedule. At a minimum the responsibilities of the technical representative should include:
 - a. Clarification and guidance regarding the vendor's technical performance.

- b. Technical supervision of the vendor's subcontract activities.
- c. Verification of the subcontractor's compliance with technical requirements.
- d. Monitoring technical progress of the work.
- e. Review of the vendor's staffing plan and milestone schedule to ensure adequacy and realism.
- f. The technical representative and/or program manager will work with the subcontract/sub-awards administrator to monitor subcontractor/sub-awardee progress to assure that subcontractors/sub-awardees furnishing major or critical items are making satisfactory progress in the performance of the work, are meeting milestone and delivery schedules, are resolving problems that arise, and are expending funds proportional to work accomplished. Documentation requirements should coincide with subcontract/sub-award requirements.

3. Risk Determination and Risk Management of Critical Items_

Special attention is given by AURA to the identification and surveillance of critical subcontract/sub-award items in order to assure compliance with delivery and performance requirements of the prime contract/award. When critical items are identified, risk management is provided for such purchases as follows:

- a. Selecting sub-contractors/sub-awardees having proven technical capabilities and a record of on-time deliveries.
- b. Selecting supplies/services having minimum risk.
- c. Reviewing the project technical requirements and delivery schedule for possible tradeoffs/alternates that will eliminate the risk.
- d. Identifying risk items for special attention with regard to subcontractor/sub-awardee control and reporting.
- e. Providing added technical direction and assistance to risk subcontractors/sub-awardees.
- f. Closely monitoring risk subcontractor technical progress, cost, and reporting.
- g. Helping risk subcontractors provide prompt corrective action when problems occur.

4. Expediting_

Subcontract/sub-award management of subcontractor/sub-awardees must assure that supplies/services are delivered on schedule. In this regard, the subcontract/sub-award administrator shall, as required, perform the following:

- a. Contact the sub-contractor/sub-awardee to verify that the delivery schedule will be met. If the vendor advises that the delivery schedule cannot be met, determine the reason for the delay and what is being done to make up for the delay in schedule. Attempt to expedite delivery. Request a new, planned delivery schedule.
- b. If the delivery date has passed, contact the sub-contractor/sub-awardee to determine the reason and request a new planned delivery date. Attempt to expedite delivery.
- c. Document the procurement file regarding discussions with the subcontractor/sub-awardee concerning delivery.

5. Subcontract/Sub-Award Administration

The subcontract/sub-award administrator ensures subcontractor/sub-awardee compliance with all subcontract terms, conditions, and provisions and serves as the focal point of

contact between AURA and subcontractor/sub-awardee. The following are some of the responsibilities of the subcontract/sub-award administrator:

- a. Ensuring that appropriate AURA Center departments are informed in a timely manner of subcontract/sub-award provisions that may impact their operations.
- b. Issuing amendments/modifications to the subcontract/sub-award.
- c. Ensuring receipt, review, and monitoring of subcontractor/sub-awardee reports by personnel with appropriate expertise.
- d. Analyzing subcontractor/sub-awardee cost expenditures.
- e. Approving subcontractor/sub-awardee payments.
- f. Doing Subcontract/sub-award closeout.

6. Closeout_

Prior to final payment, closeout actions shall be performed in accordance with the AURA Center and funding agency closeout policies.

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X. SUB-RECIPIENT MONITORING

A. PURPOSE

AURA is responsible for the programmatic and financial monitoring of its sponsored research award sub-recipients. The definitions and guidance for distinguishing between a sub-recipient and a vendor under a Federal Award are found in Circular No. A-133. Each Center policy will provide further guidance as deemed appropriate.

B. GENERAL

The terms of AURA sub-recipient relationships are documented in sub-award, subcontract, or consortium agreements. Each AURA Center should delineate specific procedures that should be performed in managing sub-recipients of sponsored research awards consistent with the Office of Management and Budget (OMB) A-133 Compliance Supplement M.

The Federal regulations that describe sub-recipient monitoring are general, but contain the following core elements of compliance:

- Advising sub-recipients of all applicable Federal laws and regulations, and all appropriate flow-down provisions from the prime agreement
- The routine receipt and review of Technical Performance Reports or other designated reports
- The routine review of Expenses-to-Budget
- The periodic performance of on-site visits, or regular contact, if necessary
- The option to perform "audits" if necessary
- Review of A-133 and other audit reports filed by sub-recipients
- Review of corrective actions cited by sub-recipients in response to their audit findings
- Consideration of sanctions on sub-recipients in cases of continued inability or unwillingness to have required audits or to correct non-compliant actions

The above list is not exhaustive of all compliance requirements. In addition to the general elements of compliance noted above, there may be additional sponsor- or program-specific requirements that mandate collecting and documenting other assurances during the course of a project.

C. POLICY

To meet AURA's obligations to manage sub-recipient activity, the following serve as the minimum level of expected activity with respect to managing sub-recipient activity. And reflect the expectations of federal regulations that govern sub-recipient activity.

1. Principal Investigators have the primary responsibility for monitoring sub-recipients to ensure compliance with Federal regulations, and both prime and sub-recipient award terms and conditions.
2. Sub-Contract/Sub-Award Administrator or other designated AURA Center Personnel have the responsibility for ensuring that AURA's sub-recipient monitoring procedures are compliant with Federal and other applicable regulations and are consistent with sound business practices.

- a. Sub-Contracts/Sub-Award Administrators and/or other AURA designated personnel should proactively monitor the activities of sub-recipients as appropriate, and given the sub-recipient's level of risk, to confirm that sub-recipient funding is used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- b. Confirm that sub-recipients expending \$500,000 (for fiscal years ending after December 31, 2003) or more in awards during the sub-recipient's fiscal year have met the A-133 audit requirements for that fiscal year if applicable. Identify any material weaknesses or reportable conditions that result from the A-133 audit.
- c. Make a management decision on audit findings within six months after receipt of the sub-recipient's audit report, and confirm that the sub-recipient takes appropriate and timely corrective action. If a material weakness or other reportable condition exists, monitoring of the sub-recipient should be increased per the procedural recommendations of the AURA Center.
- d. Consider whether sub-recipient audits necessitate adjustment of AURA Center financial records.
- e. Require each sub-recipient to permit AURA and its auditors to have access to the sub-recipient's pertinent records and financial statements, as necessary.
- f. Inform sub-recipients when they are subject to Federal regulations as a result of receiving Federal funding. For Federal awards each sub-recipient should be informed of the CFDA title and number, award name and number, award year, if the award is research and development, and name of Federal agency. When some of this information is not available, the best information available should be provided to describe the Federal award to the sub-recipient.
- g. Advise sub-recipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements, as well as any supplemental requirements imposed by the pass-through entity.

3. Risk Monitoring

- a. It is the responsibility of the Sub-Contract/Sub-Award Administrator or other AURA Center designated personnel to confirm that the sub-recipient's risk profile remains appropriate for a continuing relationship with AURA. Before a sub-award is finalized, a pre-award risk assessment should be conducted in any of these circumstances: if the sub-recipient organization is a unique organization or has not had a previous relationship with AURA or if the sub-recipient award is greater than \$500k or if there is an initial review of any significant risk factors contained in the sub-recipient's A-133 audit (found in the Federal Audit Clearinghouse database). If the sub-recipient does not have A-133 audit information available, AURA Centers will develop a financial questionnaire for non A-133 sub-recipients for a pre-award risk assessment. This pre-award risk assessment is important so that a variety of financial and organizational information is known about the sub-recipient in the pre-award phase.
- b. Annual sub-recipient maintenance includes those activities undertaken to mitigate the risk of contracting with a sub-recipient (or third-party) organization. A "risk-based" approach to continued sub-recipient monitoring is recommended, with the frequency and intensity of monitoring driven by (1) the terms of the grant award, and (2) potential risk factors.
- c. At least annually, it is the responsibility of the AURA Center to gather updated information and documentation on the sub-recipient's organization, financial stability, and financial processes and controls.

- i. Financial questionnaires for non A-133 sub-recipients
- d. The annual sub-recipient monitoring activities should be driven by several factors, including but not limited to:
 - i. Whether the potential sub-recipient is subject to an A-133 audit
 - ii. Evidence of effective financial controls within the sub-recipient's systems and administrative operations through review of the organization's audit reports, management letter, or other acceptable documentation
 - iii. Size of the sub-recipient
 - iv. Size of the sub-recipient award
 - As a guideline, large awards (> \$500k) will receive substantial and frequent monitoring; mid-sized awards (annual budget \$100k to \$500k) will receive proportionately less substantial and less frequent monitoring; smaller awards (< \$100k) will receive general review and the least frequent oversight
 - v. Award size relative to the sub-recipient's sponsored research portfolio
 - vi. Award complexity, sensitivity of the work and/or extensiveness of the governing regulations
 - vii. Prior experience with the sub-recipient (e.g. pre-award negotiations, financial/operational reporting accuracy and timeliness, response to requests, etc.)
 - viii. Sub-recipient location (remoteness from AURA might require more oversight)
 - ix. Type of sub-recipient organization (for-profit / not-for-profit / foreign / domestic)
 - x. Degree of external oversight by auditors or sponsor agencies
 - xi. Organizational and individual conflict of interest

4. Progress Monitoring, Technical Reports and Deliverables

- a. Principal Investigators (PI) or other designated AURA Center personnel and Sub-Contracts/Sub-Award Administrators should monitor sub-recipients to ensure compliance with Federal regulations and both prime and sub-recipient award terms and conditions, as well as the progress of sub-recipients.
- b. The principal investigator or other designated personnel has the responsibility for determining whether the sub-recipient scope of work is on schedule, using a variety of means to make this determination.
- c. The Sub-Contracts/Sub-Award Administrator should determine the frequency and scope of post-award monitoring procedures and the responsible PI or AURA personnel according to the "risk-based" approach described in the Risk Monitoring section of this policy.
- d. The PI should review and evaluate the sub-recipient's progress (e.g., phone conversations, email communication, face-to-face discussion, on-going dialogue), technical reports, or other deliverables, as appropriate, to make periodic determinations about the sub-recipient's overall progress.
- e. If technical reports are required on the part of the sub-recipient, such reports should be collected, reviewed, and evaluated in a timely manner, as well as other deliverables specified in the sub-award.
- f. Unusual or unforeseen items outlined in or omitted from the technical reports should be investigated.
- g. All sub-recipient technical reports should be retained on file in the department and

should be readily accessible for auditors, sponsoring agency auditors, or other Federal regulators.

5. Invoices

a. The PI and the Sub-Contracts/Sub-Award Administrator, must work together to review and ensure all invoices from sub-recipients are consistent with the established scope of work.

b. The Sub-Contracts/Sub-Award Administrator receives the invoices and ensures that it meets the standard format (described below). The PI should review the invoice to ensure that charges are as expected and do not represent a significant over-expenditure, or under-expenditure, against the budget.

c. The PI should approve and sign-off on sub-recipient invoices to indicate acceptable progress on the project.

d. The invoice should then be forwarded for payment as per AURA Center procedure.

e. This policy requires that sub-recipient invoices are submitted in a standard AURA approved format or, if submitted in an alternate format, contain a minimum level of information including but not limited to:

- i. Name of sub-recipient
- ii. Date of invoice
- iii. Invoice number
- iv. Purchase order or contract/sub-award number (if applicable)
- v. Period of performance covered by invoice
- vi. Description of services reflected by billing
- vii. Current period costs (with sufficient detail)
- viii. Cumulative project costs as compared to the expense budget
- ix. Sub-recipient contact person with respect to the invoice
- x. Statement that the funds expended are reasonable, allowable, and allocable
- xi. Statement that the costs are in compliance with the terms and conditions of the agreement

f. If, after review of the invoice, an issue or concern with the sub-recipient is identified, it is the PI's responsibility to work with the sub-recipient to resolve that issue or concern before invoices will be paid. PIs, or Sub-Contract/Sub-Award administrators, should request clarification of any unusual, miscellaneous, or apparently excessive or potentially unallowable charges invoiced by a sub-recipient. If the explanations are insufficient to render a prudent judgment on the allowability of the cost, a request for detailed justifications and support may be required from sub-recipients. Examples of detailed justifications and support include but are not limited to:

- i. Payroll records/data
- ii. Copies of paid invoices showing the cost of items purchased and vendor justification forms if required by Federal contract
- iii. Descriptions of services rendered by consultants including hourly rates and time reports
- iv. Details of incurred travel charges, stating the purpose, airfare, meals, ground transportation, unallowable costs, etc.

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XI. RETENTION OF RECORDS

A. PURPOSE

To describe government records retention requirements. When used herein, the terms “contracts” and “contractors” include “subcontracts” and “subcontractors.”

B. GENERAL

1. Calculation of Retention Periods

a. The records retention periods are calculated from the end of AURA's fiscal year in which an entry is made charging or allocating a cost to a government contract or subcontract. If a specific record contains a series of entries, the retention period is calculated from the end of AURA's fiscal year in which the final entry is made. AURA should cut off the records in annual blocks and retain them for block disposal under the prescribed retention periods.

b. When records generated during a prior contract are relied upon by AURA for cost or pricing data in negotiating a succeeding contract, the prescribed periods shall run from the date of the succeeding contract.

c. If two or more record retention categories are interfiled and screening for disposal is not practical, AURA shall retain the entire record series for the longest period prescribed for any category of records.

2. Microfilming Records

a. AURA may use microfilm (e.g., film chips, jackets, aperture cards, microprints, roll film, and microfiche) for recordkeeping, subject to the limitations stated herein.

b. In the process of microfilming documents, AURA shall also microfilm all relevant notes, worksheets, and other papers necessary for reconstructing or understanding the records.

c. AURA shall review all microfilm before destroying the hard-copy documents to ensure legibility and reproducibility of the microfilm.

d. Unless earlier retirement of records is permitted, or the administrative contracting officer agrees to a lesser retention period when AURA has established adequate internal controls, including continuing surveillance over the microfilm system, AURA shall not destroy original records that have been microfilmed, until:

- i. all claims under the contract are settled,
- ii. eighteen months have passed since final payment, or
- iii. the time original records are required to be kept by other laws or regulations has elapsed.

C. APPLICABILITY

This policy shall apply to AURA records generated under contracts or agreements. Please refer to [AURA Section A. Part X Records Retention](#) as applicable.

D. POLICY

1. Except as stated in “B,” below, AURA shall make available books, records, documents, and other supporting evidence to satisfy contract negotiation, administration, and audit

requirements of the contracting agencies and the Comptroller General for six years after final payment or, for certain records, the periods specified in Attachment A, whichever expires first.

2. AURA shall make available the foregoing documents and supporting evidence for a longer period of time than is required in "A," above, if:

a. a retention period longer than that cited in A above is specified in any contract clause; or

b. AURA, for its own purposes, retains the foregoing documents and supporting evidence for a longer period. Under this circumstance, the retention period shall be the period of AURA's retention or three years after final payment, whichever period expires first.

3. AURA need not retain duplicate copies of records or supporting documents unless they contain significant information not shown on the record copy.

4. If the information described in "A," above, is maintained on a computer, AURA shall retain the computer data on a reliable medium for the time periods prescribed. AURA may transfer computer data in machine-readable form from one reliable computer medium to another.

5. AURA's computer data retention and transfer procedures shall maintain the integrity, reliability, and security of the original computer data. AURA shall also retain an audit trail describing the data transfer. For the record retention time periods prescribed, AURA shall not destroy, discard, delete, or write over such computer data.

E. ATTACHMENT A—RECORDS RETENTION POLICY

INSTITUTIONAL AND LEGAL RECORDS: (While Active + 6 Years)

Articles of Incorporation

Permanent Charter

Permanent By-Laws

Permanent Minutes of Directors Meetings

Permanent Minutes of Board Committee

Permanent Meetings

Permanent Deeds and Titles

Permanent Leases

PATENT AND TRADEMARK RECORDS (While Active + 12 Years)

State Qualification of Doing Business

Permanent Federal Tax Records Form 990 and Support Documentation

Permanent Form 990-T and Support Documentation

Permanent IRS Exemption Application & Determination Letter

Permanent State Tax Exemptions (Permanent)

ACCOUNTING & FINANCIAL RECORDS—Accounts Receivable and Subsidiary Ledgers (10 years unless specified below)

Uncollected Accounts

Accounts Payable and Subsidiary Ledgers

1099 and Other Federal Forms

Check Registers

Description of Accounting System

Permanent General Ledgers & Operating Ledgers (While active + 9 years)

Program Annual Financial Reports (While active + 9 years)

Annual Financial Statements & Audit Reports

LITIGATION RECORDS/CLAIMS (While active + 9)

Court Documents & Records

Discovery Material

Settlement Documents (Permanent)

INSURANCE RECORDS (While active + 12 years)

Property & Liability Policies

Insurance Claims Documentation

BANK RECORDS (7 years)

Bank Statements

Wire Transfer Records

Bank Reconciliations & Support

Cancelled Checks

PERSONNEL FILES (While active + 6 years)

Personnel Files including;

- I-9 records

- Applications & Resumes

- Performance Evaluations

- Personnel Action forms

- Cobra Notices

- Inventions and Proprietary Agreements etc.

EEO Records—(AAP, EEO-1 (While active + 3 Years)

Benefit Plans (While active + 6 Years)

Application of non-selected Candidates (2 Years)

ALL OTHER COMMUNICATIONS AND RECORDS NOT IDENTIFIED IN THIS LISTING SHOULD BE RETAINED AS A MINIMUM WHILE ACTIVE + 6 YEARS.

XII. PROFESSIONAL CONDUCT AND BUSINESS ETHICS FOR PROCUREMENTS

A. PURPOSE

The purpose of this policy is to provide written standards of conduct and business ethics guidance for AURA Center procurements.

B. GENERAL

The federal government has directed that action be taken to encourage prime contractors/awardees to ensure that their employees conduct professional and ethical relations with subcontractor personnel. It is the intent of AURA to use “best practices” wherever possible for AURA Centers to comply with the procedures prescribed herein to the maximum practicable extent.

C. APPLICABILITY

This policy is applicable to all AURA personnel and all procurement activities.

D. PROCEDURE

It is AURA's intent to insure that each AURA Center fully complies with government-recommended procurement safeguards. In this regard, buyers and other applicable personnel will adhere to the below policies with respect to professional conduct and business ethics.

1. AURA considers salespeople and suppliers as important components of the procurement process. Buyers will select vendors that are responsible and competent to serve AURA's needs. Procurements will be made with complete impartiality based on the merits of supplier proposals and related considerations.
2. Procurement is responsible for all functions related to the acquisition of supplies and services and for the administration of such orders. In performing these functions, buyers will adhere to the following objectives:
 - a. Make all purchases in the best interests of AURA and the government.
 - b. Obtain the quality of supplies/services needed for delivery at the time and place required.
 - c. Buy from responsible sources of supply.
 - d. Obtain the maximum value for all expenditures.
 - e. Develop a competitive procurement environment compatible with AURA Center requirements.
 - f. Avoid favoritism. Deal fairly and impartially with all suppliers.
 - g. Maintain dependable sources of supply.
 - h. Document each transaction as required by AURA policy and applicable government acquisition regulations.
 - i. Do not solicit personal favors. Refuse all gifts, entertainment, and anything of monetary value from suppliers. (Refer to AURA Policy Section A, Part VII Business Ethics. <http://www.aura-astronomy.org/about/sectionA.asp>)
 - j. Avoid any conflict of interest or even the appearance of a conflict of interest in all

AURA-supplier relationships.

k. Report any identical bids and suspected violations of antitrust statutes (non-competitive practices) to the appropriate authority for review and possible referral to the government.

l. During the conduct of all procurements, no procurement official shall knowingly:

i. solicit, discuss, or accept a promise of future employment or business opportunity with an officer, employee, representative, agent, or consultant of a competing contractor, as applicable;

ii. solicit, accept, or agree to receive, any money, gratuity, or anything of value from an officer, employee, representative, agent, or consultant of a competing contractor; or

iii. disclose any proprietary or source selection information regarding the procurement to anyone not authorized to receive such information.

3. Treat salespeople and suppliers courteously, fairly, and equally. In this regard, AURA Center buyers will adhere to the following:

a. Maintain relationships with suppliers in a professional, businesslike, and cordial manner.

b. All suppliers requesting the opportunity to quote or bid shall be given equal opportunity to do so.

c. Do not ask a supplier to make a second quotation unless each vendor solicited is given an opportunity to rebid.

d. You may divulge the successful vendor's name upon request. Prices, delivery, and other confidential data, however, will not be revealed to competing suppliers or to others outside of AURA who does not have a need to know.

e. Cooperate with suppliers insofar as possible and do not take advantage of obvious supplier errors or unnecessarily increase supplier expenses.

4. Procurement actions under federally funded contracts/awards will be conducted in a manner above reproach and with complete impartiality. Transactions involving government funds require the highest degree of trust and standards of conduct. In this regard, the buyers will do the following:

a. Avoid any conduct, action or circumstance, such as a receipt of a gratuity (a payment or gift to obtain favorable treatment or influence the award of a purchase), a kickback (a payment or gift to acknowledge receipt of an order), family and personal relationships, culturally recognized relationships (for example: compadres, hanai, significant others, domestic partners), outside business or financial interest, etc. that might conflict with the proper performance of their duties or compromise Aura's acquisition process.

b. Not solicit or accept, directly or indirectly, any favor, entertainment, loan, or anything of monetary value from anyone who is seeking to obtain business from AURA.

c. At all times conduct themselves in a manner that reflects favorably on AURA and maintains trust and confidence in the integrity of Aura's procurement process.

5. To assure compliance with the above policies, the following safeguards will be in effect:

a. Buyers' purchasing assignments will be periodically rotated, insofar as feasible.

b. An open-door policy will be established that permits all employees/suppliers access to AURA Center management regarding any concern deemed important. It may be used by employees and suppliers to bring any complaint of unfair treatment, requests for a gratuity or kickback, conflict of interest, or other unethical or improper behavior to AURA's attention or to

employees/suppliers. (Please refer to the AURA Policy Section A. VIII. Whistleblower policy) to report any suspicion of wrongdoing.

c. The policy will define violations of the prohibitions of this policy and the penalties for disclosing proprietary information. Anyone who is not certain if specific conduct is a violation of the intention of the act, has a “duty to inquire” prior to proceeding with such an action. (Refer to AURA Policy Section B)

6. A certification containing a disclosure of a conflict or a possible conflict will not necessarily result in the withholding of an award to such contractor/sub-awardee. The important question is: “Does the conflict/possible conflict compromise the integrity of the award?”

7. Recusal. A procurement official or AURA employee who wishes to discuss possible conflicts or future employment or a business opportunity with a vendor may be eligible for recusal (disqualification from participating in a particular procurement):

a. The procurement official/employee proposes in writing to disqualify himself from the conduct of any procurement related to the competing contractor/awardee.

b. The head of the procuring activity of such procurement official/agency employee approves the recusal in writing.

c. Competing contractors may engage in discussions with a procurement official/employee if the procurement official/agency employee has been recused.

8. Disclosure to unauthorized persons.

During the conduct of procurements, no person who has access to proprietary or source selection information regarding such procurement shall knowingly disclose such information to anyone not authorized to receive it.

Technical staff that develop SOW or technical requirements shall disclose to the procurement official any communication or interactions with possible vendors.

9. Communications with sub-contractors/sub-awardees by technical staff.

While there are many advantages to gathering information from vendors and sub-contractors/sub-awardees, inappropriate communications with vendors may give them an unfair advantage or the opportunity to protest an award. Even without providing an actual unfair advantage, excessive or improper communication with a single vendor can give the appearance of a conflict of interest.

If a vendor or a sub-contractor/sub-awardee prepares and furnishes specifications to be used in a competitive acquisition, that vendor or sub-contractor/sub-awardee shall not be allowed to supply or propose for the goods or services.

The following procedure allows technical staff to communicate freely with the vendor or sub-contractor/sub-awardee as long as they meet the following conditions:

a. Information discussed should be commercially available information. Staff may discuss vendor proprietary information if approved by the vendor.

b. The vendor or subcontractor/sub-awardee is informed that the discussion is for information only and in no way obligates the vendor or AURA.

c. The Subcontracts/Sub-award Administrator should be informed of any communications and information discussed.

Note: It is suggested that before technical staff contacts a vendor, they should evaluate with the Subcontracts/Sub-award Administrator how the necessary information can be

gathered. Company websites, catalogs, or previous project information are potential sources for gathering necessary information wherever possible.

When practical, the technical staff should contact a vendor with the Subcontractor/Sub-awardee Administrator present.

10. Procurement Integrity Ethics Training Program

If an alleged violation or conflict occurs, the procurement officer will notify the AURA Center designated compliance officer who will take appropriate action according to the "AURA-wide Conflict of Interest (COI) policy".

Each AURA Center shall establish a procurement ethics-training program for its employees involved in the procurement process. The program shall, at a minimum:

- a. Provide a written explanation of the provisions of the Policy to such employees.
- b. Require each such employee to certify that they are familiar with the provisions of the Policy, will not engage in any unethical conduct prohibited by the Policy, and will report immediately to the AURA Center Compliance Officer or designated personnel, any information concerning a violation or possible violation of the prohibitions.

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